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Lao People's Democratic Republic Southern Laos Food and Nutrition Security Market Linkages Programme

PROJECT PERFORMANCE EVALUATION





Lao People's Democratic Republic

**Southern Laos Food and Nutrition Security and Market Linkages
Programme**

Project performance evaluation

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Photos of activities supported by the Southern Laos Food and Nutrition Security and Market Linkages Programme

Front cover: beneficiary of project support to a coffee farmers group in Sanexay District. ©IFAD/Piya Wongpit.

Back cover, left: beneficiary of handicraft training provided by the project, Phouvong District; back cover, right: project District Officer travelling to reach a remote village in Samuay District. ©IFAD/Jeanette Cooke.

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Preface

This report presents the findings of the project performance evaluation of the Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML) in the Lao People's Democratic Republic, undertaken by the Independent Office of Evaluation of IFAD (IOE). The report highlights some important lessons which can inform ongoing and future programming.

FNML was designed to ensure sustainable food and nutrition security and incomes of households in 175 villages in the target districts in the south of the country. Although all target villages were reached, the remoteness of many villages with poor road conditions meant they generally received less support. In future, there needs to be a better balance between the breadth of activities, local implementation capacities and the number of poor and remote villages that can be reached effectively.

Households experienced some improvements in access to food, but hunger periods, malnutrition and diet diversity remain serious problems for the target families. The project's support to agricultural production groups contributed to increased production and crop incomes, but this did not translate into improved nutrition. There needs to be better awareness of local nutrition practices and more coordination among development partners to tackle the multiple complex causes of malnutrition.

Concerted efforts were made by FNML to mainstream climate change adaptation throughout the programme, with appreciation expressed by farmers for some of the enhanced techniques promoted by the project. However, many activities were started late, so it was too early to assess results. In general, FNML suffered implementation delays due to the late addition of the component on smallholder adaptation to climate change as well as project staffing gaps, and weak procurement and financial management. Going forward, IFAD and the Government need to commit to ensuring strong skills in these critical project management areas.

IFAD and the Government have a clear role to play in supporting the decentralization of rural and agricultural development in districts with relatively poor ethnic groups. Besides identifying relevant partners like the Lao Women's Union, a stronger commitment is needed to mainstream gender and to tackle the barriers to gender equality. Young men and young women with little or no access to arable land also need more of a voice in planning and implementation.

I hope the findings of this evaluation will be of use to help improve IFAD operations and activities in the Lao People's Democratic Republic for enhanced development effectiveness.



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The report includes contributions from the senior evaluation consultant, Sylvie Dideron. Substantial contributions were also provided by consultants Piya Wongpit and Maiyer Xiong, particularly during the field mission.

IOE is grateful to IFAD's Asia and the Pacific Division, to the Government of the Lao People's Democratic Republic and to country stakeholders and partners for their insightful contributions at various stages of the process, and particularly for their support to the evaluation team.

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Currency equivalent, weights and measures

Currency equivalent

Currency unit = Lao Kip (LAK)

USD 1.0 = LAK 11,220

Weights and measures

1 kilogram = 1,000 g

1,000 kg = 2.204 lbs

1 kilometre (km) = 0.62 miles

1 metre = 1.09 yards

1 square metre = 10.76 square feet

1 acre = 0.405 hectares

1 hectare = 2.47 acres

Abbreviations and acronyms

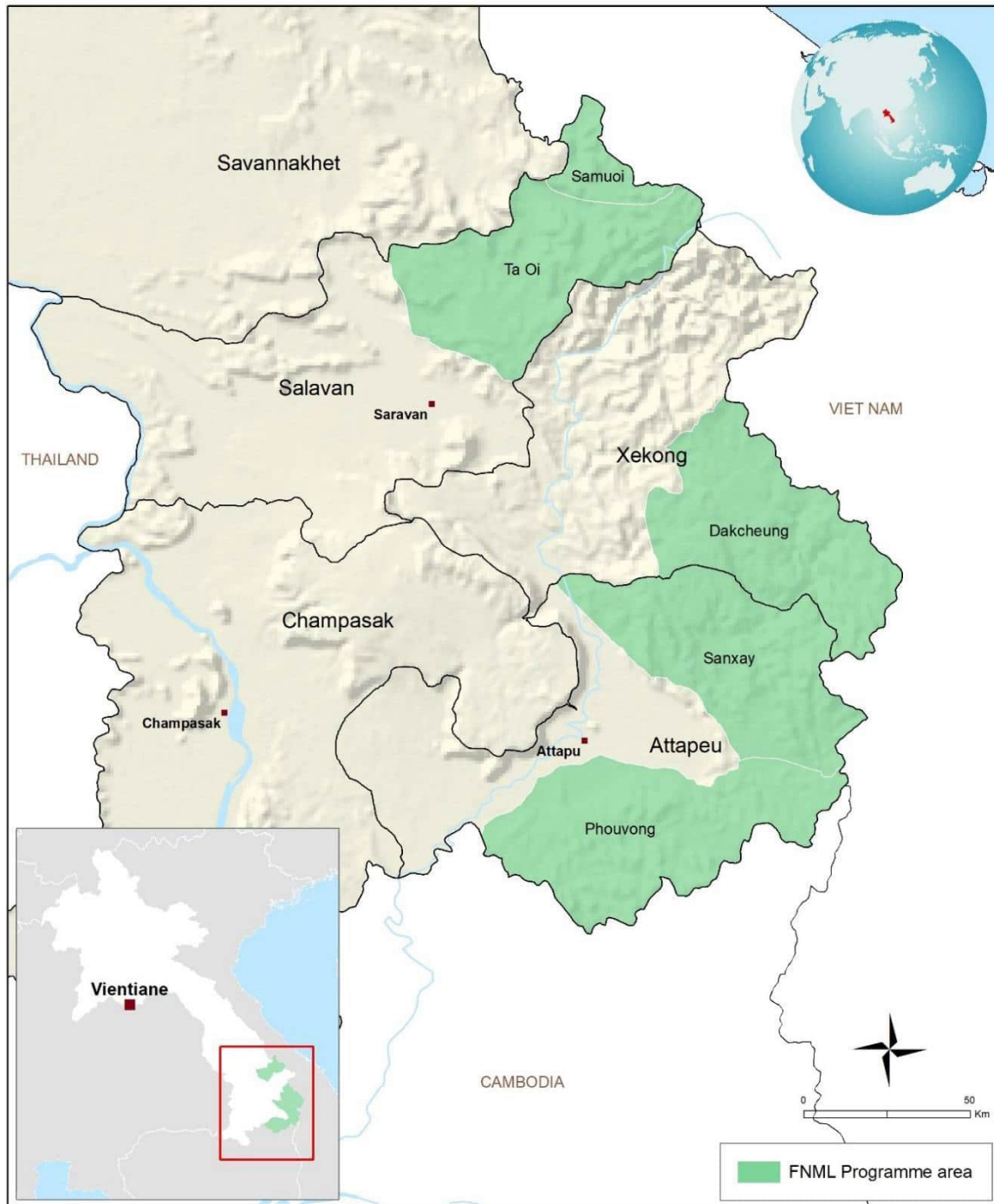
| | |
|--------|---|
| ADB | Asian Development Bank |
| ADS | Agricultural Development Strategy |
| AFN | Agriculture for Nutrition project |
| AFN II | Agriculture for Nutrition project – Phase 2 |
| APG | agricultural production group |
| APR | Asia and the Pacific Division of IFAD |
| ASAP | Adaptation for Smallholder Agriculture Programme |
| CBFM | community-based forest management |
| CCA | climate change adaptation |
| COSOP | country strategic opportunities programme |
| DAFO | district agriculture and forestry office |
| EIRR | economic internal rate of return |
| FNML | Southern Laos Food and Nutrition Security and Market Linkages Programme |
| GAFSP | Global Agriculture and Food Security Programme |
| GALS | Gender Action Learning System |
| GDP | gross domestic product |
| IOE | Independent Office of Evaluation of IFAD |
| LAIP | local adaptation investment plans |
| LWU | Lao Women’s Union |
| MAF | Ministry of Agriculture and Forestry |
| M&E | monitoring and evaluation |
| MTR | midterm review |
| NAFRI | National Agriculture and Forestry Research Center |
| NSEDP | National Socio-Economic Development Plan |
| NSO | network support organization |
| PCR | project completion report |
| PPCP | public-private-community partnership |
| PPE | project performance evaluation |
| SACC | smallholder adaptation to climate change |
| VB | village bank |
| VDP | village development plan |
| VFG | village fund group |
| WOCAT | World Overview of Conservation Approaches and Technologies |

Map of the project area

Lao People's Democratic Republic

Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML)

Project performance evaluation



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 11-01-2022

Executive summary

Background

1. **Project background.** The Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML) aimed to contribute to the reduction of extreme poverty and hunger in five districts in the provinces of Attapeu, Xekong and Salavan. The development objective was to ensure sustainable food and nutrition security and income of households in the project area. This was to be achieved through components on food and nutrition security (agricultural production) and pro-poor market access, inclusive rural financial services, institutional support, and smallholder adaptation to climate change. The target group was the entire population of the 175 target villages. Approved in September 2013, FNML entered into force that same month and was completed in 2020, following a one-year extension.
2. The total programme cost was US\$18.86 million, funded by an IFAD Debt Sustainability Fund (DSF) grant, an Adaptation for Smallholder Agriculture Programme (ASAP) grant, the Government of the Lao People's Democratic Republic (Lao PDR) and beneficiaries. The Ministry of Agriculture and Forestry had overall responsibility for programme implementation, which was delegated to district administrations and to a programme regional coordination office, based in Attapeu.
3. **Evaluation scope and approach.** The project performance evaluation (PPE) was conducted in line with the 2021 IFAD Evaluation Policy and the 2022 IFAD Evaluation Manual. It was based on a review of project-related documents, remote interviews and a mission including in-person interviews, focus group discussions and group meetings in Lao PDR. The data collection phase concluded with a wrap-up meeting with IFAD and the Government.

Main findings

4. **Targeting.** FNML reached 173 villages in five poor districts over seven years with a range of rural and agricultural development activities. Beneficiary households mainly comprised the poor and middle poor from the Mon-Khmer ethnic group. The extent of outreach to remote villages and the participation of poor people varied by type of activity. The remoteness of many target villages with perilous road conditions made it difficult for district and *kumban* (village cluster) facilitators to access these areas for several months of the year. Home gardening activities reached most villages and all types of households. The quality of participation in agricultural production groups (APGs) of poorer households, including poor women, with limited access to arable land, labour and literacy, varied by commodity and was sometimes limited. Evidence of the extent to which FNML was able to respond to the target group's priority needs through the participatory village development planning process was variable.
5. **Efficiency.** The project's start-up was initially quick, but then suffered from numerous implementation delays and from the slow disbursement of the ASAP grant that was added two years after design. Although all funds were disbursed by project completion, implementation of many activities in the last few years was rushed and the quality and expected synergies between activities suffered.
6. **Agricultural production.** The creation of APGs, combined with the provision of training, matching funds and adaptation to climate change practices was innovative in Lao PDR. The provision of inputs was well-adapted to the needs of APGs owing to their close involvement in the process. Increases in farming area cultivated, volumes produced and yields showed evidence of increased productive capacity. Impact data also showed increases in household crop incomes in poor and non-poor households, although this did not translate into improved nutrition. The APGs will receive further support from the forthcoming IFAD-supported Agriculture for Nutrition project - Phase 2 (AFN II).

7. **Market access.** FNML improved farmers' access to markets through the setting up of agroshops along main roads, providing an additional market for nearby villages to sell produce. Beneficiaries perceived these outlets as useful for increasing sales. The proportion of households accessing storage facilities also increased over the project period from 6 per cent to 17 per cent. FNML enabled some farmers in APGs to enter into seven formal contract farming agreements with private enterprises, although the benefits to farmers were not very evident. FNML gave one grant to a private enterprise to work with APGs to rear chickens, but the contract did not produce the expected results for the farmers and soon ended.
8. **Inclusive rural financial services.** During the first years of the project, village fund groups contributed to increasing household savings and to providing access to small loans for emergency purposes – both critical resources to buffer shocks and lean periods, especially for poor households. However, village fund groups stopped working in more remote villages, where training had been insufficient, and it was hard to generate funds. In the last few years of the project, support to village banks had increased household savings and access to credit for production and commerce in villages closer to district centres and for the relatively “better-off” households. The need for villagers to provide some collateral for loans that were not for emergency purposes restricted access by poor households. The village banks are expected to continue receiving support from savings and credit unions as part of their regular operations and there is a realistic potential to expand services to other villages in Attapeu and Salavan.
9. **Environment and natural resources management and climate change adaptation.** Late support for natural resources management and climate change adaptation objectives meant it was too early to observe tangible results and assess their impact by the completion date. Technical project partners proposed sustainable land management models and climate-smart agricultural practices, some of which were integrated into APG subprojects, financed through matching funds. Farmers highlighted their satisfaction with these practices, such as the use of biofertilizers and integrated pest control. Learning climate change adaptation activities within the country and region and integrating such practices into project interventions was innovative. Community-based forestry management activities provided seedlings for cultivation in the forest production zone. They were highly valued by farmers because they added a clear production value to the forest and enhanced forest cover. The indirect consequences of project interventions on the environment were not sufficiently considered, such as the additional pressure on natural resources from the high market demand for cash crops like coffee and cassava.
10. Both IFAD and the Government showed tangible commitment to achieving the project's objectives and addressing issues. But their effectiveness was undermined by, respectively, a sharp reduction in country presence and weak procurement and financial management.

Conclusions

11. **FNML provided continued support to agricultural development and institutional strengthening in poor rural areas in the south,** benefiting the relatively poor Mon-Khmer ethnic group. As one of the first decentralized programmes under the district agriculture and forestry office (DAFO) in target districts, teams experienced a steep learning curve and benefited from on-the-job and technical training, increasing their skills and experience for future projects.
12. **The design of FNML was ambitious, given the relative complexity of interventions, the capacity of implementers and the outreach needed in remote rural areas.** It proved difficult for the DAFO, district line agencies and other partners to implement such a broad range of activities in a timely and coordinated manner. The limited capacity of district implementers took time to build and remained a challenge. In many cases, the capacity of implementing partners was

also substandard, causing delays and reducing the quality of service provision to target groups. Delays were also caused by a significant lack of capacity in procurement and financial management. Expected external investments in roads did not materialize, so remote villages already disadvantaged by poor access roads received relatively less project support.

13. **The village development planning process could not always respond to the needs of different target groups.** Overstretched district implementing teams led to simplified village development planning processes. Evidence shows the different livelihood strategies and needs of people across villages in different rural contexts were not fully recognized or accounted for. The planning processes in some villages also meant that some voices were less heard or never heard, such as those of young men and women with limited or no access to land, as well as poor women (and men) who do not speak Lao.
14. **A high proportion of households reached were poor, but the benefits have been relatively higher for people in villages close to district centres and men and women with more arable land, labour and literacy skills.** The combination of creating APGs with training, matching funds and climate change adaptation practices improved agricultural production and increased crop income for poor and non-poor households. However, the field visits showed that APG members benefited from the project in proportion to their rates of literacy and means of production. Village fund groups and village banks also contributed to improving access to rural financial services for those located near district centres and with more cash income and collateral. Village fund groups, when implemented properly, have an important role to play in the provision of emergency loans for poor households to buffer them against shocks. The self-scaling up of interventions in villages with high levels of social capital also affords projects an opportunity to reach and benefit the poorest.
15. **AFN II will consolidate the organizations supported by FNML, but there are some residual sustainability concerns.** High market demand for cash crops can put additional pressure on natural resources. Field visits identified the risk of smallholders making short-term profit-orientated decisions that might be at the cost of forest area or more resilient farming systems.
16. **Despite some improvements in access to food, periods of hunger, malnutrition and lack of dietary diversity remain serious problems in target households.** Household knowledge of nutritional home gardening improved, but it is unlikely that FNML contributed to improving household diet diversity. Cooking and eating habits had not changed, and increased crop incomes had not resulted in improved household nutrition. Besides implementing nutrition-related activities through different partners, there was no clear coordination with other nutrition programmes in the target area, which would have been crucial to address the multiple and complex causes of malnutrition.
17. **FNML contributed to ongoing efforts to improve gender equality and women's empowerment in rural villages, mainly through partnering with the Lao Women's Union.** Efforts to address the root causes of gender inequality and other major barriers to economic development and improved nutrition, such as entrenched gender norms, low literacy and heavy domestic workloads were, however, limited.
18. **IFAD and the Government have both performed relatively well in implementing a complex and changing project, but there were some gaps in support.** The reduction in IFAD's in-country presence and frequent changes in portfolio management meant less visibility and reduced contribution to strategic discussions. Government commitment to achieve the project's objectives was strong, although various project management issues in staffing and competence led to implementation delays. The visibility of the project among donors was limited.

Recommendations

19. The following recommendations are targeted at both the design of future IFAD-supported projects and the implementation of the recently approved project, AFN II.
20. **Recommendation 1: Project design needs to balance the breadth of activities, implementation capacities and depth of outreach.** This is important to ensure a sufficient critical mass of complementary activities and regular good-quality support in target villages. The critical district staff and *kumban* facilitators delivering the decentralized programmes need to be primary participants in the design and supervision of activities. The identification and selection of competent implementing partners external to government also requires more careful consideration.
21. **Recommendation 2: IFAD and the Government should ensure a strong diagnostic study of local conditions and different poor and vulnerable people's needs and priorities during design and early implementation to apply tailored solutions to different locations and groups.** A diagnostic of village attributes (roads, markets, extension, social capital, water and sanitation, disaster risk) and the local farming systems (who is doing what, how and with which practices and equipment) would allow the identification of different types of villages and farms, and of crops and animal husbandry systems with their opportunities and constraints. On this basis, appropriate measures could be developed to fit the needs. The good practice of differentiating between poor and non-poor households should be continued throughout implementation and reporting of results.
22. **Recommendation 3: Improved food security and nutrition should remain explicit objectives of IFAD-supported projects in rural areas, with concerted efforts made to improve impact.** Stronger coordination is required with other development partners through local nutrition coordination groups. Assessments of local nutrition-related "knowledge, attitudes and practices", or equivalent Lao methods, should be used to better understand nutrition in different rural contexts and tailor activities accordingly. Behaviour change communication tools are required to bring about improved nutrition practices, including among those who do not speak Lao. Projects need to monitor the link between increasing household incomes and household nutrition practices and diet diversity, as well as any trade-offs between market-orientated development and nutrition security. Nutrition outcomes should also be strengthened through deeper commitment to mainstreaming gender, which needs to include systematic support to develop functional literacy. By building on the Lao Women's Union's existing capacity and skills to promote gender equity in households, projects should pilot the Gender Action Learning System or a similar approach to address the root causes of gender inequality.
23. **Recommendation 4: IFAD and the Government need to provide stable support to projects to resolve project management bottlenecks, to share important lessons and scale up successful interventions in the country.** IFAD needs some form of stable presence in Lao PDR, supported by the same country director over several years, to maintain consistent and timely support to projects and to improve partner relations and visibility in national-level policy dialogue. From project start-up, both IFAD and the Government should commit to ensuring strong procurement and financial management skills in project management. They should also ensure intended and unintended impacts on natural resources are carefully monitored. Building on the firm commitment to knowledge management in FNML, more effort is needed to share key lessons and successful interventions with other development partners in strategic discussions and policy forums.

IFAD Management's response¹

1. Management acknowledges the overall evaluation findings of the Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML) project performance evaluation (PPE) conducted by the Independent Office of Evaluation of IFAD (IOE).
2. Management appreciates the responses to the previous round of Management comments on the draft PPE and the adjustments made for the final version, especially in acknowledging the points raised for consideration on the underlying assumptions made for the economic and financial analysis, the context pertaining to project partners' performance and the candour of the project completion report assessment.
3. Management appreciates the thorough assessment of the FNML's interventions and its contribution to the reduction of extreme poverty and hunger in five districts in the provinces of Attapeu, Xekong and Salavan. The PPE identified challenges that negatively affected the programme from achieving its full potential, such as the challenges of outreach to remote rural villages with poor road conditions, the high staff turnover that affected the seamless implementation of the programme, and the limited coordination with other programmes addressing malnutrition, which are noted.
4. Management appreciates the PPE recommendations, to which detailed comments are presented below:
 - **Recommendation 1: Project design needs to balance the breadth of activities, implementation capacities and depth of outreach.** This is important to ensure a sufficient critical mass of complementary activities and regular good quality support in target villages. Critical district staff and *kumban* facilitators in the delivery of decentralized programmes need to be primary participants in the design and supervision of activities. The identification and selection of competent implementing partners external to government also requires more careful consideration.
 - **Agreed.** Management recognizes the importance of carefully identifying local implementing partners, ensuring their active engagement during project design and implementation, and building their capacity to effectively deliver quality services to target beneficiaries. For example, the design of the Lao PDR Agriculture for Nutrition project – Phase 2 (AFN II) includes support to participating community-based service providers such as village cluster staff, lead farmers, village agriculture technicians and village veterinary workers in delivering last mile services. In addition, Management will ensure that a capacity assessment of the implementing partners identified will be undertaken at design stage and early implementation, so that appropriate technical assistance and capacity-building support for local implementers are fully integrated in project interventions for better effectiveness at project start-up and throughout the implementation period, as well as to ensure sustainability of impact.
 - **Recommendation 2: IFAD and the Government should ensure a strong diagnostic study of local conditions, the needs of different poor and vulnerable people and their priorities during design and early implementation to apply tailored solutions to different locations and groups.** A diagnostic of village attributes (roads, markets, extension, social capital, water and sanitation, disaster risk) and the local farming systems (who is doing what, how and with which practices and equipment) would allow the identification of different types of villages and farms, of crops and animal

¹ The Programme Management Department sent the final Management's response to the Independent Office of Evaluation of IFAD on 22 May 2023.

husbandry systems with their opportunities and constraints. On this basis, appropriate measures could be developed to fit the needs. The good practice of differentiating between poor and non-poor households should be continued throughout implementation and reporting of results.

- **Agreed.** Management recognizes the need to accurately assessing local conditions and understanding the actual needs and priorities of poor and vulnerable people. This is also aligned with the deployment of IFAD’s updated Social, Environmental and Climate Assessment Procedures (SECAP). As such, deliberate efforts are made at design and early implementation²¹ of projects and programmes to ensure that project interventions are context-specific and demand-driven and that appropriate safeguards, risk mitigation measures and targeting strategy are in place.
- **Recommendation 3: Improved food security and nutrition should remain the explicit objectives of IFAD-supported projects in rural areas, with concerted efforts made to improve impact.** Stronger coordination is required with other development partners through local nutrition coordination groups. Assessments of local nutrition-related “Knowledge attitudes and practices”, or equivalent Lao methods, should be used to better understand nutrition in different rural contexts and tailor activities accordingly. Behaviour change communication tools are required to bring about improved nutrition practices including among those who do not speak Lao. Projects need to monitor the link between increasing household incomes and household nutrition practices and diet diversity, as well as any trade-offs between market orientated development and nutrition security. Nutrition outcomes should also be strengthened through a stronger commitment towards mainstreaming gender, which needs to include systematic support to develop functional literacy. By building on Lao Women’s Union’s existing capacity and skills to promote gender equity in households, projects should pilot the Gender Action Learning System (GALS) or a similar approach to address the root causes of gender inequality.
- **Agreed.** Management recognizes the important role and contribution of IFAD-supported investments towards the nutrition agenda in the Lao People’s Democratic Republic and agrees that stronger coordination between development partners is critical. For example, in the upcoming AFN II, harmonization of approaches and synergies between nutrition-related projects will be encouraged through a district nutrition planning process, and the promotion of two gender-transformative approaches (GALS and farmer nutrition schools) to address the structural barriers to women’s and girls’ inclusion and empowerment will be explicitly included. In addition, local nutrition-related Knowledge Attitudes and Practices generated by AFN will be documented and disseminated through ongoing initiatives financed by the Global Agriculture and Food Security Programme (GAFSP) which include developing a local recipe book, educational board game and a collection of nutritional best practices.
- **Recommendation 4: IFAD and the Government need to provide stable support to projects to resolve project management bottlenecks and to share important lessons and scale up successful interventions in the country.** IFAD needs some form of a presence in Lao PDR, supported by the same country director for several years, to maintain consistent and timely

² Experience teaches that when the project’s implementation starts one year or more after the design process, the local conditions and different poor/vulnerable people’s needs and priorities might have changed. Assessments made at design stage are hence reconfirmed at start-up as well as during the project life as per SECAP guidelines and through continued supervision and implementation support provided to the project by IFAD.

support to projects and to improve partner relations and visibility in national-level policy dialogue. From project start-up, both IFAD and the Government need to commit to ensuring strong procurement and financial management skills in project management. Attention should also be paid to monitoring intended and unintended impacts on natural resources. Building on the strong commitment to knowledge management in FNML, more effort is needed to share key lessons and successful interventions with other development partners in strategic discussions and policy forums.

- **Agreed.** In line with IFAD Decentralization 2, the Lao PDR portfolio is managed by the Head of the Mekong Multi-Country Office based in Hanoi, Viet Nam, who is acting country director for both Viet Nam and Lao PDR portfolios with a mandate of four years to maintain consistent, timely support to projects and to improve partner relations and visibility in national-level policy dialogue. In addition, to strengthen the commitment to Lao PDR further, the Mekong Multi-Country Office's IFAD programme officer (P3) based in Hanoi and the IFAD consultant (the former country programme officer) based in Vientiane, are copiously dedicated to the Lao PDR portfolio. The consultant is paid partially through the supplementary funds administration budget for his work related to projects funded by supplementary funds, and partially by IFAD funds for his work on IFAD-funded projects and activities. Management recognizes the importance of committing from project start-up to ensuring strong procurement and financial management skills in project management and is ensuring proper support from a procurement and financial specialist from start-up. Management is also providing training to project staff in these and other areas, such as SECAP, monitoring and evaluation (M&E) and knowledge management, to strengthen the monitoring of intended and unintended impacts on natural resources and to share critical lessons and successful interventions more effectively with other development partners in strategic discussions and policy forums.

Lao People's Democratic Republic

Southern Laos Food and Nutrition Security and Market Linkages Programme

Project performance evaluation

1. The Independent Office of Evaluation of IFAD (IOE) undertook a project performance evaluation (PPE) of the IFAD-supported Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML) in 2022, as approved at the 134th session of the Executive Board of IFAD. The PPE represents the sixth project evaluation in the Lao People's Democratic Republic (Lao PDR) by IOE. The PPE was conducted in line with the 2021 IFAD Evaluation Policy.¹
2. This report comprises a summary of the country context and the FNML project and explains the PPE methodology, process and limitations. It presents the main findings by evaluation criteria and assesses the performance of the main partners, IFAD and the Government. There is also a brief review of the project completion report (PCR) prepared by these partners. Finally, the report concludes and provides recommendations for the design and implementation of ongoing and future operations in the country.

I. Country context and project background

A. Country context

3. Lao PDR is a mountainous, land-locked and sparsely populated country surrounded by relatively large and economically competitive neighbours (China, Viet Nam, Thailand and Cambodia). Around 7.45 million people (2020) from 49 ethnic groups live in the country. The Lao-Tai ethnic group mostly inhabit the river plains. Most of the other ethnic groups (Mon-Khmer, Chinese-Tibetan and Hmong-Mien) inhabit the remote, mountainous and forested areas and practise more traditional ways of life with distinct sociocultural differences. Abundant natural resources and biodiversity are the main assets of the country, contributing over 66 per cent of gross domestic product (GDP).² The country's economic model is based on their use.
4. In the early 2000s, Lao PDR was one of the fastest growing economies in East Asia and the Pacific. Its GDP grew by an average of 7.3 per cent per year,³ while access to electricity, schools, and the transport network improved, and the country became an important energy exporter. In 2011, Lao PDR became a lower-middle-income country.⁴ Economic growth was predominantly driven by large-scale investments in capital-intensive sectors, particularly in mining and hydropower. However, the World Bank reports that these investments did not create sufficient jobs and some are considered to have caused environmental damage.⁵ Investment in the power sector was mostly financed by external public debt (70.9 per cent of GDP in 2020), with this high level becoming a concern for economic stability.
5. During the last five years, GDP growth has slowed due to long-term structural vulnerabilities and external shocks, including natural disasters and the COVID-19 pandemic. Lao PDR is one of the world's most vulnerable countries to adverse climate change impact, ranking 137 out of 181 countries according to the University of Notre Dame Global Adaptation Index.⁶ Since 2020, the pandemic and the ensuing global economic downturn have strongly affected the economy. The service sector

¹ IFAD Evaluation Policy <https://ioe.ifad.org/en/evaluation-policy>. Approval by the IFAD Executive Board in December 2021 of IOE's 2022 work programme <https://webapps.ifad.org/members/eb/134/docs/EB-2021-134-R-3-Rev-1.pdf>.

² FAO in Laos <https://www.fao.org/laos/fao-in-laos/laos-at-a-glance/en/>.

³ AFD and Laos <https://www.afd.fr/en/page-region-pays/laos>.

⁴ Based on gross national income per capita, Atlas method.

⁵ World Bank, <https://www.worldbank.org/en/country/laos/overview#1>, updated 11 October 2021.

⁶ University of Notre Dame. 2021. "Global Adaptation Index".

contracted and tourism stopped. The unemployment rate rose from 16 per cent in 2018 to 23 per cent in 2020 and inflation grew from 2 per cent in 2018 to 5.1 per cent in 2020.

6. In 2021, agriculture contributed 17.2 per cent of the gross value added, while providing 61.7 per cent of employment.⁷ Two-thirds of the Lao population live in rural areas, 80 per cent of whom are farmers depending on agriculture for their livelihoods. Traditional agrosilvopastoral systems are predominant, with rice as the staple food, extensive animal husbandry and collection of nutrient-rich foods from the forest. Agricultural practices are diverse, responding to the wide range of geographical conditions and the different ethnic groups living in Lao PDR. Important economic crops include coffee, sugarcane, cassava, sweet potato and industrial tree crops. The main factors limiting agricultural production and farmer incomes are secure access to land, farm inputs, technologies and services, including lack of access to markets and rural finance.
7. In recent years, agriculture and livestock production have become increasingly commercialized, driven by national policy and a regional demand that is projected to grow in the midterm. Agricultural land concessions to investors, estimated at 5 per cent of the country's territory to date, is a growing phenomenon.
8. Development efforts and economic growth reduced national poverty levels by more than half, from 46 per cent in 1993 to 18 per cent in 2019, contributing to decreased malnutrition and improved education and health outcomes. However, the country is still classified as a least developed country, with high rates of malnutrition among children under five (33 per cent stunting rate) and of maternal mortality (185 per 100,000 births in 2017).
9. Food and nutrition insecurity remain pressing problems among poor households in rural areas who are dependent on agricultural yields.⁸ The prevalence of maternal, infant, child and adolescent malnutrition remains persistently high.

B. Policies on rural development and agricultural growth

10. Lao PDR is a one-party centralized state. Policies are determined at central level and executed by the provincial governments.⁹ Three main policy documents guide rural development and agricultural growth in Lao PDR: the five-year National Socio-Economic Development Plans (NSEDPs), the National Growth and Poverty Eradication Strategy (NGPES)¹⁰ and the Agricultural Development Strategy (ADS) 2011 – 2020, which outlines rural development goals under the responsibility of the Ministry of Agriculture and Forestry (MAF).
11. In NSEDP 2011-2015 and NSEDP 2016-2020, agriculture was expected to play a key role in poverty reduction through agricultural modernization and commercialization, enhanced food security, improved productivity and quality, optimal use of natural resources and improved livelihoods for farmers. With increasing pressure on natural resources, the NSEDP, since 2016, has put more emphasis on the non-resource sector (e.g. services), the enforcement of environmental and social safeguards and improved access to education, health and social protection systems.¹¹ In parallel, the NGPES builds on three pillars: fostering economic growth with equity, sociocultural development and environmental preservation. The ADS 2011-2020 adopted an area-

⁷ Services and other activities contributed to 48 per cent of the gross value added, industry to 34.8 per cent and agriculture 17.2 per cent, while their contribution to employment was 26.2 per cent, 12.1 per cent and 61.7 per cent, respectively. UN Department of Economic and Social Affairs UNDATA, Lao PDR, Economic indicators, 2021.

⁸ From 2011 to 2017, chronic child malnutrition (stunting) decreased from 44 per cent to 33 per cent, but remained as high as 50 per cent in remote provinces like Xekong (part of the FNML target area), while national rates for acute malnutrition (wasting) increased from 6 per cent to 9 per cent, with rates as high as 12.5 per cent in Salavan (part of the FNML target area). Lao National Information Platform for Nutrition.

⁹ Lao PDR comprises 16 provinces and one prefecture including the capital, Vientiane.

¹⁰ Document date 2004, according to World Bank website.

¹¹ The World Bank, LDP systematic country diagnostic, 2017.

focused approach to tackle two high priorities: more sustainable land use and more viable land allocation systems.¹² Box 1 in annex VIII outlines three policies that have implications for agricultural development in the project area.

C. Project background

12. **FNML in the context of the country programme and strategy.** FNML was designed in 2013 under the 2011 country strategic opportunities programme (COSOP).¹³ The COSOP aimed to ensure that “an ethnically diverse group of poor households” in rural areas had increased opportunities for sustainable food security and economic livelihoods. The current COSOP (2018–2024) aims to contribute to rural transformation by enhancing smallholders' resilience to natural shocks (through increased agricultural technologies and decentralized services) and improving food security, nutrition and access to financial services and markets. There is an explicit intention to learn from FNML in terms of nutrition, financial services and markets.
13. **Time period.** FNML was approved by the IFAD Executive Board in September 2013 and declared effective less than a week later. It was designed as a six-year project, but the completion date was extended for one year to September 2020, and the project closed six months later.
14. **Goal and objectives.** The overall goal of FNML was to contribute to the reduction of extreme poverty and hunger in five districts in three provinces in the south. The development objective was to ensure sustainable food and nutrition security and improved income of households in the project area. Project design and completion reports of FNML refer to a dual approach and objectives that aimed to tap the agroecological potential of rural areas to target markets that can enable farmers to earn a sustainable income, while at the same time improving food and nutrition security.
15. **Target area.** FNML targeted 175 villages in five districts in three southern provinces: Phouvong and Xansay (in Attapeu), Dakcheung (in Xekong), and Ta'Oy and Samuay (in Salavan). With the exception of Phouvong, they are all upland districts.
16. **Target group.** The main target group was the population of the 175 target villages. In each village, programme benefits would be made accessible to the whole population by supporting the different categories of households (poor, middle poor and better-off households).¹⁴ Women were a specific target group (particularly women-headed households) to ensure that they had equal and/or priority access to programme services and benefits. Young men were another target group because of their potential to increase household income levels. The project also aimed to reach different ethnic groups. A secondary target group comprised the private buyers of the target products, who would receive incentives to enter into business partnership agreements with smallholders.
17. **Components.** The original design of FNML had three components, but with the addition of the Adaptation for Smallholder Agriculture Programme (ASAP) grant in February 2016 on smallholder adaptation to climate change, the number increased to four:¹⁵
 - a. **Component 1: Food and nutrition security and pro-poor market access** had two objectives. The first was to intensify and diversify farming systems in villages to improve household production in terms of the quantity and quality of

¹² IFAD, COSOP 2011-2015.

¹³ The final year of the 2011 COSOP was extended from 2015 to 2017.

¹⁴ In 2013, a poor household had an average income per person per month of less than LAK 180,000 (roughly US\$22.50) (Prime Minister's decree 201, 2013). From 2018, a household was poor depending on multi-dimensional factors (housing, assets, labour, income, employment, education, access to health services and water and energy sources) (Decree 348, 2017). Each village committee keeps a record of the number of households that are poor, middle poor and better-off. This was confirmed during field visits.

¹⁵ The midterm review at the end of 2016 suggested dividing the SACC component into two, bringing the total number of components to five. Subsequent rearrangement of subcomponents and activities were made during implementation, reducing the project once more to four components.

food and cash crops, to ultimately increase household income and nutrition. FNML was designed to support improved techniques and practices to maximize agricultural output, without negative environmental impact. Support was channelled through agricultural production groups (APGs) differentiated by their capacity as learning, market and more advanced groups. This was supported by interventions to improve access to small-scale drinking water and irrigation schemes. FNML also aimed to improve nutrition through its support for home gardens, school gardens, and nutrition classes.

The second objective was to improve farmers' access to markets for selected products, by developing inclusive business partnerships between farmers and private businesses. Support for the implementation of these partnerships included capacity-building, market promotion, small productive infrastructure, value-adding equipment and value chain linkages.

- b. **Component 2: Inclusive rural finance support** to assist farmers, traders and value-added processors along the value chain with access to necessary financing to transform business proposals into practical operations. Subcomponent 2.1 aimed to give matching grants to stimulate productive investments by APGs. After the Climate Change On-farm Adaptation Innovation Fund was added in 2016 (ASAP grant), the matching grant instrument was expanded to assist farmer groups in villages vulnerable to climate change to invest in adaptive technologies and practices. Subcomponent 2.2 was designed to develop the group lending instrument through village fund groups (VFGs) and build up partner banks' capacity to provide business loans to value chain actors (traders and processors), without providing capital for loans.
 - c. **Component 3: Institutional support** to ensure that the business models and innovative approaches promoted under components 1 and 2 were efficiently developed in a timely way to bring mutual and fair benefits to smallholders and to participating agribusinesses and buyers. This component included establishing the village development planning mechanism, supplemented from 2016 with local adaptation investment plans (ASAP grant), to identify and prioritize investments and the technical service provision channelled to villages and farmers' groups. It also involved setting up local multi-stakeholder platforms, financing value chain studies, capacity development and providing institutional support to district staff, as well as technical assistance.
 - d. **Component 4: Smallholder adaptation to climate change (SACC)**¹⁶ established climate-informed and gender-sensitive natural resource management systems and structures. After some activities were integrated into the other components, this component aimed to: strengthen the enabling environment for climate change adaptation through capacity-building of government partners; strengthen MAF and National Agriculture and Forestry Research Center (NAFRI) geographic information system (GIS)-based capacity to support climate vulnerability assessment and planning; build the capacity of NAFRI's Agriculture and Forest Policy Research Center to collate, analyse, package into knowledge products and disseminate climate change adaptation (CCA) knowledge in the country; and assist interested villages to plan and implement community-based forest management (CBFM) by providing block grant cofinancing support.
18. **Financing.** The total programme cost at design was estimated at US\$12.3 million, of which IFAD would finance US\$9.72 million through a Debt Sustainability Grant. With the addition of US\$5 million from the ASAP grant in 2015 and additional contributions from the Government and beneficiaries, the total programme cost came to US\$18.86 million. See tables 1 and 2 for the breakdown of financing in

¹⁶ Funded by the ASAP grant.

US dollars at design and completion, by type of financier and component, respectively, extracted from the 2021 PCR.¹⁷

Table 1

Project financing by financier (thousands of United States dollars)

| Funding source | Design | % of design costs | Actual | % of actual costs | % disbursed | Funding source |
|--------------------------------|-----------------|-------------------|-----------------|-------------------|-------------|--------------------------------|
| IFAD Grant No: G-I-DSF 8117-LA | 9 722.0 | 52 | 9 182.7 | 51 | 94 | IFAD Grant No: G-I-DSF 8117-LA |
| ASAP Grant No: 2000001141 | 5 030.0 | 27 | 4 760.4 | 26 | 95 | ASAP Grant No: 2000001141 |
| Government | 1 489.9 | 8 | 1 562.6 | 9 | 105 | Government |
| Beneficiaries | 1 136.1 | 6 | 2 578.2 | 14 | | Beneficiaries |
| Banks | 120.0 | 1 | 0 | 0 | 0 | Banks |
| Private sector | 1 360.0 | 7 | 32.6 | 0 | | Private sector |
| Total | 18 858.0 | 100 | 18 116.7 | 100 | 96 | Total |

Source: PCR appendix 3.

Table 2

Project financing by component (thousands of United States dollars)

| Component | Design | % of design costs | Actual | % of actual costs | % disbursed |
|--|-----------------|-------------------|-----------------|-------------------|-------------|
| Food and nutrition security and pro-poor market access | 5 797.6 | 31 | 4 041.0 | 22 | 70 |
| Inclusive rural finance support | 1 855.0 | 10 | 1 937.5 | 11 | 104 |
| Institutional support | 4 646.4 | 25 | 5 819.2 | 32 | 125 |
| SACC | 6 559.0 | 35 | 6 318.8 | 35 | 96 |
| Total | 18 858.0 | 100 | 18 116.7 | 100 | 96 |

Note that total project management costs for the whole of FNML were not provided.

Source: PCR appendix 3.

19. **Implementation arrangements.** The Ministry of Agriculture and Forestry (MAF) was the implementing agency with overall responsibility for programme implementation through its Department of Planning and International Cooperation. It delegated implementation to district administrations and to a programme regional coordination office (PRCO), based in Attapeu.
20. Project funds were channelled directly to the district level, and a small management team was appointed in each district. District agencies mainly included staff from the District Agriculture and Forestry Office (DAFO), the Department of Planning and Investment, the District Office of Industry and Commerce, Lao Women's Union (LWU), the Department of Health, and the District Department of Public Works and Transport. At provincial level, the corresponding administrative agencies played a backstopping, supervisory and advisory role. The *kumban* facilitators (village cluster facilitators) supported the coordination between districts and villages and provided technical support to target groups. In addition, NAFRI and the World Overview of Conservation Approaches and Technologies (WOCAT) were assigned to support

¹⁷ One hundred per cent of the grants were disbursed in terms of special drawing rights, but US\$600,000 was lost to exchange losses. The PCR states this "was mainly attributable to a large exchange loss (...) from SDR devaluation against USD from 2013 to 2020."

district project teams in the development of the CCA-resilient technologies and models and local adaptation investment plans (LAIP).

21. **Significant changes during implementation.** In 2015/2016, the ASAP grant financing added the SACC component. The project changed some implementing partners during implementation due to their underperformance.¹⁸ From 2017, the public-private-community partnership (PPCP) grant was added to support small-to-medium-sized agribusinesses that engaged with smallholder farmers through contract farming. At first, the key role attributed to farmers' groups in the design was not grasped by the project, which was delivering services to individuals rather than groups. After the midterm review (MTR), the concept of agricultural production groups (APGs) was strengthened and became the main instrument for project implementation. Lastly, the project was extended by one year from 2019 to 2020, to enable the project to implement activities that had been delayed.¹⁹
22. **Summary of the project theory of change.** The evaluation reconstructed the FNML theory of change (see annex II). The project started with the elaboration of participatory village development plans to design community-specific interventions, building on CCA and sustainable natural resource management considerations. Value chain analysis studies were supposed to be used to identify cash crops with the greatest potential in local conditions. The package of support also included training administrative agencies and research institution staff. The project then followed three main pathways of change: (i) enhancing climate-smart and nutrition-focused smallholder inputs and production (including improved natural resources management); (ii) improving access to inclusive rural financial services for value chain actors (including smallholder farmers); and (iii) improving farmers' access to markets (including inclusive business partnerships between farmers' groups and agribusinesses). These were expected to lead to more diversified, better quality and increased sustainable production, and to enhance sales of agricultural commodities, thereby improving the living standards and nutrition of the local population.

¹⁸ For the construction of domestic and irrigation water schemes, the implementing partner switched from UN-HABITAT to the Ministry of Health and to the district irrigation section. The implementing partner for rural financial services changed from UNCDF to the Mekong Business Management Consulting Co. Ltd., then to the network support organizations (NSO) to transform village fund groups (VFG) in two provinces (four districts) into village banks (VB).

¹⁹ For example, PPCP, APG, water infrastructure, transformation of VFG into VB, GIS-based planning, on-farm demonstration and replication of models, CBFM.

II. Evaluation objectives, methodology and process

23. **Objectives.** The objectives of the evaluation were to: (i) provide an independent assessment of the overall results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Lao PDR; and (iii) identify issues and inform ongoing and future evaluative work.
24. **Methodology and process.** The PPE was conducted in line with the 2021 IFAD Evaluation Policy and the 2022 IFAD Evaluation Manual.²⁰ It used the internationally recognized OECD-DAC evaluation criteria as well as specific IFAD criteria. It applied a six-point rating scale to assess performance (see annexes III and IV).
25. The evaluation used the FNML theory of change to formulate evaluation questions that would test the project's assumptions, verify its pathways of change and assess the achievement of project objectives. The questions were included in an evaluation framework that ensured coverage of the criteria referred to above and the key issues identified in the approach paper.²¹ The key issues were addressed throughout the report.
26. The evaluation applied a mixed methods approach to triangulate evidence to answer the evaluation questions. This comprised an extensive desk review of documents from FNML, IFAD, the Government and other donors. It also involved reviewing the quality and results of the impact assessment of FNML undertaken by an external consulting company. Remote interviews were carried out with key informants from the FNML PRCO, the Government and IFAD, and among the donor agencies active in the Lao agricultural sector.
27. The field mission from 25 September to 9 October 2022 involved in-person and remote meetings with government representatives at the central, provincial and district level. The mission also conducted visits to a sample of villages near district centres and remote locations in the five target districts.²² In the villages sampled and one technical service centre, the evaluation team observed project interventions and conducted individual interviews, focus group discussions and group meetings. These interactions included interviews with individual farmers and village members, APGs, village funding groups, village banks (VBs), village committees, local agribusinesses, and *kumban* facilitators. The list of people met and final mission itinerary are found in annexes VI and VII.
28. A mission wrap-up meeting to present and discuss emerging findings was held on 14 October 2022 with the former PRCO, the Government and IFAD. The evaluation team drafted the PPE report, which was peer-reviewed within IOE. The report was then sent to IFAD and the Government for comments and was subsequently finalized by IOE.
29. **Limitations.** The onset of Typhoon Noru in the project area at the end of September 2022 meant field visits were delayed by three days. During this time, the mission held virtual Zoom meetings with local government officials. Some remote sample villages could not be reached due to flooding and the risk of landslides. In the end, the evaluation team was able to reach twelve villages, of which three were remote.
30. There were various issues with the quality of the FNML baseline survey and impact assessment, reducing the reliability and usefulness of impact results. The main issue

²⁰ IFAD Evaluation Manual 2022, <https://ioe.ifad.org/en/w/evaluation-manual-third-edition>.

²¹ The key themes identified by the evaluation through an initial desk review, in discussion with IFAD and in the final approach paper, were: internal logic and coherence; food security and nutrition and pro-poor market access; improved access of poor farmers to business partnerships; rural finance operations; and smallholder adaptation to climate change.

²² The sample villages were identified by IOE based on M&E data then discussed with the Country Programme Officer and former project staff. The main criteria for sample village selection were: not visited/visited by IFAD missions; remote location close to district centre; with many/few project activities. By "remote", the evaluation assessed the distance and time from the village to the district centre and the quality of road access, which affect the ability of villagers to access markets, health centres and secondary schools.

concerned the relevance of the non-FNML households and villages selected, and thus the comparability of results between the treatment and control group. See box 2 in annex VIII for details.

31. Beneficiaries sometimes found it hard to distinguish between FNML activities that ended two years before and other project activities. The evaluation team was therefore careful to understand the types of other development projects taking place at the same time. Local government staff were also called upon at times to clarify with villagers which FNML activities they had received.

Key points

- Lao PDR is a sparsely populated country comprising four main ethnic groups (Lao-Tai, Mon-Khmer, Chinese-Tibetan and Hmong-Mien). The country's economic model is based on the use of abundant natural resources and biodiversity. Traditional agrosilvopastoral systems are predominant, with rice as the staple food supplemented by collection of food from the forest. Food and nutrition insecurity remain pressing problems among poor households in rural areas who are dependent on agricultural yields.
- FNML was approved and entered into force in the third quarter of 2013. The project completion date was extended by one year to September 2020. It targeted 175 villages in five districts in three southern provinces.
- The overall goal of the project was to contribute to the reduction of extreme poverty and hunger. The development objective was to ensure sustainable food and nutrition security and income of households. There were four components: food and nutrition security and pro-poor market access; inclusive rural finance support; institutional support; and smallholder adaptation to climate change.
- The total cost of FNML came to US\$18.86 million with financing from IFAD (debt sustainability fund grant), ASAP (grant), the Government, beneficiaries and the private sector.
- The evaluation applied a mixed-methods approach to triangulate evidence to answer the evaluation questions. IOE conducted the in-country mission in September and October 2022, with the participation of the Government and logistical support from IFAD.

III. Project performance by evaluation criteria

A. Relevance

Alignment with national policies, development strategies and beneficiary needs

32. **The FNML objectives were consistent with multiple national policies and aligned with IFAD strategies and policies.** FNML directly reflected the NSEDP 2011-2016 strategy, which gave agriculture a central role in poverty reduction by improving the productivity of food and cash crops and encouraging commercialization. NSEDP 2016-2020 emphasized greener and more inclusive growth, increased private sector participation and adaptation to climate change, which were reflected in FNML with the introduction of the SACC component (see table 1 in annex VIII). In addition, the creation of APGs was in line with the policy encouraging the creation of cooperatives;²³ the participatory village development plan (VDP) and the central role of the districts in FNML operations with the decentralization policy;²⁴ and the promotion of business partnerships aligned with the intention to increase private sector participation. The nutrition activities and objectives also aligned with the national nutrition action plans for the agricultural sector to contribute to multisectoral efforts to reduce malnutrition.
33. FNML clearly contributed to the 2011 and 2018 COSOPs by targeting poor rural people and focusing on food security, nutrition, access to markets and finance, and resilience to natural shocks (see table 2 in annex VIII). The evaluation also concurs with the project design report that it was largely in line with key IFAD policies at the time.²⁵
34. **The project was crafted to respond to beneficiary priority needs and market demand, but evidence is variable on the extent to which this occurred in practice.** Former project staff explained that a comprehensive participatory village development planning process was undertaken in all villages in the first three years. However, the MTR identified weaknesses in the process,²⁶ which were corroborated during the evaluation field mission. District staff were unable to provide documentation of participatory VDPs nor clearly explain the process, which by all accounts varied by location. The documentation that was made available to the evaluation team were VDP annual review forms, which proposed a choice of activities selected to match local agroecological conditions and market demand (with the latter implicitly known rather than based on studies).²⁷ Some beneficiaries met during field visits remembered the planning process, others did not and/or said they had not been consulted, including young men and women with limited or no access to arable land and some of those who did not speak Lao.²⁸ Nevertheless, beneficiaries met expressed the value of project activities, most notably for home gardening and support of APGs for producing coffee, cassava, fish and vegetables. However, several villages reported that livestock needs had not been met.

Quality of design

35. **The internal logic of the project design was coherent, in theory.** The theory of change illustrates the integrated rural development approach taken by FNML. The

²³ Prime Minister's Office decree No 136/PM dated 5 March 2010 encouraging the creation of cooperatives.

²⁴ Politburo Resolution 03, February 2012 on *Building Provinces as Strategic Units, Districts as Comprehensively Strengthened Units, and Villages as Development Units as a Development-oriented Strategy*.

²⁵ Namely, targeting (2008), gender equality (2012) and rural finance (2009). The addition of the SACC component in 2015 also aligned FNML with the IFAD Environment and Natural Resource Management Policy (2012).

²⁶ The 2016 MTR highlights that the "Village Planning Process (has) yet to be made comprehensive to identify locally prioritized development measures. As of now it is mainly limited to collecting household agricultural inputs needs."

²⁷ Anecdotal evidence suggests that one or two market studies were conducted in Attapeu Province but no stakeholders were able to provide a copy of these studies.

²⁸ As noted under programme limitations, the village development planning process took place six to eight years prior to the evaluation field mission, which could limit participants' ability to accurately recall the process.

integrated approach was coherent, foreseeing reductions in extreme poverty and hunger by creating synergies through the improvement of climate-smart agricultural production (also investing in water schemes and nutrition activities), improving value chain actors' access to finance and farmers' access to markets.

36. **In practice, the project design proved to be overambitious to achieve the development objective given the implementation context.** It proved difficult for the numerous district implementers as well as the range of (inter)national partners to implement the broad range of activities in a coordinated manner.²⁹ The limited capacity of district implementers, notwithstanding considerable project support, took time to build and remained a challenge. Both these difficulties were compounded with the addition of the SACC component pre-MTR. The envisaged parallel financing for rural village access roads in remote areas in Ta'Oy and Samuay districts by the Asian Development Bank (ADB) did not materialize.³⁰ Interviews confirmed that these factors combined made the project difficult to understand and implement in a coordinated, sequential and thorough manner.³¹ As stated by a key informant in Lao PDR, "Implementation capacity (in rural areas) is very low. Just implementing is already a challenge. Projects need to use money wisely."
37. **The design of project interventions to improve nutrition outcomes was relatively comprehensive and complementary at the time.** Both nutrition-sensitive and nutrition-specific measures were implicit in the project design to contribute to better nutrition in target villages. Combined, they covered the complementary areas of food availability (including diversification), caring capacity, including child feeding and the promotion of gender equality and women's empowerment, and healthy environments to contribute to improving household nutrition, including dietary diversity.³² Operational measures were also designed to ensure adequate numbers and capacity of human resources to implement nutrition-specific activities. The approach drew on expertise from different implementers and sectors (MAF, LWU, Department of Health, district irrigation section), which is in line with the Government's multi-sectoral approach to improving nutrition. Table 3 in annex VIII provides more information. The above is noteworthy at a time when there was limited technical capacity and direction on nutrition-sensitive agriculture in IFAD. Attention to behaviour change in nutrition only became a critical ingredient of IFAD's support to nutrition outcomes in the Agriculture for Nutrition project (AFN), designed in 2015/2016. More focus could have been given to the existing widespread practices of traditional hunting and wild vegetable collection from forests in household nutrition.

Adjustments to project design

38. **Most changes to the original design made during implementation were relevant.** Several changes were made to the international implementing partners identified in design because they did not prove workable or performed poorly. They were replaced by domestic partners who were better able to work with the project and provide higher quality work.³³ The addition of the public-private-community

²⁹ In addition to implementation by district line ministries, the FNML design foresaw the implementation of different activities by the United Nations Capital Development Fund (UNCDF), UNICEF, UN-Habitat, and the World Food Programme (WFP). Partnerships with most of these international agencies did not work well, so the agencies were replaced by national partners during implementation.

³⁰ ADB East West Economic Corridor - Agriculture Infrastructure Sector Project. The project was designed in 2013 and aimed to improve agricultural infrastructure, mainly irrigation schemes and roads, in Savannakhet Province and Salavan Province. Linkages between this project and FNML were not identified by stakeholders interviewed at the international, national, provincial, district and village level.

³¹ The FNML 2020 project completion report also states that the design reports of FNML and SACCC were complex and difficult for implementing agencies to understand.

³² See Herforth and Harris (2014) for conceptual frameworks on the causes of malnutrition (based on the internationally recognized UNICEF framework of 1990) and the pathways for agriculture to improve nutrition.

https://www.spring-nutrition.org/sites/default/files/publications/briefs/spring_understandingpathways_brief_1.pdf

³³ For example, the contract with UN-Habitat to build clean water infrastructure was discontinued after the MTR due to weak performance and cost overruns. It was replaced by the Department of Health, whose district-level officers were better able to work with respective DAFOs.

partnership (PPCP) grant after MTR was particularly relevant because business loans had not been made available by banks, so it was a way to improve access to finance for local businesses and encourage partnerships with project-supported APGs. The switch after MTR from support to VFGs to VBs was relevant to provide households with sustainable financial services (savings, loans) for productive purposes. However, it also meant outreach to remote villages was reduced (see Effectiveness section).

39. **The addition of the SACC component (supporting cross-cutting issues) was relevant but late, contributing to delays.** The addition of the ASAP grant and the SACC component (2015) two years after the original design (2013) was relevant in terms of the stronger focus on climate change adaptation and sustainable natural resources management. However, the addition of a component rather than the integration of SACC activities throughout FNML confused the internal logic of the project to achieve its objectives. The MTR realized this and adjusted the components and activities once more. These multiple changes contributed to further confusing the implementers of an already relatively complicated project. It also added to implementation delays, as key manuals needed to be redesigned and implementers then trained on the new approaches.

Quality of targeting strategy

40. **Geographic targeting was appropriate to reach poor rural areas and households, but the practicality of reaching more remote villages was stymied by assumptions of improved road access.** Geographic targeting of provinces, districts and villages was based on different government socio-economic data, explained in the design report.³⁴ The potential of villages to cultivate and market a range of key crops (maize, coffee, cassava and vegetables) and niche products was also considered. This led to the selection of the poorest districts and villages with half (Phouvong, Dakcheung) or more than two-thirds (Xansay, Ta'Oy and Samuay) of households classified as poor. The target areas were mainly composed of people from the Mon-Khmer ethnic group (and diverse subgroups), who are among the poorest in Lao PDR suffering from high food insecurity and poor nutrition. The selection of target areas was therefore in line with government priorities and IFAD's 2008 targeting policy. However, the practicality of the strategy to reach more remote villages was hampered by assumptions that investments would be made by ADB and other development actors to improve road access, but that did not materialize.³⁵
41. **The strategy at design to target households and poor men and women was well-informed, sequenced and offered practical measures.** The targeting strategy and gender action plan were well informed by a poverty, ethnic group and gender study undertaken in the target areas in 2012, prior to design.³⁶ This, in turn, was supposed to be bolstered by value chain analysis and market assessments to analyse the various target groups' opportunities and constraints with respect to production, marketing and business partnerships. Participatory livelihoods/nutrition analyses should have been carried out in each village to identify investment options ensuring the participation of different target groups, including women and different

³⁴ The target districts were among the 40 districts (out of 141) that were identified as very poor and high priority by the National Growth and Poverty Eradication Strategy (2003). Data collected by the design mission at district level further indicated that: (i) about 50 per cent of Phouvong households were poor; (ii) over two-thirds of households in the other districts lived below the poverty line; and (iii) in Ta'oy and Samuay, all of the villages were poor. Project design report, 2013.

³⁵ Parallel financing on access road infrastructure from ADB was referred to in paragraph 15 of the 2013 design report. In addition, the 2013 design report stated "No programme resources are allocated to road improvement, but PRCO will coordinate with the government and development projects to make sure that target areas can benefit from public investment for road improvement". FNML design report, 2013, appendix 4 page 7.

³⁶ Many findings from this study are included in appendix 2 of the 2013 design report before the targeting strategy and gender mainstreaming mechanisms.

Mon-Khmer ethnic groups. Practical measures were proposed to bring this about but, as stated above, the VDP process was simplified.³⁷

42. Other means were also provided to ensure farmers' groups were inclusive of all categories of households.³⁸ There is some evidence of their use to ensure the active participation of poorer and more marginalized people. However, the selection of group beneficiaries was based on criteria such as prior experience cultivating a commodity and access to arable land, which restricted the participation of some households and, to some extent, young people, for whom an economic livelihood and food security remain the core priority. Activities targeted at all households, namely home gardening, were more relevant for reaching the households with limited land and experience, particularly in remote locations. Despite young men being identified as a target group, there were no measures specified to target them in design or implementation.
43. **Summary – relevance.** FNML objectives were consistent with the policies and strategies of the Government and IFAD. The internal logic of the project design and changes made thereafter were also coherent, in theory, to achieve the development objectives. Other relevant aspects of design were the targeting of poor areas experiencing food insecurity and the relatively well-developed nutrition interventions. However, design was ambitious for multiple reasons, not least the limited local implementation capacities and poor access to many rural villages. Some implementation approaches were simplified, making them less inclusive and coordination between activities suffered. The late addition of activities on climate change adaptation strengthened the focus on this key area but led to delays. Overall, the PPE rates relevance as **moderately satisfactory (4)**.

B. Effectiveness

Project outreach

44. **Outreach to beneficiary households exceeded targets and mainly comprised the poor and middle poor from the Mon-Khmer ethnic group.** FNML reached a large number of households through support for agricultural production. According to the project logframe, 14,175 households directly benefited from the project, exceeding the target of 12,000 and making up 93 per cent of total households in the target villages (table 4 in annex VIII). Outreach per main activity shows that 9,097 households (64 per cent) were reached through home gardening and 6,132 (43 per cent) through support to APGs.³⁹
45. Beneficiary households were mainly poor (53 per cent), middle poor (40 per cent) and only a minority were better-off (7 per cent). This was largely the case in all five target districts. The Mon-Khmer made up 85 per cent of beneficiary households, in line with the high prevalence rate of this relatively poor ethnic group in the target area.⁴⁰ Field visits also showed that a variety of subgroups within the Mon-Khmer were reached, although this was not monitored by the project.⁴¹
46. **The quality of outreach to remote villages and participation by poor people varied by type of activity.** The remoteness of many target villages with treacherous road conditions made it difficult for district and *kumban* facilitators to

³⁷ Methods proposed included the organization of separate meetings (in particular for women), the use of local languages (for those who do not understand Lao), the recourse to female staff (to encourage women to talk) and the use of different communication tools.

³⁸ Measures included: (i) having different groups for different ethnic minorities in a community, which experience shows is more effective in communities formed by clustered villages; (ii) promoting women groups; (iii) setting quotas for women/specific groups' participation in governance structures; (iv) promoting village community development officers and extension teams that include women and ethnic language speakers.

³⁹ The assessment of outreach to women and women-headed households is in the section on gender.

⁴⁰ The percentage of the population of different ethnic groups was provided by the PRCO for 158 out of 175 project villages. In these 158 villages, 99.7 per cent of the population was of minority Mon-Khmer ethnicity.

⁴¹ From five villages visited by one evaluation team, at least eight different smaller ethnic groups had been reached: Alak, Oey, Ta'Oy, Yae, Taliang, Pako, Jeng and Brao.

access these areas for several months of the year.⁴² The home gardening activity included most villages and all types of households. The evaluation team also saw in Phouxay village in Phouvong District how poor elderly men and women with limited means of income generation had been targeted for training on handicraft weaving, giving them a valued small income.

47. Although the monitoring and evaluation (M&E) database shows that half of the APG members were poor, the criteria used to select farmers for crop APGs to access matching grants was relatively restrictive. Such farmers are also likely to have been absent in the more remote villages. Anecdotal evidence shows that the quality of participation of the poorer households (those with limited access to arable land, labour and literacy) varied by commodity and was sometimes limited. For example, the evaluation team met some inclusive APGs on coffee and cassava, while APGs on fish ponds were clearly targeted to the better-off, who already had ponds. Active members of APGs were also mainly Lao-speaking. The PPE team did not have access to information to assess to what extent there was elite capture by the group leaders who had capacity to apply for matching grants. It did note, however, that even in inclusive APGs, households often had different means (production assets, investment capacity and labour availability), affecting the extent to which they could benefit from the project.⁴³
48. **Outreach to young men and young women was limited in spite of youth being identified as a target group in design.** In practice, neither young men nor young women were specifically targeted in production-related activities. Interviews in villages showed that project activities did not sufficiently reach young people who were in the process of establishing a family and who had young children and limited or no access to arable land.⁴⁴

Results pathway 1: Enhanced climate-smart and nutrition-focused smallholder inputs and production

49. **The improved APG concept post-MTR helped speed up implementation.** Pre-MTR, only 144 APGs had been created for a limited number of commodities per district. Implementation was slow due to the lack of a systematic approach, the absence of a manual, and to districts supporting individual farmers. This proved time-consuming and beyond the capacities of DAFO and *kumban* staff and resulted in high unit costs of service provision.⁴⁵ Post-MTR, the approach to support APGs was strengthened with a more viable extension model through learning, market and advanced APGs (see annex VIII, table 5).⁴⁶ District support teams provided extension services to APG leaders, who in turn provided training to members. FNML rapidly established 350 APGs (259 learning, 32 market-ready, 59 advanced) with 6,132 members, and extended the range of commodities/products: 16 types of crops, 8 types of livestock and 4 types of handicraft (see figures 1, 2 and 3 in annex VIII).⁴⁷ A ceiling was set to restrict the amount of matching funds available per group,⁴⁸ but not the area cultivated per household.

⁴² The use of farmer-to-farmer extension in these less reachable villages could not be verified by the evaluation.

⁴³ For example, in Dakbong village, Dakcheung District, the evaluation team met a 21-member coffee APG where a few members had six hectares each for coffee growing, while the majority had only 0.5 hectares each.

⁴⁴ Later resettled households have no or limited arable land compared to earlier settlers with irrigated paddy fields. Farm fragmentation over generations has also limited access to arable land.

⁴⁵ For example, in Dakbong village, Dakcheung District, planning and implementation started in 2015 with home gardening proposed to all households and support to coffee production for one group of eight households who received training and seedlings to plant an area of 0.5 ha per household, thus a total area of 4 ha.

⁴⁶ Based on the Farmer Group Support Manual from the GAFSP- Strategic Support for Food Security and Nutrition Project, now known as Agriculture for Nutrition (AFN).

⁴⁷ The completion report refers to 494 farmers' groups receiving support in total. However, it is unclear how this number was obtained. One explanation is the addition of the 144 groups supported pre-MTR with the 350 APGs supported post-MTR. However, the field visits revealed that members receiving support pre- and post-MTR were sometimes the same, therefore the two numbers cannot be added together.

⁴⁸ Proposed at US\$5,000 per group.

50. **The provision of inputs was better adapted to the needs of APGs post-MTR owing to their involvement in the process and to enhanced training.** Under the guidance of district/*kumban* extension, APG members developed a subproject based on technical models proposed by FNML, including locally adapted climate-smart agricultural models identified by NAFRI in collaboration with WOCAT.⁴⁹ APG leaders participated in the selection and quality control of inputs to be purchased, such as seeds, plastic sheets, fingerlings, husking machines, coffee bean drying machines and tractors. While the DAFO and PRCO were responsible for the procurement for learning groups, the leaders of market and advanced APGs were responsible for the whole process and thus the quality of the equipment and products purchased.⁵⁰
51. **The combination of APG creation with training, matching funds and SACC practices improved agricultural production.** See box 1 for examples of how FNML improved farmer production. Statistics on productive capacities and yields are analyzed in the impact section. Most beneficiaries interviewed reported increased production due to project support.

Box 1

Examples of how FNML support to APGs led to increased agricultural production

APG members acquired new techniques, such as making improved fish feed by mixing rice by-products with elephant grass (*Cenchrus purpureus*) and observed that fish gained weight faster. Promoted by NAFRI for erosion control, the cultivation of broom grass along a stream in Lavaneur, Samouay District, also in high demand in Viet Nam, could generate up to LAK 25,000 million per ha, representing a substantial income for the community. APGs on greenhouse-based vegetable production learned how to design a greenhouse, make compost and use effective microorganisms. Together with the construction of a simple wooden structure and plastic sheet greenhouse, this extended the production period from two months to the whole year.

52. **Investments in water schemes for irrigation and domestic use largely achieved output targets, but their intended contributions towards improved crop production, nutrition and adaptation to climate change were varied.** FNML supported the construction and rehabilitation of 154 small-scale water schemes (96 per cent of the target) reportedly serving 6,271 households (174 per cent of the target) and irrigating 393 hectares (79 per cent of the target). Field visits showed that some water schemes were operational while others were in a state of disrepair or no longer working. It was also evident that rather than rehabilitating existing water schemes that were no longer working, FNML often built new schemes.⁵¹ Box 3 in annex VIII illustrates the mixed results of a water investment in one village.
53. **Activities to mainstream climate change information in land use and agricultural activity planning were initiated late, limiting their contribution to climate-resilient agricultural development by completion.** Activities took place to implement the three complementary levers envisaged by the SACC strategy,⁵² but none of them could be fully accomplished and implementation lacked synchronization. For example, an approach to climate-informed VDP was developed and integrated into district annual plans. However, the climate considerations were

⁴⁹ These topics included broom grass planting, poultry farming, duck farming, fish production in ponds, frog production, rattan nursery, mushrooms and vegetable production.

⁵⁰ For example, in Sabongkokhai, Ta'Oy District, the leader of the advanced fish APG was involved in the preparation and evaluation of the three-quotation process for the procurement of equipment. After training in business management and techniques, together with district/*kumban* extension, he visited various providers to assess the quality of fingerlings, nets and fish food.

⁵¹ The government and former project staff explained that the districts chose this option when (i) feasibility studies showed it was better to build new rather than rehabilitate old dysfunctional schemes, or (ii) it was complicated to interfere with the water schemes funded by other projects.

⁵² Identifying local suitable climate-smart practices and adapting them to smallholder conditions, climate-sensitive area mapping for planning at the watershed level, and sensitizing and informing government agencies and their partners.

limited to the assessment of risks through group discussions and did not use satellite imagery, as planned, to gain a watershed-level perspective. Sustainable land management models⁵³ and climate-smart agricultural practices⁵⁴ were proposed by NAFRI for implementation in 28 on-farm demonstration sites. Some were integrated in APG subprojects and financed through SACC matching funds. CBFM activities provided seedlings (bamboo, rattan, fruit trees and cardamom) for cultivation in the forest production zone. They were highly valued by the farmers interviewed because the support added a production value to the forest and enhanced forest cover.⁵⁵

54. **Home gardening, school gardening, cooking demonstrations and nutrition classes made a diverse contribution to improving household knowledge and practices (including production) for better nutrition.** Support to home gardening finished by midterm. Results of introducing more varieties of vegetables for consumption and new techniques to improve the quantity and duration of production were mixed.⁵⁶ Beneficiaries in more remote villages stated that more households now had home gardens including the poorest, who use smaller plots of land. They therefore ate traditional leafy vegetables more often, and some households also cultivated and ate an increased variety of vegetables. Beneficiaries reported that teachers used the FNML-supported school gardens to teach children and adults about good nutrition. The small amount of vegetables produced also provided some additional nutrition for school meals. This could not be verified by the evaluation team because the gardens were not being used during the rainy season.
55. However, beneficiaries also reported several drawbacks of home and school gardens: first-generation hybrid seeds are sterile and have to be purchased annually (carrot, broccoli, cabbage),⁵⁷ so only traditional vegetables that can be reproduced (and at zero cost) are still grown (tomato, cucumber, long bean);⁵⁸ and training and water supplies were often insufficient, suggesting a lack of synergy between project activities. Women beneficiaries also reported that the cooking demonstrations and nutrition classes were not effective at changing cooking practices or eating habits. Activities were often not adapted to local conditions (including the availability and accessibility of food), house equipment and tastes/habits.⁵⁹

Results pathway 2: Improved access to inclusive rural financial services for value chain actors

56. **VFGs contributed to increasing household savings and access to small loans for emergency purposes, but they stopped working in more remote villages.** Before MTR, a total of 96 VFGs were formed and received training compared to the target of 175. Data from the M&E database triangulated with data collected during field visits also show that they facilitated access to emergency loans and increased household savings – both critical to buffer shocks and in lean periods, especially for poor households. Beneficiaries reported that even non-members of VFGs could

⁵³ Sixty sustainable land management/CCA full technologies/models developed and published by WOCAT and NAFRI.

⁵⁴ Ten techniques were proposed and an extension manual developed for each. These included organic vegetable production, fishponds associated with Napier grass cultivated as feed, cardamom underforest cover, intercropping bong and pineapple, vegetable production in a greenhouse.

⁵⁵ Some plantations in Dakcheung had suffered from Typhon Noru at the time of the evaluation field mission.

⁵⁶ Vegetable-growing in home gardens for self-consumption is a traditional and common practice in rural Lao PDR, which complements the collection of fresh plants from the forest in the dry season. The FNML home gardening package consisted of tools and seeds of different varieties, training most beneficiaries in the village, and field visits for key farmers on sowing, fertilization using compost and how to make pesticides with local herbs.

⁵⁷ Selected varieties of seeds were introduced for their nutritional benefits and expected high yields, but most were F1 hybrid seeds that could not be reproduced on-farm and needed to be purchased yearly at market rate.

⁵⁸ Farmers look for cheaper solutions and choose vegetables that can be reproduced on-farm at zero (cash) cost.

⁵⁹ The Government acknowledges it has since learned important lessons about how to deliver a comprehensive package of nutrition interventions through the projects AFN1 and the Partnerships for Irrigation and Commercialisation of Smallholder Agriculture project (PICSA).

access the emergency loans when needed, which was an unintended outcome of the project.⁶⁰

57. M&E data show that from 2016 to 2019 (when project support for VFGs had stopped and before support started for VBs), average savings and loans per member increased substantially, from roughly US\$9 to US\$39 and from US\$3 to US\$31 in nominal terms.⁶¹ See table 6 in annex VIII for more details. However, the VFGs in the more remote villages visited were no longer working. Interviews at district level also confirmed that VFGs did not work well in remote areas. This was due to several reasons: very weak implementation by the contracted Mekong Business Management Consulting company that lacked field outreach resources and knowledge in rural finance; insufficient income in cash; and the type of loans demanded and their potential to generate funds.
58. **VBs facilitated increased household savings and access to credit for agricultural producers and local commerce in villages closer to district centres and for better-off households.** Sustainability problems with VFGs and the lack of investments being made in agricultural production led to the project supporting VBs after MTR. FNML provided financial support to savings and credit unions, Thaveexab and Vanmay, referred to as network support organizations (NSOs), to support the operations of 40 VFGs in Attapeu and Saravan provinces.⁶² NSO staff were trained and paid for their services. The VFGs were transformed into VBs and the NSOs extended the scope and volume of their operations. Since the handover of VFGs to NSOs in 2019/2020 until the end of 2022, the VBs' operations were enhanced. The number of members increased from 1,770 to 3,594, and average savings and loans per member increased to LAK 1.5 million and LAK 1.3 million (roughly US\$90 and US\$80 in nominal terms), respectively.⁶³ See table 7 in annex VIII for values per district.
59. However, NSOs were reluctant to expand their services to remote rural areas. Interviews and field visits revealed that VBs were more successful when located in or nearby district centres where people had sufficient cash income. In these locations there was also greater demand for different types of loans that enabled VBs to increase their portfolio and generate more funds.⁶⁴ The need for villagers to provide collateral for loans that were not for emergency purposes restricted access by poor households. Box 4 in annex VIII provides more information about the VBs.
60. **Matching grants acted as a kick-start for APG members, enhancing their investment capacity and enabling them to respond quickly to market demand and generate benefits.** Matching grants were allocated through calls for applications regularly launched by DAFOs, inviting APGs to submit their business plans for review by a committee. Through this procedure, APGs, and particularly their leaders, were given the opportunity to develop their skills and knowledge and given full responsibility for the procurement and financial management of the grants. Matching grants were successfully implemented by 310 APGs with a total value of US\$2.54 million, equating to an average investment of US\$430 per member.⁶⁵

⁶⁰ For poor/vulnerable villages, such safeguards prevent people from (re)falling into poverty and help to restore household assets necessary to enter the market. This was also a finding of the IOE (2015) project performance assessment of the Rural Livelihoods Improvement Project in Attapeu and Sayabouri (RLIP) about VFGs.

⁶¹ Assumes the average exchange rate over this period: LAK 1 = USD 0.00012.

⁶² The Savings and Credit Union Thaveexab received US\$84,000 to operate in 15 villages in Xanxay and Phouvong in 2019. Vanmay Saving and Credit Union received US\$112,500 from FNML to operate in 25 villages in Ta'Oy and Samuay (US\$60,000 in 2018, US\$26,250 in 2019 and US\$26,250 in 2020). VFGs in Dakcheung District were handed over to LWU without project support.

⁶³ Assumes an exchange rate at end 2022 of: LAK 1 = USD 0.00006.

⁶⁴ Loans for emergency purposes had a relatively low interest rate (0.5 per cent) compared to loans for production (1.8 per cent), handicraft (1.5 per cent) and commerce (2 per cent).

⁶⁵ The investment was used for crop production (50 per cent), livestock and fishery (45 per cent) and off-farm products (5 per cent).

61. The M&E system does not report on outcomes of the investment, but field interviews revealed evidence of benefits gained. Farmers were able to reinvest in larger areas of production. A few products for which the export market demand was high - bong bark, coffee and cassava - were mentioned by farmers as particularly profitable.⁶⁶ Other products with matching grant support, such as goat farming and vegetable production for sale, were reported to provide regular sources of income for households.
62. **FNML did not improve access to financial services for other value chain actors (traders and processors), except to one agribusiness through a project grant.** The planned provision of business loans to value chain actors through partner banks was not possible because banks declined to invest in rural areas. After MTR, the project introduced the public-private-community partnership (PPCP) grant to improve access to finance for small- and medium-sized enterprises that formed contract farming agreements with APGs. The objective was to stimulate joint investments by APGs and enterprises into first-level processing, marketing and delivery of tradable goods outside the villages. Project funds were committed to financing PPCP grants for seven enterprises engaged in formal contract agreements (see next paragraph) with 1,970 households for coffee, cassava, bong bark, banana, vegetable and chicken production, mostly for export to Viet Nam and Thailand. However, due to currency exchange losses and the late reimbursement of ineligible expenses, only one enterprise received the PPCP grant. In July 2019, Bualapha Agricultural Development Import-Export Co. Ltd was given a grant of approximately US\$30,000 for poultry farming, involving 200 smallholder households in the districts of Phouvong and Xanxay. See results pathway 3 for how this affected farmers' access to markets.

Results pathway 3: Improved farmers' access to markets

63. **Despite the lack of market studies, the project enabled some farmers to enter into formal contract farming agreements with private enterprises and to increase the number of physical markets.** Value chain or market assessments were not conducted/used as had been planned to identify key and niche products according to market demand and that would be suitable to different agroecological profiles in each district. Nevertheless, FNML organized multi-stakeholder workshops in each of the three provinces. This tactic succeeded in forging seven partnerships between agroenterprises and APG farmers from the project area, endorsed by district agencies and local authorities. Another round of multi-stakeholder workshops did not take place as planned. The project supported over 4,560 APG households with income-generating activities and business skills training,⁶⁷ although the quality of this training could not be verified. The project organized/participated in farm product exhibitions and trade fairs, but it is not clear what benefits were achieved by farming households as a result. In addition, the project supported the setting up of agrosshops along main roads, providing an additional market for nearby villages to sell produce.⁶⁸ Beneficiaries met during field visits perceived these as useful for increasing sales.
64. **Benefits to farmers from agreements with buyers/enterprises were not evident.** Without the expected financing from banks, the partnerships between enterprises and APGs did not evolve until the PPCP grant activity started.⁶⁹ Of

⁶⁶ For example, a women farmer in Lavaneur, Samouay District started to grow 1 ha of cassava with the matching grant allocated by FNML to her APG covering the cost of seeds, her family providing the labour force. The benefits reached LAK 30 million in the first year, which allowed her to re-invest in cassava production and increase the area cultivated to 5 ha. With the profits, she was able to build a new house for her family.

⁶⁷ Number taken from M&E tables provided by the PRCO. PCR reports 4,543 persons trained in this field, as per the logframe.

⁶⁸ The last reported outputs of roadside agricultural producer shops are from the 2016 MTR, which reports that seven shops were supported, benefiting 13 villages. In addition, WFP reports supporting eight agro-shops in Ta'Oy, Dakcheung and Phouvong districts through the Food for Assets programme with FNML in 2018/2019.

⁶⁹ The FNML approach to allocate PPCP grants was to sift calls for expression of interest. A manual was developed in 2018 and training organized for provincial agriculture and forestry offices, DAFOs, and for *kumban* facilitators.

38 candidate enterprises expressing their interest in PPCP, 14 submitted an initial proposal, 7 were selected for final evaluation and only 2 were sent to IFAD for no-objection. The one proposal approved resulted in the grant to Bualapha Co. Ltd mentioned above. However, the company's contract with APGs did not produce the results expected for the farmers and soon ended (see box 5 in annex VIII). The project did not monitor the quality of the seven contractual agreements, their application or their sustainability. PPE field visits suggest that, in general, prices of APG products (under contractual agreements) were renegotiated each year and by individual APG members, rather than as a group. This suggests that contractual agreements did not always achieve their purpose of enhancing APGs' negotiating power or strengthening the commitment to marketing of both parties.⁷⁰

65. **Data show that a higher proportion of households can access markets in their own villages and can access storage and processing facilities than before the project.** FNML households that can access markets in their own village increased from 9 per cent in 2014 to 17 per cent in 2020.⁷¹ This is plausible given the evidence observed during field visits of the success of agroshops and the support given to APGs for attracting buyers to villages. However, APG members do not necessarily sell their produce as a group, with many still selling individually, and hence at less competitive prices. The proportion of FNML households accessing storage facilities also increased over the same period from 6 per cent to 17 per cent.⁷² This is also plausible given the matching grant investments by APGs in facilities such as coffee, rice and cassava mills, WFP Food for Assets support to village rice mills and housing for coffee mills (benefiting eight villages), and evidence from field visits of beneficiaries using higher incomes to reinvest in their productive activities.
66. FNML and the WFP Food for Assets programme also provided modest joint support for the construction of village access roads, improving access to markets for nine villages (with an average of 1.4 km of access road each).

Innovation

67. **Linking the creation and capacity-building of APGs with matching grants was an innovation in Lao PDR.** The Effectiveness section explains how the APGs operated and accessed matching grants. The originality of this approach compared to traditional extension methods stems from: setting up groups with committee leaders receiving direct support from district staff and *kumban* facilitators; APG members being responsible for developing their own business plan with technical support, training and field visits; assessing the feasibility of the business plans before releasing funds; transferring funds differentiated by capacity. Funds were transferred in kind for learning and market groups and directly to advanced APGs into a dedicated account. Advanced APGs also gained training and experience in procuring goods.
68. **The learning from climate change adaptation activities within the country and region and integrating them into project interventions was innovative.** While the use of the ASAP grant was initially designed as a separate component, the proposed measures were gradually integrated, where relevant, into project interventions. This created conditions allowing smallholder farmers to develop more resilience to climate change. However, FNML initiated this approach late, so some activities could not be fully implemented and put into use. For example, the introduction of a climate-informed VDP after MTR was innovative, by integrating the climate risk assessment undertaken by communities themselves; however, there

⁷⁰ The Government explained that the project exit strategy handed over support to provincial and district agencies, including from the Office of Industry and Commerce, which would monitor the contracts and provide further support.

⁷¹ 2020 endline impact assessment of FNML. Percentage change in non-FNML households was only from 10 per cent to 11 per cent.

⁷² Percentage change in non-FNML households was from 9 per cent to 4 per cent for storage facilities.

was no time to complement this with GIS analysis at the watershed level (to ensure watershed-level risk assessment was considered).

69. More concretely, innovative, simple and low-cost climate-smart practices on farms were proposed to APGs as investments eligible for financing through the matching grant scheme.⁷³ During field visits, farmers highlighted their satisfaction with the effectiveness of practices such as the use of biofertilizers or integrated pest control. More expensive and maintenance-demanding technologies, such as solar pumps for water systems, were still being piloted, but villagers and technical service centre staff had reservations about their suitability in local conditions.
70. **Summary – effectiveness.** FNML reached mainly poor households from the Mon-Khmer ethnic group, although the quality of their participation varied by type of activity and according to their different means (land, labour, literacy). They benefited to some extent from nutrition activities, while APG support evidently improved smallholder agricultural production. The complementary benefit of water schemes to nutrition and production activities was more varied. The project succeeded in improving access to sustainable rural financial services in more centrally located villages and mainly for the less poor and better off. There has been some improvement to farmers' access to markets. Some business partnerships were formed between farmers and local enterprises, but they have not resulted in notable benefits. The evaluation also found evidence of two innovations, so the rating for innovation is **satisfactory (5)**, and for effectiveness, overall, it is **moderately satisfactory (4)**.

C. Efficiency

Timeliness

71. **The project start-up period was timely, but project staffing issues pre-MTR delayed initial disbursement of the ASAP grant.** The IFAD DSF grant was approved on 7 September 2013, entered into force that same month and was first disbursed six months later on 11 March 2014. The PRCO benefited from a smooth start-up by using the premises in Attapeu and some key staff from the IFAD-supported Rural Livelihoods and Improvement Programme in Attapeu and Sayaboury (2005-2014). The ASAP grant approved on 8 May 2015 was also quick to enter into force (2.7 months) but was disbursed 14.4 months later, exceeding the IFAD9 (2013 - 2015) Asia and the Pacific Region Division (APR) average of 13.3 months and the APR target of 12 months.⁷⁴ The execution of necessary administrative tasks was delayed due to the lack, at that time, of a Chief Technical Advisor (CTA) and the attention of the Project Director, which eventually led to his replacement.⁷⁵
72. **Numerous delays in implementation until 2019 necessitated the extension of the project by one year to complete most activities. But implementation was rushed, and the quality and expected synergies between activities suffered.** Implementation delays in the first four to five years were caused by: staffing gaps, as mentioned above; the initial slow processing of withdrawal applications by MAF; late submission of the annual workplan and budget every year;⁷⁶ the blending of the SACC component into project design, adjusting the design after MTR and more time needed to produce new manuals and train implementing partners; and slow procurement. The various activities in project design and partners

⁷³ Practices included composting, biofertilizers, integrated pest control, intercropping, crop rotations, plastic green houses and microirrigation schemes.

⁷⁴ IFAD APR Portfolio stocktake 2022.

⁷⁵ The first PRCO Director was from the Ministry of Planning and Investment, while FNML was executed by MAF. Soon after FNML started, he was simultaneously promoted to Provincial Director of the Department of Planning and Investment. He was therefore increasingly engaged in the management of provincial government affairs, preventing his full-time engagement in project coordination and presence in the districts (FNML MTR 2016 and interviews). He was eventually replaced by a civil servant from MAF, who became the Project Director.

⁷⁶ FNML supervision report 2020.

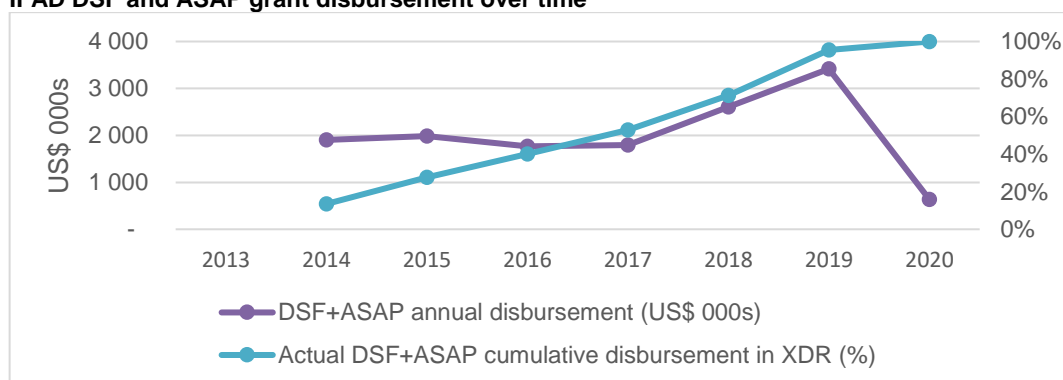
involved meant that FNML was complex to understand and implement by the district staff, who lacked experience and capacity.

73. The extension to project completion from 2019 to 2020 led to an overrun of 17 per cent (from six to seven years). It was necessary for the project to implement outstanding activities, but some district staff reported that this work was rushed and adversely affected quality. It also restricted the synergies expected between different activities and reduced time for building the capacity of staff and direct beneficiaries. There was no time to put into practice the new versions of the implementation manuals in which SACC had been incorporated.

Disbursement performance

74. **The grants were 100 per cent disbursed in terms of special drawing rights but exchange losses led to liquidity constraints; the ASAP grant was largely disbursed at the end of the project.** In terms of US dollars, 94 per cent and 99 per cent of the DSF and ASAP grants were disbursed, respectively, due to an exchange loss.⁷⁷ This contributed to insufficient liquidity in 2020, restricting support to inclusive rural finance and the provision of PPCP grants. Figure 1 below shows the annual and cumulative disbursement of the DSF and ASAP grants. By MTR (end October 2016), the overall rate of disbursement was a low 37 per cent because of the late entry into force of the ASAP grant. The majority of the ASAP grant (83 per cent) was spent in the last two and a half years of the project.

Figure 1
IFAD DSF and ASAP grant disbursement over time



Source: IFAD Oracle Business Intelligence.

Programme management

75. **PRCO staff provided technical assistance to fill ministry staffing shortages and ensure adequate expertise, but it had repercussions on project management costs.** The PRCO comprised five professional-level staff, two seconded from ministries and three recruited as consultants to provide technical assistance.⁷⁸ The CTA, supported by the other TAs, played a pivotal role and was the main interlocutor in this evaluation, with evidently more knowledge about the programme. Interviews with government and donor partners in the country programme acknowledged the good capacity levels of the TA consultants given the lack of staff, capacity and motivation available from within MAF to fully staff the PRCO in Attapeu.⁷⁹ Reliance on this approach can be seen from the widespread use of TAs in ongoing and past projects in the IFAD country portfolio. Nevertheless, project management costs including technical assistance were relatively high at

⁷⁷ Data from IFAD Oracle Business Intelligence. The exchange loss amounted to just over US\$600,000 from special drawing rights devaluation against the US dollar from 2013 to 2020.

⁷⁸ The project director was from MAF and the technical coordinator from NAFRI. Core technical assistance staff included the CTA/programme management advisor, M&E advisor and financial management advisor.

⁷⁹ In addition to project management, the project staff in the PRCO provided technical support to district implementing teams.

design (19 per cent) and were even higher by completion (26 per cent), surpassing the IFAD-wide targets of less than 14 per cent.⁸⁰

Cost per beneficiary

76. **The project cost per beneficiary household was high at completion, yet lower than the revised design estimate and on par with other IFAD-supported projects in Lao PDR.** The cost per beneficiary household of FNML at completion was US\$1,332, US\$241 less than the revised design cost estimate due to the lower total costs and higher number of households reached, see annex VIII table 8. The FNML cost per beneficiary at completion was US\$256, much higher than the APR and Programme Management Department average at that time of US\$140 and US\$176, respectively.⁸¹ One explanation for the high-cost ratios at revised design and completion is the addition of the ASAP grant focusing on climate change adaptation but targeting only a small increase in the number of households. Still, the FNML cost per beneficiary household is roughly the average of previous IFAD-supported projects in Lao PDR, see table 8 in annex VIII. The high-cost ratios in the country are assessed as reasonable given the remote location of target villages and their small population sizes.

Economic and financial analysis

77. **The PCR economic and financial analysis shows a sound investment, but the economic internal rate of return (EIRR) was lower at completion than at design.** A 20 per cent EIRR⁸² at completion with a positive net present value indicates a sound investment although the EIRR is lower than the expected rate at design (28 per cent).⁸³ Information provided by IFAD shows that the assumptions used to calculate the EIRR and NPV were based on project reports as well as data collected at that time, which largely reflected actual conditions. The only assumption that does not stand according to evaluation findings is the amount of maintenance and repair of productive infrastructure (fish ponds, irrigation schemes). The evaluation mission revealed that major maintenance activities or the replacement of equipment had rarely taken place, rendering infrastructure at the time or in the near future unusable.
78. **Summary – efficiency.** Despite a quick start-up, the project suffered from numerous implementation delays and slow disbursement of the ASAP grant, concentrating the execution of many activities into the last few years of the project. All funds were disbursed, but liquidity constraints meant some activities were not completed. Project management through technical assistance led to high costs, but costs per beneficiary were still reasonable given the context. The EIRR and NPV suggest a sound investment, but the lack of actual maintenance is a concern. On balance, efficiency is rated **moderately unsatisfactory (3)**.

D. Rural poverty impact

79. The higher-level changes are discussed in four domains: income, assets and productive capacity; social and human capital; household food security and nutrition; and institutions and policies. The assessment also determines whether changes have been transformational, generating changes that can shift societies onto fundamentally different development pathways. This section triangulates quantitative and qualitative evidence from different sources: the FNML endline impact assessment conducted in 2020; statistics gathered from district agriculture

⁸⁰ Note that technical assistance costs also include hiring additional short-term technical assistants to support the districts, e.g. on agronomy and business development, so they focused more on capacity-building than project management. However, the evaluation was not provided with a breakdown of costs, which would have enabled more nuanced calculations. Excluding the technical assistance category, project management costs are still 16 per cent at completion, versus the 10 per cent allocated at design. Calculated using project costs in FNML PCR appendix 3.

⁸¹ APR and Programme Management Department average cost per beneficiary taken from the 2021 APR portfolio stocktake.

⁸² Over a 20-year period at a discount rate of 10 per cent.

⁸³ Comparing the two values is only relevant if the same assumptions and methods of calculations have been adopted at design and at completion. However, the information given in the PCR is not sufficient to confirm this statement.

and forestry offices and partner line ministries; an assessment of the plausibility of impact along the theory of change impact pathways; and qualitative evidence gathered during the PPE field mission.

80. The evaluation makes limited use of impact data on the control group of non-FNML households and villages that were included in the endline impact assessment. The reasons for this are explained in chapter II under Limitations. Another limitation of the impact data relates to the uneven uptake of activities (and benefits) identified in Effectiveness. The PPE therefore seeks to triangulate and validate the endline impact assessment findings to the extent possible. Differences in project impact between remote and non-remote villages were observed in qualitative terms during the field visit. It was not feasible in the scope of the PPE to access the impact assessment's raw data and compare data from remote and non-remote villages.

D.1. Changes in income, assets and productive capacities

81. **The project contributed to an increase in crop income in FNML villages in poor and non-poor households.** The data show that FNML villages saw a markedly high increase in crop income per household (238 per cent) among both poor and non-poor households (see annex VIII table 9).⁸⁴ From the theory of change, an increase in household income is plausible from increased farmer production of crops (notably cassava and coffee). The field mission also observed how existing or improved market linkages enabled poor households to sell their increased production in response to high demand. The crop increases in income are also in line with the increases in income reported by many beneficiaries met during the field mission as a result of the project's support to increase production and sales.
82. **Asset ownership increased in FNML villages, with increases in productive assets for poor households.** Roughly 36 per cent of households in FNML villages achieved an asset index of at least 0.3, falling short of the target of 50 per cent. However, the average household asset index increased by 85 per cent in FNML villages.⁸⁵ Beneficiaries met during field visits confirmed that increased incomes had been used to purchase items such as motorbikes and to improve their houses. Data show asset ownership increased for both poor and non-poor households for hand tractors and tractor-drawn ploughs, although average rates of ownership remain low (15 per cent). See supporting data in tables 10 and 11 in annex VIII.
83. **FNML increased the productive capacities of farmers to produce key food and cash crops and some livestock.** Indicators of productive capacity in FNML include the area cultivated, yields and volume produced. The PCR indicates large increases in the area cultivated and volume produced of cassava, coffee, cardamom, vegetables and fish farming (see table 12 in annex VIII). Similar increases were seen in volumes (heads) of chicken and goat farmed. Increases in yields were also reported for fish farming, coffee, cassava and vegetables. The evaluation has some reservations about how reliable the data from endline survey interviews are and how large the increases really were.⁸⁶ Nonetheless, the focus of the project on these crops and livestock, along with beneficiaries interviewed confirming notable increases, suggests that FNML is likely to have contributed to increases in productive capacity. See box 4 in annex VIII for examples of how project support to APGs led to increased rice yields.

⁸⁴ Average and total income per capita also increased, but income data are not sufficient to fully understand the different sources of income driving these changes. For example, there is no data on remittances. Rural households receiving remittances (from domestic and international migration) increased from 10 per cent in 2012/13 to 15 per cent in 2018/19, mainly in the central and southern provinces, including among the Mon-Khmer ethnic group.

⁸⁵ This is compared to a decrease of 400 per cent in non-FNML villages.

⁸⁶ The performances reported in the endline survey come from beneficiary interviews. They compare the production before and after the project, without describing the practices before and after the project. On-site measurement of a sample of farms would have been useful to document the impact of the project as well as recording weather conditions. In general, there is no critical analysis of the data. It would be preferable to see the evolutions of area, volume and yields over time.

84. **Data are inconclusive on the extent to which FNML contributed to the reduction of poverty in target villages.** The endline shows that the poverty rate in FNML villages fell from 73 per cent in 2014 to 53 per cent in 2020.⁸⁷ However, the reduction in poverty is less than the 42 per cent decline in the poverty headcount in southern Lao PDR, based on consumption patterns (in rural areas) and on multidimensional poverty indicators (in urban and rural areas).⁸⁸ From M&E data and field mission interviews there is also insufficient evidence to suggest that APGs were able to pull the poorest out of extreme poverty.⁸⁹

D.2. Changes in household food security and nutrition

85. **The project contributed to increased household food security (access), but the prevalence of hunger in project households remained high, particularly among poor households.** The Household Food Insecurity Access Scale was used in the baseline and endline to assess the prevalence of household food insecurity.⁹⁰ It showed a reduction in the prevalence of household food insecurity from a score of 9.5 in 2014 to 6 in 2020 (6.8 in poor and 5.1 in non-poor households - see table 13 in annex VIII). The project therefore met the food security target of “6,000 households with improved food security (HFIAS score of 7 or lower)” with an estimated 8,930 households scoring 7 at most. Nevertheless, hunger remained a grave problem in the area by the end of the project, particularly among poor households. Although the proportion of households experiencing a first hunger period averaging five months decreased from 79 to 60 per cent by 2020, 18 per cent of poor households experienced a second hunger period that averaged almost six months long (see table 14 in annex VIII).
86. **Impact data show that household knowledge of nutritional home gardening improved, but it is not plausible to conclude that women’s dietary diversity improved as a result of FNML.** The endline impact assessment shows that 85 per cent of FNML households sampled reported using from one to three better home gardening practices.⁹¹ There was also a notable increase in the proportion of women reporting a minimum level of dietary diversity, from 45 per cent in 2014 to 62 per cent in 2020. Using the theory of change, it is plausible that FNML contributed to improved home gardening knowledge and practices due to the implementation of home gardens in most FNML households. This was also confirmed by anecdotal evidence from field visits. However, given the limited outcomes from evening nutrition classes and the cooking demonstrations, there is no supportive evidence for improved women’s dietary diversity as a result of FNML.
87. **Nutrition-specific and nutrition-sensitive agricultural activities did not improve the nutritional status of children by the end of the project.** Long-term child malnutrition in FNML villages, measured by rates of stunting in children under five years old, worsened over time (tables 15 and 16 in annex VIII). Measures of short-term child malnutrition (wasting) also show a deteriorating situation, in line with the hunger periods mentioned above. The lack of change in cooking and eating

⁸⁷ Neither the baseline nor the endline clarify on what basis the poverty rate was determined. The baseline states that it is based on the official poverty status provided by the authorities, which comes from the Lao Statistics Bureau. Poverty statistics are presented both in terms of food and non-food consumption patterns (poverty headcount) and multi-dimensional poverty indicators (multidimensional poverty headcount).

⁸⁸ World Bank, 2020. Time period 2012/2013 to 2018/2019.

⁸⁹ According to the implementation manual, the creation of inclusive APGs was to create synergies between different types of households and support them towards market-oriented agriculture.

⁹⁰ The method assumes that food insecurity (access) causes predictable reactions and responses that can be captured and quantified through a survey and summarized in a scale. It is a continuous measure of the degree of food insecurity (access) in the household in the past four weeks. The HFIAS score ranges from 0 to 27. The higher the score, the more food-insecure (in terms of access) the household: https://www.fao.org/fileadmin/user_upload/eufao-fsi4dm/doc-training/hfias.pdf.

⁹¹ Specifically, these practices included: food diversification for daily consumption by family members, especially for women and children; product diversification in a home garden to meet nutritional requirements of the family; new techniques to increase production of nutritious crops or small livestock in a home garden to meet the nutrition requirements of the family.

habits could also partly explain these results. They may also explain why increased crop incomes have not resulted in improved household nutrition.

88. The increases in child malnutrition are actually at odds with a decrease in national and provincial rates of child malnutrition between 2011 and 2017. Besides possible methodological issues, the different trends could also reflect urban-rural disparities as “malnutrition has become most prevalent in remote, rural settings that are hardest to reach.”⁹² Moreover, it is questionable if a short-term project like FNML can be expected to have an impact on long-term child malnutrition, whose root causes are complex, multiple and take time to change.⁹³

D.3. Changes in social and human capital

89. **FNML increased the capacity of local government to plan, implement and monitor a rural and agricultural development project.** Multiple district line agencies and *kumban* facilitators received technical and operational training to implement the project. The evaluation team observed active engagement from the different line agencies who were conversant with the strengths and weaknesses of the project. Constraints to understanding and implementing the project were still evident by completion, but as one of the first decentralized programmes under the DAFO in target districts, important inroads in capacity-building were made.
90. **The project contributed to farmers’ improved knowledge and skills in home gardening and the production of cash crops and other limited off-farm activities.** Individual training of farmers started early during the project, while more specific training for APGs on production techniques and business management skills was delivered in the last three years. Training was well received by beneficiaries met during the field visits in terms of content, although they were sometimes reported to be insufficient. Project support to the agricultural technical service centres in two provinces contributed to the technical training of nearby APG members on improved techniques. A limited number of exchange visits also boosted APG member skills, for example, on coffee milling in Dakcheung District.
91. **Social capital accumulation benefits were uneven.** Given the past practice of producing and selling crops individually or in existing family/kinship groupings, the bonding benefits of working together in APGs were appreciated by some but not valued or fully understood by others. The ability and will to work together varied with some APGs surviving two years after project completion, while others had disbanded. The evaluation notes the determinants of regular and good quality training as well as beneficiary education levels, but the existing level of social capital in villages is another important point to consider. Where there was less reliance on social capital, in villages in or near district centres, people saw the project groups as just a means to an end - to access project training and equipment. In rural villages, where social bonds remain strong, there were examples of APGs still working. Moreover, the evaluation team also learned of village heads deciding to ensure all households benefited from project activities rather than just one or two select groups (see Scaling up).
92. The project strengthened connections between villages and district governments, principally through deploying *kumban* facilitators to coordinate activities and train villagers. However, the benefits were short-lived, with *kumbans* leaving their role once the project finished and there were no more funds.

⁹² As noted in the midterm review of the National Nutrition Strategy and Plan of Action (2018) (Ministry of Health, 2021 NPAN 2021-2025).

⁹³ For example, underlying causes of malnutrition in rural Lao PDR include early marriage and early childbearing, poor mother and child care practices and limited access to (antenatal) health care, which are beyond the scope of an agricultural development project. Immediate direct, underlying indirect and basic causes of malnutrition in Lao PDR are explained in the National Nutrition Plan of Action (2021-2025).

D.4. Changes in institutions and policies

93. **FNML had a positive impact on the formation and capacity-building of institutions for agricultural production and financial service provision.** It introduced the concepts of collective APGs and VFGs to villagers and started to build their capacity to use and manage them. Both APGs and VFGs need considerably more support, but the project evidently made important first steps, with some villagers met, explaining how they now work together and the benefits gained. Project support to two NSOs also created and strengthened VBs, which still continue to offer sustainable financial services to producers and local businesses (in villages close to district centres).
94. FNML was also one of the first decentralized programmes under the DAFO in all target districts. Extensive training of district line agencies increased their capacity to implement decentralized investment programmes.
95. **No impact was evident on village institutions for development planning and the management of water schemes.** The village development planning process was not implemented as planned. The evaluation did not find evidence that the capacity of villages to conduct participatory development planning had improved. Investments made in water scheme hardware were not accompanied by commensurate investments in software to operate, maintain and manage them. Village heads were aware they needed to collect funds from users to cover operational costs, but this had not been done for any of the water schemes visited by the evaluation team. The formation and training of water management committees with clear roles for members was not evident (see Sustainability).
96. **The creation of multi-stakeholder platforms to foster and improve inclusive business partnerships and to eventually contribute to policy dialogue is at an early stage.** Three out of the six planned local multi-stakeholder workshops were held, which helped to foster business partnerships between APGs and agribusinesses. They did not reach a stage at which they could support policy dialogue on value chain development, as originally planned. The logframe reports that two of three targeted studies on value chain development were implemented and shared at the sector working group on agriculture and rural development. However, no such studies were shared with the evaluation team, so this could not be verified.
97. **Summary – impact.** The evaluation found that FNML increased the productive and institutional capacities of households and groups, contributing to increased crop income and asset ownership among poor and non-poor households. This was supported by increased human capital among local governmental implementers and expanded farmer knowledge and skills for agricultural production. The impact on social capital is less clear. Although there are signs that access to food has marginally increased, hunger remains a serious problem, especially among poor households, and acute malnutrition remains high. There is also no evidence that women’s dietary diversity improved. The evaluation rates impact as **moderately satisfactory (4)**.

E. Sustainability of benefits

E.1. Technical, institutional and social sustainability

98. **Decentralized implementation arrangements laid the foundations for institutional sustainability.** The project contributed to enhancing the technical capacity of district staff (especially in project management and monitoring), and of group/village organizations such as APGs and VFGs/VBs (in improved techniques, planning, procurement and marketing). The VBs are expected to continue receiving support from NSOs as part of their regular operations and the network has realistic potential to expand to other villages in Attapeu and Salavan.
99. **Most APGs created are not (yet) mature for several reasons, but there are reasonable prospects for their sustainability in the future.** Field visits revealed that it is too early for APGs to be sustainable and further work is required to build

their collective capacity and interest. Even if the creation of groups of producers has been encouraged in Lao PDR since 2010, the approach is still new to many stakeholders and needs to be adapted to local conditions and particularly to different cultures and social contexts.⁹⁴ The late start of the implementation of APGs after MTR left four years for execution. As a result, 80 per cent of the APGs were created within the last two years of the project, so there was no time for consolidation. However, there are reasonable prospects for their sustainability. First, the creation of APGs complies with government policy encouraging the creation of cooperatives. Second, APGs proved to be an effective extension tool for the DAFO technicians to reach a larger number of farmers within project timescales. Third, APGs in target districts will be consolidated under the follow-up project, Agriculture for Nutrition - Phase 2 (AFN II) co-funded by IFAD and the Global Agriculture and Food Security Programme (GAFSP).

100. **The economic sustainability of smallholder producers who are increasingly linked to fluctuating market conditions will depend on their capacity to adapt.** The completion report states that 46 per cent of financed APGs (2,911 members in 162 APGs) had generated a relatively meaningful income from sales of their farm products. However, fluctuations in market demand can be significant. Since prices are generally negotiated annually and on an individual basis, including APGs in contract farming agreements, farmers are vulnerable to these fluctuations. Farmers interviewed in Phouvong District reported a halving of the price of cassava per kilo from 2021 to 2022. Among the cash crops promoted by FNML, coffee and bong seem to have experienced more stable market conditions so far.
101. **Evidence of, and prospects for, the maintenance and replacement of equipment and infrastructure were limited.** The APGs visited had not developed any replacement plan for equipment purchased, such as tractors, coffee dryers or husking machines. It is not clear whether the business plans developed by APGs supported by the project accounted for maintenance and replacement costs of equipment. In addition, floods and other violent climatic events regularly damage fishponds and water schemes, yet most APGs did not have the financial capacity to cover such major repairs.
102. Evidence of commitment to the formation and training of water management committees to manage small-scale domestic, irrigation and multi-use water schemes was scarce. The evaluation team learned that the Department of Health and the Department of Irrigation do form and train management committees, but it was far from clear how structured and thorough the approach was. Villages visited that had benefited from the construction of water schemes reported minimal or no training on operation and maintenance. Village committee members were aware of the need to collect water user fees but were not doing so. In some instances, households made repairs with their own means.⁹⁵ In other villages where repairs had not been made, the need for external support had not been communicated to districts.⁹⁶ The project itself did not monitor whether schemes were still functioning during and at the end of the project.

E.2. Environment and natural resources management and climate change adaptation

103. **Late support to natural resources management means it is too early to observe tangible results and assess impact.** Most interventions to improve natural resources management were implemented from 2017. In cooperation with NAFRI and the World Overview of Conservation Approaches and Technologies

⁹⁴ In Lao PDR it is not yet commonplace to register farmers' groups as cooperatives.

⁹⁵ For example, in Lavaneur, Samuay District, the villagers had repaired the river water diversion network several times to ensure a continued supply of domestic water.

⁹⁶ For example, in Phouxay village, Phouvong District, the small-scale multi-purpose water scheme had stopped working but district staff had not been informed.

(WOCAT), eleven models, developed through participatory action research, were proved to be supporting sustainable land management in the target areas.⁹⁷ However, there was insufficient time for WOCAT to follow up on the promotion of these models in the villages. For community-based forest management, the project worked within the framework of the community forest management plans drawn up with the help of the World Bank's Sustainable Forestry for Rural Development Project. FNML enforced government forest law and village regulations (through setting up signposts) and funded the plantation of commercial trees (bong) and non-timber forestry products (bamboo, rattan and cardamom) in the production forest zone. The endline impact assessment reports a reduction in the eroded or degraded land area from 6.6 per cent to 4.4 per cent and an increase in irrigated land from 0.5 per cent to 3.3 per cent in the project area.

104. **FNML missed a more comprehensive long-term approach to sustainable land and forest management.** The indirect consequences of project interventions on the environment were not sufficiently considered. One risk of project support stems from the additional pressure on natural resources from the high market demand for coffee and cassava. The extent of these risks cannot be known until they are measured. However, findings from field visits and interviews with farmers are cause for concern. There are reports of decreasing cassava yields over time. For example, the villagers in Lavaneur, Samuay District, reported that after two years of cassava cultivation, their yields dropped from 20-30 tons to 7-10 tons per hectare. Farmers planned to implement rotations but they had not been informed about which crops would restore the fertility of impoverished soils. To date, insufficient attention has been given to crop rotation. Soil analyses would help to detect soil nutrient deficiencies. Another risk stems from the use of pesticides and chemical fertilizers for coffee in Phouvong District following recommendations by traders, in spite of the environmentally friendly practices promoted by FNML.
105. **In recent years, a high market demand for cash crops, especially coffee and cassava, resulted in the extension of the permanently cultivated area in the project region.** Field observations and interviews with village leaders and farmers suggest that project support to meet market demands for cash crops also contributed to these changes. Beneficiaries reported the clearing of new areas to grow one or two cash crops and the replacement of a variety of crops mostly cultivated for self-consumption. This represents a risk to nutrition security and environmental sustainability.
106. **FNML contributed to better adaptation strategies and improved resilience of its beneficiaries to climate change.** In a tropical area characterized by frequent high-density climatic events such as flash floods, storms, landslides and long-term drought, the project interventions contributed to reducing soil degradation and improving farming systems through climate-resilient agricultural practices. Farmers and district/*kumban* extension workers interviewed considered greenhouse vegetable production, cardamom and bong under forest cover, agroforestry or broom grass cultivation on sloping land as the most relevant practices in local conditions. This is because they are simple, low-cost, climate-resilient technologies, accessible to remote communities. The efficiency of fishponds and irrigation schemes is questioned because of their vulnerability to flash floods and storms.
107. Improved access to financial services also strengthened the resilience of farming households. VFGs and VBs played an important role in filling liquidity gaps in the budgets of poor rural households by supporting productive investments and

⁹⁷ See <https://www.wocat.net/library/media/235/>. The eleven models are: (i) mixed yang bong trees (*Persea kurzii*) and broom grass plantation in slope areas; (ii) rice cum fish in paddy fields; (iii) integrated fish and livestock; (iv) integrated farming systems; (v) Good agricultural practices for vegetables and fish culture in plastic-lined ponds; (vi) integrated goat raising in yang bong-based agroforestry systems; (vii) vegetable production on sloping land with sustainable land management practices; (viii) vegetable production under greenhouse/nethouse; (ix) crop association coffee and ginseng with soil bunds against erosion; (x) enhanced coffee production model; and (xi) vegetable garden with irrigation powered by solar pumps.

developing a culture of saving. This contributed to improving the resilience of poor households to cope with shocks. This outcome was not reported by the project, but was highlighted by farmers interviewed during the field mission.

E.3. Scaling up

108. **Inputs and techniques were scaled up throughout the whole village in some locations.** The number of beneficiaries per activity was limited by the budget allocated annually to each village. Consequently, some village committees took the initiative to set up schemes to redistribute the agricultural inputs. This reflects both the value attributed to project activities as well as the strength of social capital in some villages. This form of self-scaling up often happened with goats, whose breeders would share kids with other households after the first generation had reproduced. A similar outcome was observed with planting material. For example, in Lavaneur, Samouay District, the improved varieties of cassava plants and broom grass received from the project were redistributed to a “second generation” of beneficiaries after multiplication through the first cropping year.
109. New cropping and livestock production techniques introduced by FNML, especially the low-cost and simple ones, such as making compost, biofertilizers, fish raising in paddy, and integrated pest control management, were easily adopted and replicated by farmers through farmer-to-farmer training or more informal exchange.
110. **Other concrete examples of scaling up did not come to light.** The completion report states that matching grants for APGs and the PPCP grant had been incorporated into IFAD’s Partnerships for Irrigation and Commercialization of Smallholder Agriculture project, which is implemented in cooperation with the ADB-funded Sustainable Rural Infrastructure and Watershed Management Programme, operating in 12 districts. However, this was not confirmed during interviews with the other donor.⁹⁸ Significant efforts were made by FNML to generate knowledge about APG products and to share it with local and national stakeholders. The evaluation did not find evidence that this had resulted in scaling up.
111. **Instead, a few key FNML activities were replicated in the design of the follow-up IFAD-supported project, AFN II, but this is not sufficient to demonstrate scaling up by IFAD’s definition.**⁹⁹ The newly designed FNML-GAFSP project AFN II draws on lessons learned from previous projects in Lao PDR, in particular AFN and FNML. The project adopts the main approaches developed by FNML, such as the climate-informed VDP (including disaster risk assessment) and the combination of APGs with matching grants. AFN II will also continue the implementation of some SACC activities that FNML did not have time to fully implement, such as the GIS-based LAIPs developed by NAFRI.
112. **Summary – sustainability.** Sustainability of benefits is rated **moderately satisfactory (4)** because of significant project support to decentralized implementation and the good prospects for the sustainability of project-supported institutions that led to the main benefits. In spite of concerted efforts to improve environment and natural resources management and climate change adaptation, the criterion is rated **moderately unsatisfactory (3)** due to the late support provided, which limited achievements. Scaling up is also rated **moderately unsatisfactory (3)** due to the lack of project support to achieve it.

F. Gender equality and women's empowerment

113. In rural areas in the southern provinces, women face multiple dimensions of exclusion and discrimination, associated with the remoteness of villages, being from

⁹⁸ Replication of IFAD-supported activities by another IFAD-supported projects is not considered scaling up.

⁹⁹ IFAD defines scaling up as “expanding, adapting and supporting successful policies, programmes and knowledge so that they can leverage resources and partners to deliver larger results for a greater number of rural poor in a sustainable way.” It does not mean transforming small projects into larger projects.

non Lao-Tai ethnicity, and lack of access to formal education.¹⁰⁰ Critical issues that are unspecific to the Mon-Khmer groups include high rates of early marriage and teenage pregnancies, and gender-based violence.¹⁰¹ Early marriage, together with food deficits and cultural behaviours around food, have a negative impact on nutritional levels among young mothers and their children. Although the legal framework provides equal rights to men and women, its application is still lagging, particularly in remote rural areas.

114. **The project did not follow the gender action plan at design, nor developed one during implementation, limiting efforts to mainstream gender.** The project did not follow the gender action plan in design, which covered the critical areas of gender analysis, targeting (participation and empowerment), operations and M&E. Nor did it develop one during implementation, as IFAD missions had repeatedly advised (in 2015, 2016, and 2017).¹⁰² It also did not hire the planned and advised short-term technical assistance to inject expertise on targeting and gender, transferring it to technical assistance on nutrition instead. The implicit gender plan focused on promoting the participation of women in project activities and disaggregating output data by sex. It also relied on the Lao Women's Union, an implementing partner, to promote gender equality following their own mandate and strategy, but outputs and outcomes were not monitored by the project. Table 17 in annex VIII compares the abridged gender action plan at design with what was implemented by the project.
115. **The Lao Women's Union was a relevant and capable implementing partner to promote gender equality.** LWU was a highly competent implementing partner to promote gender equality and women's empowerment in target villages (see box 7 in annex VIII). According to interviews, LWU promoted gender equality in FNML during the implementation of various activities focused on the Mon-Khmer ethnic group: VDPs, VFGs, APGs, cooking demonstrations and evening nutrition classes. In terms of capacity, the evaluation team found some of the district LWU staff well versed on the subject of gender equality and how to overcome the issues faced in local rural villages. In line with findings from the 2015 supervision mission, the evaluation also found considerable variation in the types of activities implemented by different district LWU staff, suggesting levels of support between locations differed.¹⁰³
116. **Outreach to women was in line with the 50 per cent target in group-level activities for agricultural production and markets, but low in village funding groups and VBs for financial services.** The project achieved a women's participation rate of around 50 per cent in group-level activities to improve agricultural production and marketing, in line with the overall target (see table 18 in annex VII). Women's rates of participation varied between types of APGs with women dominating in vegetable, coffee, livestock and weaving handicraft – in line with their traditional farm/off-farm work. According to the logframe, women made up most of the beneficiaries of nutrition-specific activities (89 per cent), but it is unclear where this data comes from, as the evaluation team was informed that nutrition activities were not monitored. In the village-level activities of funding groups and banks, women were in the minority (26 per cent and 16 per cent in Saravanh Province). In village funding groups there were also large variations between districts (from only 2 per cent in Ta'Oy to 37 per cent in Dakcheung). This low level of participation

¹⁰⁰ Among poor households, the male literacy rate is 82 per cent, compared to the female literacy rate of only 59 per cent.

¹⁰¹ Lao PDR has one of the highest rates of early marriage in the world and the highest rate of adolescent pregnancies in the region. United Nations Population Division, World Population Prospects, 2019.

¹⁰² The 2018 and 2019 supervision missions refer to district-level gender action plans, but interviews by the evaluation team with project and district staff suggest these did not exist or were not widely used.

¹⁰³ The lack of monitoring of some LWU activities (promotion of gender equality, cooking demonstrations, evening nutrition classes) and changes to what they implemented during the project makes it difficult to assess outputs and confirm the plausibility of anecdotally reported outcomes.

reflects how attention to women's engagement in village-level activities remained limited. Savings and credit groups mostly composed of women have been successfully supported through other projects in the country.¹⁰⁴

117. **The project reached women-headed households (among the poorest) to some degree and young women (nutritionally-vulnerable).** Women-headed households represented 5 per cent of households reached by the project, falling short of the target of 10 per cent. They are among the poorest in rural villages, confirmed by participants of focus group discussions and interviews. Women-headed households met during the field visits had benefited from training on handicraft weaving to generate an income, as well as home gardening and APGs on coffee and cassava. Evidence from the evaluation mission and project Facebook page also suggests that the nutrition classes reached the Lao-speaking women, who are younger and a relevant target group to improve maternal and child malnutrition.
118. **The quality of poor women's participation varied by activity and location.** Both women and men were vocal in focus group discussions on the value of the provision of equipment and training for home gardening for every household. Home gardens are largely managed by women so they were the main beneficiaries, including those from the poorest households (with limited land, labour and literacy).¹⁰⁵
119. As mentioned under Effectiveness, the evaluation found that the quality of participation and the benefits gained from APGs were proportionately higher for those with more productive means and higher levels of literacy – this is likely to apply to the women from these households too. Despite efforts to recruit *kumban* staff that speak different local languages, training was predominantly conducted in Lao, limiting the participation/comprehension of less literate people who are mainly poor women, middle-aged or older.¹⁰⁶
120. With that said, 19 per cent of APGs were women-only. Furthermore, they were located in the more remote mountainous districts of Ta'Oy, Samuay and Dakcheung (where poverty rates are higher) and focused on the traditional work areas of women on livestock, vegetables, coffee and handicraft weaving. This was a relevant approach in settings where women's voices are more restricted and the division of labour more traditional. It can give women the opportunity to work together, gain confidence and make their voices heard.
121. **It is plausible that the project contributed to increasing women's voice at home and in groups, but the extent to which this occurred is difficult to gauge.** Both men and women beneficiaries interviewed reported that over the last ten years, household-level decisions (including how to spend money) have been increasingly made by women and men rather than just men. They also reported that women have more freedom to participate in economic/group activities and that men drink less. Local government staff and beneficiaries also made it clear that gender equality has invariably been promoted by most development projects. This, coupled with no clear understanding of LWU's activities to promote gender equality, makes it difficult to gauge the extent to which the project contributed to these gender-related outcomes.
122. **Anecdotal evidence suggests that women members of APGs have generated higher incomes (than before) in the short term.** For example, in Lavaneur village, Samuay Province, one woman member of a cassava APG reported being able to build a new house (costing LAK 30 million) with the income from cassava production and sales in a few years. Similar stories were heard from women

¹⁰⁴ For example, through the Poverty Reduction Fund, also under the Ministry of Agriculture and Forestry.

¹⁰⁵ The project logframe shows 12,049 households participated in the home gardens activity, involving 12,405 women.

¹⁰⁶ District staff explained that village heads were often used to translate training into local languages. The practicality of this approach is questionable however, as a male village head does not facilitate open communication between participants in a context with marked power relations and gender inequality.

members of cassava, coffee, fish and vegetable APGs in the other villages visited by the evaluation team.

123. **The project did not try to tackle the underlying causes of gender inequality in rural villages, as was planned through a pilot initiative.** The original gender action plan included building on LWU's existing gender work at household and village level to pilot the Gender Action Learning System (GALS) approach to increase women's active participation in economic activities. This was not followed up during implementation and represents a missed opportunity in light of several evaluations that have found the approach to be effective. The project did not try to address women's lower rates of literacy, a principal cause of gender inequality in rural areas. Although the evaluation found that the rehabilitation/construction of domestic water schemes (for 5 to 60 households per scheme) in 63 villages reduced the time women spent collecting water, field visits suggest that this benefit was short-lived in places where schemes had fallen into disrepair and represents a missed opportunity.
124. **Summary – gender equality and women's empowerment.** The lack of implementation of the gender action plan at design limited efforts to mainstream gender and achieve results to the extent possible. Partnering with LWU did ensure a good outreach to different groups of women in rural villages. The quality of women's participation varied by location and activity depending on various factors, but it is plausible that the project contributed to increasing some women's voices at home and in groups and to increasing women's incomes. The planned pilot initiative to address the root causes of gender inequality did not take place and there were limited/unmonitored efforts to address barriers to equality such as low literacy. The rating for this criterion is **moderately unsatisfactory (3)**.

G. Performance of partners

IFAD

125. **IFAD has continued to support agricultural development and institutional strengthening in poor rural areas in the south of the country.** FNML was designed to build on the support given to the target districts in previous IFAD-supported projects, RLIP (2006-2013) and SNRMPEP (2009-2016). It too aimed to improve rural livelihoods through agricultural development and markets, improve natural resources management and institutional strengthening of farmers' groups and local governmental implementers. Critically, IFAD has acted upon the RLIP recommendation to "devolve full decentralization and autonomy to the provincial and district departments for handling development activities", thus supporting the government's policy on decentralization.
126. **IFAD's plans to partner with different UN agencies and other donors did not prove workable in most cases.** In addition to implementation by district line ministries, the FNML design foresaw the implementation of different activities by UNCDF, UNICEF, UN-Habitat and WFP as well as the provision of parallel financing for rural village access roads by ADB.¹⁰⁷ After FNML entered into force, partnerships with UNCDF (for financial services provision) and UNICEF (for nutrition activities) did not prove possible. The contract with UN-Habitat to build clean water infrastructure was discontinued after MTR due to weak performance and cost overruns. A partnership agreement was signed and implemented by WFP on Food for Assets; it was not on nutrition activities as mentioned in FNML design (and completion) reports. The envisaged parallel financing from the ADB for economic infrastructure and particularly for roads in Ta'Oy and Samouay districts did not occur.
127. **IFAD's support to address threats to the achievement of project development objectives was adequate.** Although there was a high turnover of country programme managers/directors, resulting in five different incumbents following the project from design to the finalization of the PCR, support to the project

¹⁰⁷ East West Economic Corridor - Agriculture Infrastructure Sector Project.

was consistent. IFAD conducted 10 missions over 7 years comprising regular supervision and implementation support and the MTR. When the pace of implementation increased, the frequency of mission support also increased (with two missions a year from 2017 to 2019). In between missions, IFAD and the Government interacted regularly to address implementation issues. Support was provided by the country programme officer turned long-term consultant, staff from the hub in Hanoi and IFAD headquarters, as well as by short-term consultants. In addition, IFAD supported information and knowledge-sharing during country portfolio reviews, the anniversary of the IFAD-Lao PDR partnership and annual World Food Day events, among other activities. Still, the evaluation notes that some key lessons from past programmes explicitly mentioned in design were not sufficiently followed up during implementation, adversely affecting project performance.¹⁰⁸

128. **IFAD’s ability to participate in strategic discussions to share lessons from the project, facilitate the scaling up of activities and build partnerships reduced over the project period.** The project period saw the closure of the IFAD Country Office in 2018, and in-country staffing reduced from a country director, country programme officer, administrative assistant, and driver to one IFAD consultant (the former country programme officer) on short-term contracts with a room in the UN House.¹⁰⁹ Stakeholders (IFAD, the Government, the PRCO and donors) are unanimous in their high regard for the consultant’s performance and commitment, but note that the much reduced staffing is overstretched. Since the closure of the IFAD Country Office, the IFAD consultant spends most time on operational matters, with four to eight missions a year travelling between the north and south of the country. That leaves limited time to participate in meetings of the sector working group on Agriculture and Rural Development (which IFAD co-chaired until 2016) and other key sector working groups and subgroups (climate change, gender, nutrition) as well as monthly UNCT meetings. Although there were frequent visits by the various country directors to Lao PDR, the lack of IFAD’s presence in strategic discussions is viewed as a limitation by high-level stakeholders.
129. **Summary – IFAD performance.** IFAD’s support to FNML builds on previous development projects in poor rural districts in the south. IFAD also provided consistent support to the project during and in between missions to address bottlenecks and to try to achieve objectives. The sharp decline in country presence reduced IFAD’s participation in strategic discussions at country level. The criterion is rated **moderately satisfactory (4)**.

Government

130. **Local government showed tangible commitment to the project.** This was demonstrated through the quick set up and regular meetings of steering committees with key stakeholders at district level (monthly) and at provincial level (quarterly), with meeting reports produced.¹¹⁰ Supervision missions also reported good leadership from district (vice) governors and good management and coordination practices at the district level.¹¹¹ The evaluation mission also confirmed the findings of supervision missions that district teams were highly motivated and actively involved the relevant line ministries to implement activities in their thematic areas.

¹⁰⁸ FNML design built on lessons from RLIP, the previous COSOP, the Soum Son Seun Jai Community-based Food Security and Economics Opportunities Programme in the north and other projects funded by different donors. Examples of explicit lessons in design included: that training should be provided in the languages of the target ethnic groups; tailored and specific approaches for each ethnic group and gender should be followed; stronger focus should be given to the operation and maintenance of infrastructure; and the need for tailor-made support packages by carrying out and regularly updating value chain analysis and market assessments. FNML design report April 2013, pages 21 and 22.

¹⁰⁹ Since 2015, IFAD programmes in Lao PDR are directly managed by the subregional office in Hanoi, Viet Nam. The IFAD consultant has a short-term contract funded by both IFAD and GAFSP.

¹¹⁰ FNML annual progress report 2013 and supervision reports from 2015 to 2020.

¹¹¹ FNML supervision 2015, FNML MTR 2016. Good practices included monthly two-day meetings that involved joint field visits as well as office-based discussion.

131. **Central government also showed commitment to achieve the project's objectives and resolved staffing issues.** It was a sound decision to locate the PRCO in the target region of the project to enable regular interaction between project management and field staff, other local stakeholders and beneficiaries. The regional steering committee met tri-annually as planned, while the central level programme steering committee met only two out of the three times planned.¹¹² Just over 100 per cent of government counterpart funds were provided and on time,¹¹³ but there were some unresolved issues.¹¹⁴ The choice of the first project director was suboptimal. Although the incumbent came from RLIP, enabling a smooth start-up and some continuity, he worked for MPI rather than MAF (the executing agency), which proved impractical with unclear lines of accountability and ultimately led to delays. This was resolved by MTR. By completion, the project had complied with most of the covenants and agreements, except for some provisions concerning procurement and financial management.¹¹⁵
132. **The effectiveness of partnership work with development partners varied.** The partnership pre-MTR with UN-Habitat was insufficiently supervised and resulted in low-quality site selection, design and construction of water supply schemes, with high investment costs in some sites.¹¹⁶ However, these defects were overcome when the work was transferred to the line Ministries of Health and Irrigation. The partnership with NAFRI resulted in slow implementation of the SACC activities because the work was managed from Vientiane, rather than from the PRCO in Attapeu. This was resolved towards the end of the project but meant insufficient time remained for information sharing, dissemination of results and training. The documentation of lessons learned and best practices, which were to be collected jointly by the FNML M&E and knowledge management officers, NAFRI and WOCAT, could not be conducted. The selection of Mekong Business Management Consulting to support VFGs proved inappropriate due to their lack of knowledge, skills and outreach. In contrast, interactions evolved quickly with the German Agency for International Cooperation, GIZ, during implementation to build on their work in rural finance through the NSOs.
133. **Project management was responsive to changes in project design and issues arising during implementation but slow in developing and implementing the exit strategy.** The PRCO adapted manuals and activities to the updated design with the arrival of the ASAP grant and generally acted upon supervision mission agreed actions in a timely manner.¹¹⁷ However, the PRCO was late in developing and implementing an exit strategy, which finally happened in 2020 (the final project year) despite IFAD's repeated advice to do so since the 2016 MTR.¹¹⁸ The late and slow development of an exit strategy was due to the focus of the PRCO on increasing the rate of implementation right up until completion, as well as staff turnover at the end of the project.¹¹⁹ The incentive to develop an exit strategy was also questionable later on in the project when the new IFAD-supported project, AFN II, was being discussed. The late development of the exit strategy and late handover to province, district, private and village stakeholders resulted in limited

¹¹² FNML supervision mission report 2020.

¹¹³ The Government contributed US\$1.56 million, 105 per cent of the committed contribution of US\$1.49 million.

¹¹⁴ Salaries and other expenses were accounted for based on rates in the cost tables/annual workplan and budgets instead of amounts being paid to the staff. Tax to be exempted or contributed from government counterpart funds was paid from IFAD funds.

¹¹⁵ Refers to covenants and agreements of the financing agreement, letter to the borrower/recipient and document outlining general conditions for agricultural development financing.

¹¹⁶ FNML MTR 2016.

¹¹⁷ Ten out of thirteen supervision ratings concerning project management improved over time from 2014 to 2020. The FNML supervision mission report 2020 refers to 90 per cent of activities in the final year action plan being achieved during the project's one-year extension.

¹¹⁸ FNML MTR 2016, supervision 2017, supervision 2018, implementation support 2018, supervision 2019, implementation support 2019.

¹¹⁹ FNML completion report 2020 and confirmed in later interviews.

integration of FNML activities into ongoing development activities at the time of completion.

134. **Project management’s fulfilment of their fiduciary responsibilities was often lacking during implementation, particularly in procurement.** IFAD’s supervision ratings of procurement, financial management and audit in FNML were low, with improvements achieved only at the end of implementation.¹²⁰ Accountability in audit was relatively weak until 2017, when adherence to deadlines, standards and audit terms of reference improved. The quality of financial management suffered from several shortcomings during implementation,¹²¹ but improved by completion. However, project management did not meet the request repeatedly made by the evaluation team for a breakdown of programme costs, indicating a lack of transparency. Performance in procurement was well documented in the PCR, which outlined the moderate to serious problems throughout much of implementation. These contributed to significant implementation delays and threatened the completion of field activities. Problems were eventually addressed by completion with greater focus from the Government.
135. **Project management ensured well-functioning M&E arrangements to support reporting and decision-making.** Post-MTR, the M&E system functioned smoothly with clear roles and responsibilities in data collection/validation from the *kumban* to the M&E coordinators/officers at district and province levels and in the PRCO, supported by capacity-building for all concerned. Data were collated in various Excel workbooks to monitor and report on performance, although outputs and outcomes on VFGs post-MTR, nutrition and gender equality activities implemented by LWU were missing. A management information system was also established to inform and track management decisions and progress against annual workplans and budgets. Project management ensured the timely preparation of the baseline survey (2013/2014), pre-MTR outcome survey (2016) and endline impact assessment (2020) to support the completion mission. The quality of these surveys was adequate, except for the sampling of non-FNML households in the baseline and endline.
136. **The project made notable efforts to generate, use and share knowledge during implementation.** FNML hired a knowledge management specialist, based in the PRCO office, between 2014 and 2018 (full-time) and in 2019 (part-time). The M&E system was developed to fulfil knowledge management needs so it could produce the bulk of the information required.¹²² To further facilitate communication between implementers working on different components, WhatsApp groups were also formed and well used. A variety of knowledge products were produced throughout implementation, from video demonstrations and manuals to leaflets, quarterly newsletters, newspaper articles and case studies showing success stories. These were then shared and disseminated during the capacity-building of implementing staff, training for farmers and teachers, on the project website/Facebook page/YouTube channel and at government, donor and IFAD events.¹²³ Knowledge generation among the PRCO and key governmental staff was facilitated by two study tours to Viet Nam and Cambodia to visit other IFAD projects where participants learned about specific aspects relevant to FNML.¹²⁴ However, the

¹²⁰ Average and range of ratings (operational results management system): procurement 3.3, 2-4; quality of financial management 3.7, 3-4; audit 3.7, 3-5.

¹²¹ Including internal control weaknesses, non-compliance with financial management procedures, funding expenses from wrong sources, late reimbursement of ineligible expenses, and not acting on some mission-agreed actions.

¹²² This included supplying each *kumban* staff with a tablet to record and upload photos, training sessions and written posts (training provided) on the project Facebook page, although the actual reporting through this medium was only ad hoc.

¹²³ Website – www.fnml.gov.la (no longer working); Facebook page – <https://www.facebook.com/fnmlprogramme/>; YouTube channel – <https://www.youtube.com/@fnmlprco2167>. Events included MAF annual meetings, World Food Day, National Poverty Eradication Day, National Nutrition Day and the IFAD Mekong Knowledge and Learning Fair.

¹²⁴ Interviews confirmed the study tour in Viet Nam resulted in the PRCO and government participants learning about methods to connect farmers to the private sector actors in commodity value chains.

evaluation found the retrieval of some documentation after the project closed to be difficult.¹²⁵

137. **Summary – government performance.** Local and central government showed commitment to achieve the project’s objectives, although the partnership with NAFRI was one of the causes of the late implementation of SACC activities. Project management was responsive to changes during implementation and made notable efforts in M&E and knowledge management. Performance was undermined by weak procurement and financial management throughout much of the implementation and by the late development of an exit strategy. The criterion is rated **moderately satisfactory (4)**.

¹²⁵ All documentation located on the website (no longer functioning) and in Google Drive (inaccessible) proved unobtainable and/or forgotten, such as the map-book. Some documents were only available in hard copy from the regional office and could not be obtained.

Key points

- The internal logic of the project design to achieve the development objective was coherent in theory, but overambitious in practice, given the implementation context.
- The targeting strategy to reach poor rural areas and households was relevant except for the assumption that investments would improve access roads to remote villages. Participatory village development plans were simplified in practice and less responsive to the needs of all target groups.
- Beneficiary households mainly comprised the poor and middle poor from the Mon-Khmer ethnic group, but the quality of outreach to remote villages and participation by poor people varied by type of activity.
- The combination of APG creation with training, matching funds and SACC practices improved agricultural production.
- Project support to VFGs and VBs led to increased household savings and access to credit in villages closer to district centres and for better-off households. Only one agribusiness received grant support to work with APG members.
- Two innovations were evident in the Lao context: linking the creation and capacity-building of APGs with matching grants; and learning from climate change adaptation activities within the country and region and integrating them into project interventions.
- Despite a quick start-up, the project suffered from numerous implementation delays and slow disbursement of the ASAP grant, bunching the implementation of many activities into the last few years of the project.
- FNML contributed to increased crop income and asset ownership among poor and non-poor households. Access to food marginally increased, but hunger remains a serious problem, especially among poor households and acute malnutrition remains high.
- Project support to decentralized implementation laid the foundations for sustainability and there are good prospects for the sustainability of project-supported institutions through AFN II. In spite of concerted efforts to increase environment and natural resources management and climate change adaptation, the support provided was late, limiting achievements.
- Partnering with LWU ensured a good outreach to different groups of women in rural villages. The quality of women's participation varied by location and activity depending on various factors, unaided by limited efforts to tackle the root causes of gender inequality. There is evidence that the project contributed to increasing some women's voices and incomes.
- IFAD's consistent support to FNML built on previous development projects in poor rural districts in the south, but there was a high turnover of country directors and reduced partnership-building and project visibility.
- The Government showed commitment to achieve the project's objectives, respond to changes during implementation and set up effective M&E and knowledge management systems, but performance was undermined by weak procurement and financial management.

IV. Assessment of the quality of the project completion report

138. **Scope.** The PCR adhered to IFAD guidelines in terms of covering all the evaluation criteria. The annexes also provide useful detailed information, although it is not possible to understand total project management costs from the summary project cost tables. The scope of the PCR is rated **satisfactory (5)**.
139. **Quality.** The project completion process was facilitated by the PRCO during the COVID-19 pandemic. The field visits were therefore undertaken by national consultants, while international consultants conducted online interviews with key stakeholders. Results were then discussed in a validation workshop with government counterparts at different levels and from different line ministries. The mission itinerary, list of people and the iterative process used show a completion process with participation from a wide range of stakeholders. The PCR also draws on a variety of different sources of information: the M&E data, the impact assessment, and additional impact data, e.g. on nutrition, interviews, focus group discussions and meetings.
140. The quality of the analysis is mostly good, although weak in depth in some areas, including the PPCP grant, targeting and gender. The PPCP grant is not sufficiently analysed to assess how it benefited rural producers. The targeting of ethnic groups is briefly mentioned but not sufficiently understood and analysed, and there is minimal critique of the results on women's empowerment. The PCR also makes very limited distinction between project benefits in accessible versus remote villages, and for poor and non-poor beneficiaries. PCR findings also suggest little use was made of completion field mission findings. Differences between PPE and PCR findings may also be owing to the two-year time lag between self- and independent evaluation. The rating for quality is **moderately satisfactory (4)**.
141. **Candour.** The PCR is frank about many of the shortcomings during design and implementation from the perspective of the main stakeholders: the donor (e.g. implementation delays), the Government (e.g. changing internal logic difficult for implementers to follow) and beneficiaries (e.g. some technologies were too complicated/expensive to adopt). The rating of scaling up is relatively high compared to the supporting narrative. The assessment of scaling up and gender are more positive than the evidence found by this evaluation. The rating for candour is **moderately satisfactory (4)**.
142. **Lessons.** The many lessons learned identified in the PCR are relevant and valuable for future IFAD-Government programmes in the country. They are largely in line with the findings of this PPE. However, the evaluation did not find evidence that "by engaging a reasonable proportion of the poor and better off households in commodity-based APGs and other community-based groups, the poor can benefit more from the better off in terms of advanced knowledge and technologies, input and market access, risk mitigation, and negotiation power (...) for the group benefits." The rating for lessons is **satisfactory (5)**.

V. Conclusions and recommendations

A. Conclusions

143. **FNML provided continued support to agricultural development and institutional strengthening in poor rural areas in the south**, benefiting the relatively poor Mon-Khmer ethnic group. Building on previous projects, FNML reached 173 villages in five poor districts over seven years with a range of rural and agricultural development activities.¹²⁶ As one of the first decentralized programmes under the DAFO in target districts, district teams experienced a steep learning curve and benefited from on-the-job and technical training, putting them in a better position to conduct future work.
144. **The design of FNML was ambitious, given the relative complexity of interventions, the capacity levels of implementers and outreach to remote rural areas.** It proved difficult for the DAFO, district line agencies and other partners to implement a broad range of activities in a timely and coordinated manner. The limited capacity of district implementers took time to build and remained a challenge. In many cases, the capacity of implementing partners was also substandard, causing delays and reducing the quality of service provided to target groups. Delays were also caused by the lack of capacity in procurement and financial management in the PRCO. Anticipated external investments in village access roads did not materialize, so remote villages with poor road conditions received relatively less project support.
145. **The actual village development planning process was not always able to respond to the needs of different target groups.** Overstretched district implementing teams led to simplified village development planning processes. Evidence shows the process across villages in different rural contexts was unable to fully understand the different livelihood strategies and needs of people. The planning processes in some villages also meant that some voices were less heard or unheard (young men and women with limited to no access to land, poor women and men who did not speak Lao).
146. **A high proportion of households reached were poor, but the benefits have been relatively higher for those in villages close to district centres and for men and women with more arable land, labour and literacy skills.** The combination of APG creation with training, matching funds and SACC practices improved agricultural production and increased crop income for poor and non-poor households. However, field visits showed that APG members benefited from the project in proportion to their rates of literacy and means of production. VFGs and VBs also contributed to improving access to rural financial services for those with more cash income, collateral and located near district centres. VFGs, when implemented properly, have an important role to play in the provision of emergency loans for poor households to buffer against shocks. The self-scaling up of interventions in villages with high levels of social capital also affords projects an opportunity to reach and benefit the poorest.
147. **AFN II will consolidate the organizations supported by FNML, but there are some residual sustainability concerns.** High market demand for cash crops can put additional pressure on natural resources. Field visits identified the risk of smallholders making short-term profit-orientated decisions that might be at the cost of forest area or more resilient farming systems.
148. **Despite some improvements in access to food, hunger periods, malnutrition and diet diversity remain serious problems in target households.** Household knowledge of nutritional home gardening improved, but it remains unlikely that FNML contributed to improving household diet diversity. Cooking and eating habits had not changed, and increased crop incomes had not resulted in improved household

¹²⁶ The decrease in villages reached from 175 to 173 is due to the merging of two villages (in Xansay and in Dakcheung) in 2020. The project M&E databases and the 2020 IFAD supervision mission report refer to 173 villages reached by completion.

nutrition. Aside from implementing nutrition-related activities through different partners, there was no clear coordination with other nutrition programmes in the target area, which would be crucial to address the multiple complex causes of malnutrition.

149. **FNML contributed to ongoing efforts to improve gender equality and women's empowerment in rural villages, mainly through partnering with LWU.** Efforts to address the root causes of gender inequality and major barriers to economic development and improved nutrition, such as entrenched gender norms, low literacy and heavy domestic workloads were, however, limited.
150. **IFAD and the Government have both performed relatively well in implementing a complex and changing project, but there were some gaps in support.** The reduction in IFAD's in-country presence and frequent changes in portfolio management meant less visibility and limited contribution to strategic discussions. Government commitment to achieve the project's objectives was strong, although various project management issues in staffing and competence led to implementation delays. The visibility of the project among donors was limited.

B. Recommendations

151. The following recommendations are targeted at both the design of future IFAD-supported projects and the implementation of the recently approved project, AFN II.
152. **Recommendation 1: Project design needs to balance the breadth of activities, implementation capacities and depth of outreach.** This is important to ensure a sufficient critical mass of complementary activities and regular good-quality support in target villages. Critical district staff and *kumban* facilitators in the delivery of decentralized programmes need to be the primary participants in the design and supervision of activities. The identification and selection of competent implementing partners external to government also requires more careful consideration.
153. **Recommendation 2: IFAD and the Government should ensure a strong diagnostic study of local conditions and different poor/vulnerable people's needs and priorities during design and early implementation to apply tailored solutions to different locations/groups.** A diagnostic of village attributes (roads, markets, extension, social capital, water and sanitation, disaster risk) and the local farming systems (who is doing what, how and with which practices and equipment) would allow the identification of different types of villages and farms, of crops and animal husbandry systems with their opportunities and constraints. On this basis, appropriate measures could be elaborated to fit the needs. The good practice of differentiating between poor and non-poor households should be continued throughout implementation and the reporting of results.
154. **Recommendation 3: Improved food security and nutrition should remain the explicit objectives of IFAD-supported projects in rural areas, with concerted efforts made to improve impact.** Stronger coordination is required with other development partners through local nutrition coordination groups. Assessments of local nutrition-related knowledge, attitudes and practices, or equivalent Lao methods, should be used to better understand nutrition in different rural contexts and tailor activities accordingly. Behaviour change communication tools are required to deliver improved nutrition practices, including for those who do not speak Lao. Projects need to monitor the link between increasing household incomes and household nutrition practices and diet diversity, as well as any trade-offs between market-orientated development and nutrition security. Nutrition outcomes should also be strengthened through a stronger commitment to mainstreaming gender equality, which needs to include systematic support to develop functional literacy. By building on LWU's existing capacity and skills to promote gender equity in households, projects should pilot the Gender Action Learning System or a similar approach to address the root causes of gender inequality.

155. **Recommendation 4: IFAD and the Government need to provide stable support to projects to resolve project management bottlenecks, share important lessons and scale up successful interventions in the country.** IFAD needs some form of stable, effective presence in Lao PDR, supported by the same country director over several years, to maintain consistent and timely support to projects and to improve partner relations and visibility in national-level policy dialogue. Both IFAD and the Government need to commit from project start-up to ensuring strong procurement and financial management skills in project management. Also, attention should be paid to monitoring the intended and unintended impacts on natural resources. Building on the strong commitment to knowledge management in FNML, more effort is needed to share key lessons and successful interventions with other development partners in strategic discussions and policy forums.

Basic project data

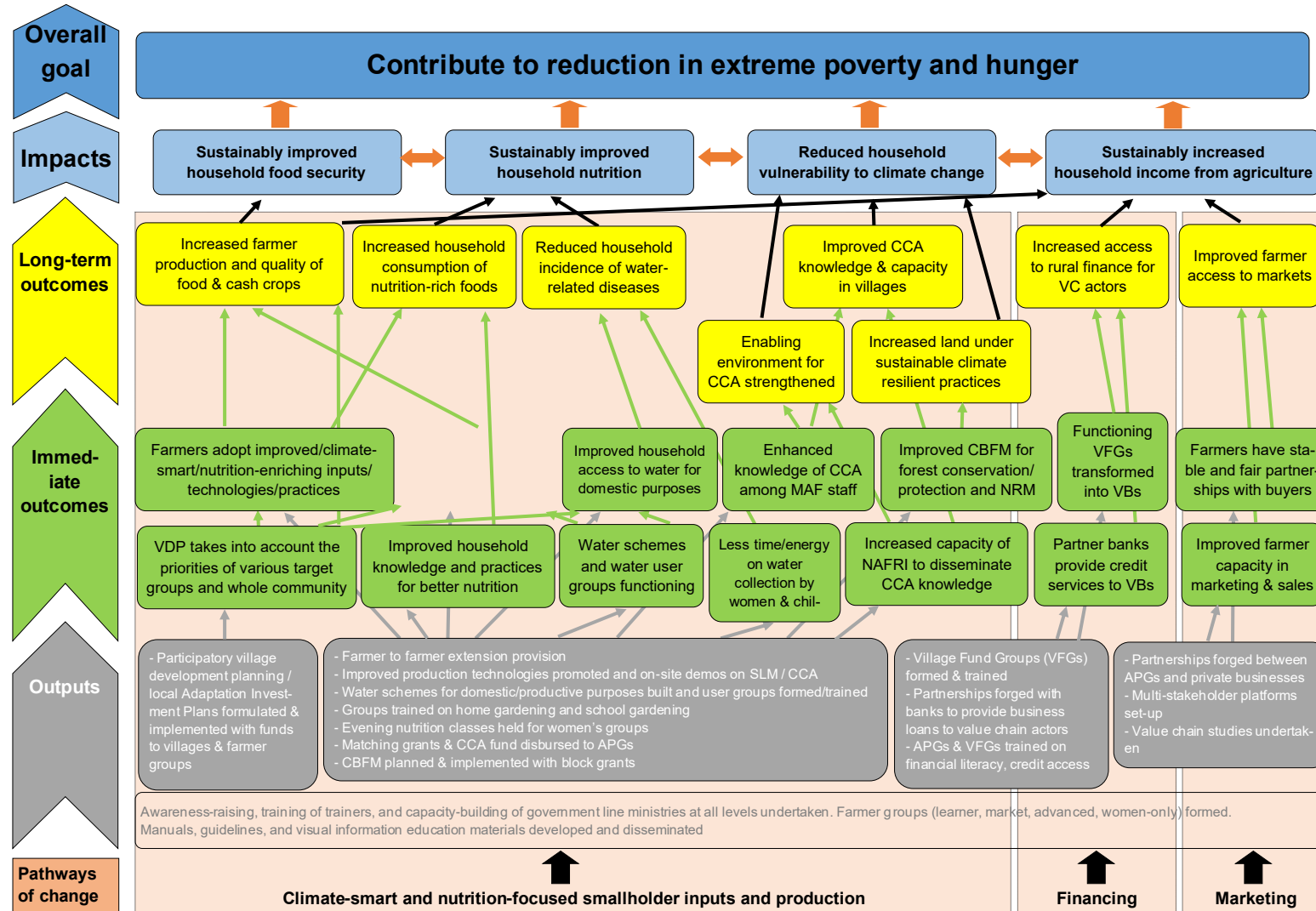
| Region | Asia and the Pacific Division | | Approval (US\$ m) | | Actual (US\$ m) | |
|--|---|---|---|-----|---|-----|
| Country | Lao People's Democratic Republic | Total project costs | 18.86 | | 18.12* | |
| Grant numbers | - DSF Grant Agreement No. G-I-DSF 8117-LA - ASAP Grant no. 2000001141 | IFAD grant | 9.72 | 52% | 9.18 | 51% |
| Type of project (subsector) | Rural development | IFAD ASAP grant | 5.03 | 27% | 4.76 | 26% |
| Financing type | DSF Grant/ASAP Grant | Government | 1.49 | 8% | 1.56 | 9% |
| Lending terms | - | Beneficiaries | 1.14 | 6% | 2.58 | 14% |
| Date of approval | 07/09/2013 (DSF) 08/05/2015 (ASAP) | Private sector | 1.36 | 7% | 0.03 | 0% |
| Date of loan signature | 13/09/2013 (DSF) | Banks | 0.1 | 1% | 0 | 0% |
| Date of effectiveness | 13/09/2013 (DSF) 28/07/2015 (ASAP) | Number of beneficiaries (if appropriate, specify if direct or indirect) | <u>Direct:</u> 63,000 beneficiaries (10,500 households) <u>Indirect:</u> 36,000 people | | <u>Direct:</u> 74,802 beneficiary household members 70,876 people receiving services (14,175 households) <u>Indirect:</u> 18,465 people | |
| Midterm review | 06/11/2016 | Original grant completion date | 31/09/2019 (DSF & ASAP) | | | |
| Amendments to the financing agreements | - 28/07/2015 ASAP grant allocation - 31/10/2017 Reallocation of grant proceeds - 03/09/2019 Project extension of one year | Actual grant completion date | 31/09/2020 (DSF & ASAP) | | | |
| | | Actual grant closing date | 31/03/2021 (DSF & ASAP) | | | |
| Country programme managers ** | Stefania Dina; Benoit Thierry; Thomas Rath; Kaushik Barua | IFAD grant disbursement at project completion (%) | 100% (in special drawing rights) | | | |
| Regional director(s) | Nigel Brett; Hoonae Kim | Date of the project completion report | 21/06/2021 | | | |

Source: Oracle Business Intelligence; project documents.

* The PCR gives different figures for the actual total costs of the project: The "project at a glance" table records US\$18.915 million versus appendix 3 table 2A: US\$18.27 million and table 2B: US\$18.12 million. The above figures are extracted from table 2B appendix 3, which provides the performance both by financier and by component.

** IFAD country programme managers/country directors of Lao PDR from design to completion of FNML listed in chronological order. The country director *ad interim* during the evaluation is Francisco Pichón.

FNML project theory of change



Source: PPE elaboration based on project documents and findings during field visits.

Main theory of change assumptions

1. Project activities are inclusive, involving the different target groups. For example: the VDP/LAIP is inclusive and participatory without disproportionate leakage of benefits to the non-poor; APG groupings and operations are inclusive; extremely poor households can participate and benefit from activities.
2. Contracted implementers have the capacity to undertake activities effectively and on time.
3. Poor farmers have sufficient labour force and access to land and water.
4. Water schemes are adequately designed and managed to respect safe yields and meet essential water needs.
5. Water user groups and local technical services have the capacity and human and financial means to operate, maintain and repair the water supply and irrigation schemes. All villagers are willing and able to pay for water services.
6. Potential partner banks are willing and able to provide financial services in poor remote villages and continue services after project closure.
7. Agrofirms are willing to invest in the identified value chains and establish fair partnerships with groups of farmers, with remunerable prices.
8. Technical services at district level have the capacity and budget to support the villages.

General theory of change assumptions

9. Absence of disruption from extreme weather events and pests and diseases on smallholder agricultural production, on marketing and on community infrastructure.
10. Project funds are well managed and sufficient.
11. Timely sequencing of the implementation of project activities.
12. Use of multimedia to disseminate information reaches everyone in the village.
13. Timely production of quality manuals, guidelines and information and education material.
14. Agricultural products are identified that can be cultivated in the conditions of the project villages.

Definition and rating of the evaluation criteria used by IOE

| Criteria | Definition | Mandatory | To be rated |
|----------------------------|---|-----------|-------------|
| Relevance | The extent to which: (i) the objectives of the intervention/ strategy are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies; (ii) the design of the interventions/strategy, the targeting strategies adopted are consistent with the objectives; and (iii) the intervention/strategy has been (re-) adapted to address changes in the context. | X | Yes |
| Effectiveness | The extent to which the intervention/strategy achieved, or is expected to achieve, its objectives and its results at the time of the evaluation, including any differential results across groups. | X | Yes |
| | A specific subdomain of effectiveness relates to: Innovation, the extent to which interventions brought a solution (practice, approach/method, process, product, or rule) that is novel, with respect to the specific context, time frame and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) in relation to rural poverty reduction. ¹ | X | Yes |
| Efficiency | The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely way. "Economic" is the conversion of inputs (e.g. funds, expertise, natural resources, time) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed). | X | Yes |
| Impact | The extent to which an intervention/country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. The criterion includes the following domains: -changes in incomes, assets and productive capacities -changes in social/human capital -changes in household food security and nutrition -changes in institution and policies The analysis of impact will seek to determine whether changes have been transformational, generating changes that can lead societies onto fundamentally different development pathways (e.g. due to the size or distributional effects of changes to poor and marginalized groups). | X | Yes |
| Sustainability of benefits | The extent to which the net benefits of the intervention or strategy continue and are scaled up (or are likely to continue and be scaled up) by government authorities, donor organizations, the private sector and other agencies. Note: This entails an examination of the financial, economic, social, environmental and institutional capacities of the systems needed to sustain net benefits over time. It involves analyses of resilience, risks and potential trade-offs. | X | Yes |
| | Scaling up* takes place when: (i) bi- and multilateral partners, private sector, communities) adopt and diffuse the solution tested by IFAD; (ii) other stakeholders invested resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested by IFAD (from practice to policy). | X | Yes |
| | *Note that scaling up does not only relate to innovations. Environment and natural resources management and climate change adaptation. The extent to which the development interventions/strategy | X | Yes |

¹ Conditions that qualify as an innovation: newness to the context, to the intended users and the intended purpose of improving performance. Furthermore, the 2020 Corporate-level Evaluation on IFAD's Support to Innovation defined transformational innovations as "those that are able to lift poor farmers above a threshold, where they cannot easily fall back after a shock". Those innovations tackle simultaneously multiple challenges faced by smallholder farmers. In IFAD operational contexts, this happens by packaging/bundling together several small innovations. They are most of the time holistic solutions or approaches applied or implemented by IFAD-supported operations.

| Criteria | Definition | Mandatory | To be rated |
|---|---|-----------|-------------|
| | contribute to enhancing the environmental sustainability and resilience to climate change in small-scale agriculture | | |
| Gender equality and women's empowerment | <p>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; workload balance and impact on women's incomes, nutrition and livelihoods; and in promoting sustainable, inclusive and far-reaching changes in social norms, attitudes, behaviours and beliefs underpinning gender inequality.</p> <p>Evaluations will assess to what extent interventions and strategies have been gender transformational, relative to the context, by: (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention).</p> <p>Evaluators will consider differential impacts by gender and the way they interact with other forms of discrimination (such as age, race, ethnicity, social status and disability), also known as gender intersectionality.²</p> | X | Yes |
| Overall project achievement | Arithmetic mean of the evaluation criteria (above) | X | Yes |
| Performance of partners (assessed separately for IFAD and the government) | <p>The extent to which IFAD and the Government (including central and local authorities and executing agencies) supported the design, implementation and the achievement of results, conducive policy environment, and impact and the sustainability of the intervention/country programme.</p> <p>The adequacy of the borrower's assumption of ownership and responsibility during all project phases, including government and implementing agency, in ensuring quality preparation and implementation, compliance with covenants and agreements, supporting a conducive policy environment and establishing the basis for sustainability, and fostering participation by the project's stakeholders.</p> | X | Yes |

² Evaluation Cooperation Group, Gender. Main messages and findings from the ECG Gender practitioners' workshops (Washington, D.C., 2017), <https://www.ecgnet.org/document/main-messages-and-findings-ieg-gender-practitioners-workshop>.

Rating comparison^a

| Criteria | Programme Management Department rating | Project performance evaluation rating | Rating disconnect |
|--|---|--|----------------------|
| Relevance | 4 | 4 | 0 |
| Effectiveness | 4 | 4 | 0 |
| - <i>Innovation</i> | 4 | 5 | 1 |
| Efficiency | 3 | 3 | 0 |
| Impact | 4 | 4 | 0 |
| Sustainability of benefits | 4 | 4 | 0 |
| - <i>Scaling up</i> | 4 | 3 | -1 |
| - <i>NRM & CCA</i> | 4 | 3 | -1 |
| Gender equality and women's empowerment | 4 | 3 | -1 |
| Overall project achievement ^b | 3.89 | 3.67 | -0.22 |
| Performance of partners^c | | | |
| IFAD | 4 | 4 | 0 |
| Government | 4 | 4 | 0 |
| Average net disconnect | | | -0.18 |

^a 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.

^b Arithmetic average of evaluation criteria.

^c The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the project completion report quality

| | <i>IOE rating</i> |
|---|-------------------|
| Scope | 5 |
| Quality (methods, data, participatory process) | 4 |
| Lessons | 5 |
| Candour | 4 |
| Overall rating of the project completion report | 4.5 |

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.

Evaluation framework

| Criteria | Focus for the PPE | Sources of evidence for PPE |
|---------------|---|---|
| Relevance | <p>The PPE will assess to what extent the project has been relevant to the Government of Lao PDR's strategies for poverty alleviation. It will examine its alignment with IFAD's focus in the country as articulated in the two COSOPs (2011, 2018) and the Fund's institutional priorities. The PPE will also review the relevance and linkages of the project in relation to other development programmes in the target area and sector.</p> <p>The PPE will assess the quality of the design of interventions in respect to local implementation capacity and knowledge. Coherence within the project and its internal logic (theory of change) will also be assessed, as will the relevance of changes made to project design during implementation.</p> <p>The PPE will assess the relevance of the targeting strategy to achieve the project objectives for the target groups (very poor, middle poor and better-off including women, young men and different ethnic minority groups). Were the local context and poverty dynamics sufficiently analysed and understood and were the priority needs of the target groups reflected in design and through the VDPs?</p> <p>Specific evaluation questions:</p> <ul style="list-style-type: none"> Was the proposed combination of project support relevant to respond to household priority needs in terms of improved food security, nutrition and income? Was the support realistic given local levels of implementation capacity? APGs were expected to mature from learning groups to market groups and to advanced groups. Was this approach relevant to the needs of the most vulnerable households and were poor households supported throughout this process? Was the parallel implementation of activities to improve smallholder adaptation to climate change and smallholder crop production systems a relevant approach to achieve project objectives? Were the direct nutrition-related activities relevant for bringing about improved nutritional outcomes? How relevant were the market-related interventions to contribute to achieving the objectives of improved food and nutrition security? Were there any synergies or trade-offs between the focus on markets and nutrition? How relevant are the finance models proposed by FNML to the conditions in poor villages? Who can benefit and for what purpose? How relevant is the FNML approach to CCA in poor rural areas in Lao PDR? Were selected CCA technologies suitable and appropriate to the capacity of local government staff and target groups? | <p>COSOPs 2011, 2018, COSOP completion review, COSOP MTR PDR</p> <p>External documentation</p> <p>Stakeholder interviews with national, provincial and district authorities, development agencies and implementing agencies</p> <p>Reconstruct the theory of change in order to highlight the intended beneficiaries, intended development pathways and assumptions</p> <p>Field visits for interviews with beneficiaries and group discussions</p> |
| Effectiveness | <p>The PPE will review the existing evidence base, including the data collected by the FNML M&E system, supervision reports and the PCR to establish the results achieved by the project in terms of targets, and conduct further analysis on which parts of the project have been more effective, and how and why project activities have achieved the intended/unintended results.</p> <p>The construction of irrigation and water supply schemes encountered difficulties. More information is needed on their quality as well as the arrangements made for their operation and maintenance. The PPE will review construction quality, how functional the water user groups are and the capacity for operation and maintenance.</p> <p>Specific evaluation questions:</p> <ul style="list-style-type: none"> Has the expected synergy between project activities occurred and been effective at generating outcomes at household and village level? | <p>Project documentation</p> <p>M&E data</p> <p>Outcome survey</p> <p>Stakeholder interviews</p> <p>Field visits for observation and beneficiary interviews</p> |

| Criteria | Focus for the PPE | Sources of evidence for PPE |
|----------------------|--|--|
| | <ul style="list-style-type: none"> • Was the parallel implementation of activities to improve smallholder adaptation to climate change and smallholder crop production systems effective? • How effective was project support at increasing the agricultural production of beneficiary households; where and for whom? Did the technical training and the provision of agricultural inputs contribute to this increase in production? • Were the direct nutrition-related activities effective at bringing about improved nutritional outcomes? • Who has benefited from the partnerships with agribusinesses and how? • How effective have APGs been in enabling poorer farmers to access markets? • How is fairness ensured in the contractual agreements and are the contracts effectively applied? • How did the 96 project VFGs perform and how do they compare with other VFGs created in Lao PDR? • What changes have the SACC activities brought about for different stakeholders (NAFRI, technicians, businesses, farmers and local communities)? | |
| Innovation | <p>The PPE will assess the four innovations promoted by the project and how well they align with the IFAD definition. Analysis will involve looking at the extent to which (and how) the project built on prior successful experiences and lessons and how innovations are documented.</p> <p>The characteristics of these innovative approaches/practices are well described but whether they fit IFAD's definition of innovation is not yet articulated.</p> <p>The PCR mentions that the combination of VDP, LAIP, CBFM and GAP in village-level planning and the combination of the CCA innovation fund and FNML's matching grant were successful innovations but does not explain how these grants were combined.</p> | |
| Efficiency | <p>The PPE will examine the process and system that underpinned the disbursement of funds, including to the villages and farmer groups through the village development planning process. It will also assess whether the physical, financial and human resources were adequate for successful execution of project activities. Further, the economic internal rate of return (EIRR) will be reviewed as far as its basic crop and farm model assumptions are concerned.</p> <p>Project management costs are also unclear in the PCR. PCR does not analyse over-spending on institutional support. How efficient was the use of funds for project management, coordination and institutional support?</p> <p>Procurement was problematic and slow which is well documented. However, there is no assessment on the efficiency of the village development planning process to disburse funds.</p> | <p>Project documentation including audit reports</p> <p>Stakeholder interviews (IFAD personnel, government staff, FNML PRCO)</p> <p>Field visits to interview village officials and farmer groups</p> <p>PCR annex of EIRR</p> |
| Rural poverty impact | <p>Impact is defined as the changes that have occurred or are expected to occur in the lives of rural poor people (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. The PPE will examine the methodology used in the end line impact assessment conducted by the project in 2020 and the validity of results; additional evidence will be collected from the field to validate these results, where possible. There are four impact domains:</p> <p>PCR and endline survey report improvements in terms of poverty and hunger reduction, as well as in agricultural productivity in the project area, but often to a lesser extent than in non-project villages. The reasons why will be explored by the PPE.</p> | <p>Project documentation, including 2020 Impact assessment</p> <p>Field visits for spot-checking through individual and group interviews</p> <p>Stakeholder interviews</p> <p>External documentation</p> |

| Criteria | Focus for the PPE | Sources of evidence for PPE |
|----------------------------------|--|---|
| | <ul style="list-style-type: none"> • Changes in income, assets and productive capacities e.g. changes in physical assets (farmland, housing, irrigation infrastructure, etc.), in the composition and level of beneficiary households' income, in access to markets, in financial assets and/or debts of beneficiary households. • Changes in social and human capital (and empowerment) e.g. changes in activities of farmers' groups during the project & now (APG, WUG, VB, etc.), in access to information for the rural poor, in access of households to financial services, in ability of rural poor people to voice concerns in their villages and address priority needs; • Changes in household food security and nutrition e.g. changes in yields, in availability, affordability and stability of food, in the nutritional status of the target group, especially children. <p>Specific evaluation questions:</p> <ul style="list-style-type: none"> ○ Why did the nutritional status of children reduce in project villages and improve in non-project villages? ○ How did changes in production lead to changes in household food and nutrition security, if any? <ul style="list-style-type: none"> • Changes in institutions and policies e.g. changes in the local governance/administrative services, in village financial institutions, in farmers organizations (APGs), in water user groups, and any impact at any level on policy formulation and implementation. <p>It is not clear how different groups operate and who (which target groups) participated in them. Information is not given on the content of farming contracts.</p> | |
| 49 Sustainability of benefits | <p>The PPE mission will visit selected project sites to verify the current situation with regard to the sustainability of benefits (two years after completion) including the adoption of improved agricultural practices/access to extension services, village financial services, agricultural production groups, home gardens, school gardens, domestic and irrigation water schemes, contracts with agribusinesses, and CBFM. The PPE will also review any lasting benefits from the village development planning process used. Moreover, it will look at how the project's implementation through districts (in line with Government decentralization policy) supported institutional capacities to sustain benefits over time (and the facilitating and constraining factors). The PPE will look at the timing and quality of the exit strategy and/or the performance of partners.</p> <p>Specific evaluation questions:</p> <ul style="list-style-type: none"> • Are any improvements in terms of nutrition and food security sustainable in the long-term without external support? • What have the contractual agreements brought to the partners and are the contracting agreements sustainable? • Do the VFGs continue operating after the end of the project? • How is the sustainability of the proposed technical innovations ensured, under which conditions and for whom? | <p>Project documentation Stakeholder interviews Field visits and interviews with beneficiaries, different groups and village organizations Interview with NAFRI, final report of NAFRI if available</p> |
| Scaling up | <p>The PPE will validate the extent to which the government and other donor partners have incorporated/financed FNML practices into their own projects and strategies, as reported in the PCR. The PPE will assess through what processes practices were scaled up, what the obstacles were and whether there were realistic prospects that they could be scaled up.</p> <p>PCR describes how each innovative approach is being scaled up with varying degrees of success. While the matching grants for APG and PPCE are already scaled up by IFAD and ADB projects, scaling up of the climate-informed VDP encounters more</p> | <p>Field survey and description of typical cases Stakeholder interviews</p> |

| Criteria | Focus for the PPE | Sources of evidence for PPE |
|--|---|---|
| | difficulties because of the lack of public funds. The PPE will explore whether these fit with IFAD's definition of scaling up and how scaling up is or could have been facilitated. | |
| Environment and natural resources management and climate change adaptation | <p>The PPE will assess the approach, effectiveness and sustainability of project support to community-based forestry management. It will look at smallholder adaptation to climate change as a key issue. The PPE will assess if and how the different elements (separately or combined) contributed to enhancing environmental sustainability and resilience to climate change in poor rural villages.</p> <p>The endline impact assessment and the PCR report that some CCA practices were adopted in the project villages, others not. Understanding the reasons for adoption or rejection and by whom is important for lessons learned.</p> <p>Specific evaluation question:</p> <ul style="list-style-type: none"> • Did the parallel implementation of activities to improve smallholder adaptation to climate change and smallholder crop production systems contribute to the sustainability of benefits? | <p>Field visits, beneficiary interviews and observation</p> <p>Stakeholder interviews</p> <p>Project documentation</p> <p>External documentation - information on other projects/interventions</p> <p>Interviews with NAFRI staff</p> |
| Gender equality and women's empowerment | <p>The PPE will examine to what extent the project's interventions have contributed to better gender equality and women's empowerment. It will assess the planned and actual gender strategy used and the capacity of implementers to bring this about. Differential impacts by various target groups will be assessed as much as possible.</p> <p>The PCR reports relatively favourable results in terms of promoting gender equality and women's empowerment through gender mainstreaming, although there is limited information provided, and little analysis of results relative to the gender issues in the target area and at the beginning of the project. There is an attempt to consider gender intersectionality in the results. The endline impact assessment found that the impact of the project on this criterion was not clear, or at best, mixed. More data are required to properly analyse this criterion and to clarify the results achieved.</p> | <p>Project documentation</p> <p>External documentation</p> <p>Stakeholder interviews</p> <p>Field visits with beneficiary interviews, group interviews and observation</p> |
| Performance of partners | <p>IFAD</p> <p>The PPE will focus on IFAD's adequacy of support to ensure the relevance of design and to provide timely and quality supervision and implementation support missions. The frequent change of country directors will also be reviewed as well as the changing commitment of support for a country programme officer in the country, and how this affected project performance. The timeliness and quality of the exit strategy will also be reviewed.</p> <p>PCR does not assess how lessons learned and recommendations from previous evaluations were integrated into the design. It underlines the complexity of the project design documents that implementers found difficult to understand. There is limited information about IFAD's cooperation with other partners and about the exit strategy.</p> <p>Government</p> <p>The PPE will look at the fulfilment of responsibilities by the government as per the grant agreements and its performance during implementation and towards the sustainability of benefits.</p> | <p>Project documentation</p> <p>Stakeholder interviews (IFAD personnel, government staff, FNML PRCO)</p> <p>Project documentation</p> <p>Stakeholder interviews (IFAD personnel, government staff, FNML PRCO)</p> |

List of key persons met

Government

Phommy Inthichack, Deputy Director General, Department of Planning and Cooperation, Ministry of Agriculture and Forestry (MAF)

Somphathay Liengsone, Director of Division, Department of Planning and Cooperation, MAF

FNML project staff

Khamvay Nanthavong, National Project Coordinator, MAF

Oulaytham Lathsamimma, Technical Coordinator to FNML, NAFRI, MAF

Phetvilay Meuanedouang, Chief Technical Advisor/Programme Management Advisor (consultant)

Soukdethphone, M&E Advisor (consultant)

Khamla Souksavanh, Finance Management Advisor (consultant)

Bounthanom Bouahom, WOCAT Coordinator (at NAFRI)

Attapeu provincial agriculture and forestry office

Vongduen Fongsamout, Deputy Director General, Provincial Agriculture and Forestry Office

Siphan Ninphet, Director of Saving and Credit Union Thaveexab

Vitthaya, Xayavong, Director of Saving and Credit Union Thaveexab

Chaiphone Sengsysavang, Head of Division, Provincial Planning and Investment Department

Khaokeow Saenkunya, Provincial Financial Department

Senkham Sitthioudom, Deputy Director General, Provincial Public Work and Transportation Department

Saynakhon Inthavong, Youth Union

Soulisack Sengchan, Head of Division, Provincial Education and Sports Department

Navalith Nuanthong, Provincial Health Department

Paeklee Khitikhoun, Provincial Industry and Commerce Department

Sackvilay Viengxay, Women's Union

Phouvong District

Ghoksamai, Head of Administration Unit of the District Agriculture and Forestry Office

Sithvongxay, Head of Rural Development Unit of the District Agriculture and Forestry Office

Champasak, Deputy Head of the District Agriculture and Forestry Office

Sisouk, Deputy Head of the District Agriculture and Forestry Office and Coordinator of FNML

Phetsavat, Agronomy Technician of the District Agriculture and Forestry Office, responsible for FNML project M&E

Soupakdee, Head of Livestock and Fishery Unit of the District Agriculture and Forestry Office

Sanxay District

Ponsai, Deputy Head of DAFO

Sosalaa, Deputy Governor of District (and former head of DAFO during FNML)

Wongwan, DAFO Agronomist

Pon, Head of Technical Service Centre

Sonai, DAFO Administration

Ankum, Department of Planning and Investment

Sivian, Department of Health

Xekong provincial agriculture and forestry office

Syvang Onmanee, Deputy Head of Division, Provincial Industry and Commerce Department

Vongmanee, Finance Department

Inthiphon Chalouensouk,

Souliphan Inthanouvong, Deputy Director General, Provincial Planning and Investment

Phoudavon Phingmalay, Treasury Unit, Lao's Women Union

Sounthon Keovanna, Deputy Head of Division, Provincial Agriculture and Forestry

Dakcheung District, Xekong Province

Phaisamone Aikeo, Head of the District Agriculture and Forestry Office

Soukkaseum Kounkhamly, Head of the Planning and Investment Office

Kiliya Douangkanya, Representative of the District Industrial and Commerce Office

Pobthasin, Deputy Head of the District Natural Resources and Environment Office

Kame Bounkasien, Technician of the District Finance Office

Baiphakid, Technician of the Education and Sports Office

Khamfeune Fongdavong, Technician of Health Office

Bouasone, Technician of the District Agriculture and Forestry Office

Hadsadone, District Lao Women's Union

Salavan provincial agriculture and forestry office

Souvanphakone Vongbounthan, Deputy Head of Provincial Agriculture and Forestry Office

Koukeo Thongmanila, Deputy Head of Provincial Industrial and Commerce Office

Onesa Khamphaivanh, Representative of Provincial Youth Union

Chanthachone, Vice President of Provincial Lao Women's Union

Bounsong Paphatlalang, Representative of Provincial Planning and Investment Office

Vilasak, Representative of Provincial Industrial and Commerce Office

Odai, Representative of Natural Resources and Environment Office

Thongjai Kommany, Deputy Director of Vanmai Microfinance

Souksakhone Silivong, Deputy Director of Vanmai Microfinance

Somephone, Technician of Provincial Agriculture and Forestry Office

Daoheuang, Technician of Provincial Agriculture and Forestry Office

Somkhit Vongsaly, Deputy Head of Provincial Public Work and Transport

Ta'Oy District, Salavan Province

Phetsouphan, Agronomist of District Agriculture and Forestry Office
Theppadith, Technician of District Agriculture and Forestry Office
Xayalath Lathsayouth, Deputy Head of District Agriculture and Forestry Office
Thepkaisone, Representative of District Lao Women's Union
Salakchit Keokhamphet, Representative of District Planning and Investment Office
Teuy Lathsamy, Representative of District Youth Union
Khamnoy Loyvanxay, Deputy Head of District Public Work and Transport Office
Borlomvila Phoumylak, Representative of District Industrial and Commerce Office
Kongxaisy, Representative of District Natural Resources and Environment Office
SoukKhi, Head of Kokbok Technical Service Center of Ta'Oy
Phoxay Leuammalaysy, Representative of District Health Office
Technical Service Center (Kokbok station) 5 people including 1 *kumban* facilitator

Samuay District, Salavan Province

Pinja Xaypanya, Head of District Agriculture and Forestry Office
Ghi Deelaton, Technician of District agriculture and Forestry Office
Ketsana, Deputy Head of District Public Work and Transport Office
Lian Vananh, Deputy Head of District Health Office
Douangmany, Technician of District Agriculture and Forestry Office
Boualay, Technician of District Agriculture and Forestry Office
Chanthai, Representative of District Lao Women's Union
Biet Xayalath, Representative of District Youth Union
Kab dingsagna, President of District Lao Front Development
Vangsalai, Head of District Industrial and Commerce Office
Moneta, Representative of *kumban*

IFAD

Ambrosio Barros, Country Director / Hub Head, APR
Rachele Arcese, Programme Officer, APR
Soulivanh Pattivong, Country Programme Officer (consultant), APR
Francisco Pichón, (former) Country Director, APR

International and donor institutions

Marc Sauveur, Head of Programme, Lao PDR, WFP
Outhai Sihalath, Deputy Head of Programme, Lao PDR, WFP
Dale Wilson, Climate Change and Resilience Officer, WFP
Omer Zafar, Principal Natural Resources and Agriculture Specialist, ADB Lao Resident Mission
Chandaworn Bounnad, Project Analyst, ADB Lao Resident Mission
Phetsoulaphonh Choulatide, Agriculture Sector Officer, ADB Lao Resident Mission

Private sector

Bualapha, Owner, Bualapha Company Ltd.

Siphan Ninphet, Director of Saving and Credit Union (NSO) Thaveexab

Vitthaya, Xayavong, Director of Saving and Credit Union (NSO) Thaveexab

Thongjai Kommany, Deputy Director of Vanmai Microfinance

Souksakhone Silivong, Deputy Director of Vanmai Microfinance

Beneficiaries

Dakvor village, Dakcheung District, Xekong Province - 25 villagers (10 men, 15 women)

Dakbong village, Dakcheung District, Xekong Province - 28 villagers (5 men, 23 women)

Kamouane village, Ta'Oy District, Salavan Province - 22 villagers (15 men, 7 women)

Sabongkokhai village, Ta'Oy District, Salavan Province - 19 villagers

Houayngua, Ta'Oy District, Salavan Province - 25 villagers (5 men, 20 women)

Lavatay village, Samuay District, Salavan Province - 20 villagers (12 men, 8 women)

Lavaneur village, Samuay District, Salavan Province - 11 villagers (8 men, 3 women)

Thesaban village, Samuay District, Salavan Province - 26 villagers

Dakhiet village, Xansay District, Attapeu Province - 6 villagers (4 men, 2 women)

Daksamore village, Xansay District, Attapeu Province - 20 villagers (6 men, 14 women)

Phouxay village, Phouvong District, Attapeu Province - 35 villagers (15 men, 20 women)

Vongsomphou village, Phouvong District, Attapeu Province - 10 (3 men, 7 women)

Mission itinerary

| Date and Day | Activities | Remarks |
|--|--|--|
| 24/25 Sept (Sat/Sun) | International mission members arrival in Vientiane capital | Stay at Laotel hotel, Vientiane |
| 26 Sept (Mon) | Morning: Evaluation meeting with MAF's Department of Planning and International Cooperation | In-person meeting |
| | Lunch meeting IOE and Soulivanh (IFAD) | |
| | Afternoon: Evaluation meeting with former FNML staff | In-person meeting. Introductory meeting already held remotely. This meeting will involve more detailed discussions about project management, implementation and results. |
| 27 Sept (Tues) REMOTE Piya present | 14:00 hrs: Meeting with Attapeu provincial agriculture and forestry office (PAFO) and provincial line agencies (agriculture, planning, finance, environment and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) and NSO. | Meeting was held at PAFO (changed due to tropical storm, held remotely online via Zoom) |
| 28 Sept (Wed) | PPE team work on various tasks | <i>Unable to hold even remote meetings with local governments due to ongoing tropical storm Noru in the south</i> |
| 29 Sept (Thur) REMOTE | 8:30: Meeting with Phouvong District agriculture and forestry office (DAFO) line agencies (agriculture, planning, finance, environment and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) | Online Zoom call |
| REMOTE | 14:00: Meeting with Xekong PAFO and provincial line Agencies (agriculture, planning, finance, environment and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) | Online Zoom call |
| 30 Sept (Fri) | 9:00 arrival in Pakse and travel to Xekong to meet national consultant Piya Wongpit | |
| | 13:00: Continue to travel to <i>Dakcheung District</i> and Stay at Ong Dong Hotel in Dakcheung District, Xekong Province Meeting with Dakcheung District DAFO and district line agencies (agriculture, planning, finance, environment and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) | Meeting held at DAFO Ong Dong Hotel, Dakcheung District, Xekong Province +856-20-95054799 |
| 1 Oct (Sat) | 08:00 Dakvor village - village authorities - learning group APG - VFG - water user groups of drinking and multi-purpose water schemes - home gardens - school gardens | 08:00 Dakbong village - village authorities - advanced group APG - VFG - home gardens |
| 2 Oct (Sun) | 8:00: Travel to <i>Ta Oi District</i> , Salavan Province and Stay at Sompadthana Hotel in Ta Oi District | Sompadthana Hotel Ta Oi District, Salavan Province +856-20-97828133 |
| | 14:00: Meeting with technical service centre in Ta Oi District | |
| 3 Oct (Mon) | 8:30-10:00: Meeting with Ta Oi District DAFO and district line agencies (agriculture, planning, finance, environment | Meeting held at DAFO |

Annex VII

| Date and Day | Activities | Remarks |
|--------------|---|---|
| | and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) and NSO | |
| | 10:30: Village Sabongkokhai - village authorities - learning group APGs - CBFM 13:30: Houayngua village: meeting with village bank | 10:30: Village Kamouan - village authorities - learning group APGs - VFG |
| | 16:00: Travel to <i>Samuay District</i> | Keotaven Guesthouse, Samuoi District, Salavan Province - +856-20-97638337 |
| 4 Oct (Tues) | 8:30-10:00: Meeting with Samuay District DAFO and district line agencies (agriculture, planning, finance, environment and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) and NSO | Meeting held at DAFO |
| | 10:30: Lava-tay village - village authorities - learning APGs - CBFM - VFG - water user groups of drinking water and irrigation schemes - home gardens - school gardens | 10:30: Lava-neur village - village authorities - advanced APGs - CBFM 13:30: Thesaban village with village bank |
| | Travel to Salavan provincial centre | |
| 5 Oct (Wed) | 9:00-12:00: Meeting with Salavan PAFO and provincial line agencies (agriculture, planning, finance, environment and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) and NSO | Meeting held at PAFO |
| | Travel to Attapeu | Hoàng Anh Attapeu Hotel |
| 6 Oct (Thur) | 7:30: Leave for <i>Sanexay District</i> | |
| | 8:30-10:00: Meeting with Sanexai DAFO and district line agencies (agriculture, planning, finance, environment and natural resources, industry and commerce, public work and transport, LWU, youth, health, Lao Front for National Development etc.) | Meeting held at DAFO |
| | 10:30: Dakhiet village - village authorities - APG learning groups - CBFM - home gardens | 10:30 Daksamore village - village authorities - APG learning groups - CBFM - VFG - home gardens |
| | 17:00 hrs: Return to stay at provincial centre in Attapeu | Same hotel - Hoàng Anh Attapeu Hotel |
| 7 Oct (Fri) | 08:00 - PPCP private business Vongsomphou village - village authorities | 08:00 Phouxay village - village authorities - learning APG |

Annex VII

| Date and Day | Activities | | Remarks |
|-------------------|--|---|--|
| | - market ready APG - CBFM | - water management committee - handicrafting | |
| | 13:30 Leave for Pakse airport 17:40 flight to Vientiane Capital | | Stay in Laotel hotel, Vientiane |
| 8/9 Oct (Sat/Sun) | Departure of international mission members | | |
| 14 Oct (Fri) | 09:00 CET/14:00 VTE Online wrap up meeting with government and IFAD - presentation of emerging findings | | On-line meeting via Zoom Meeting Programme: <ol style="list-style-type: none"> 1. MAF welcome remarks 2. IOE presentation of emerging findings 3. Q & A and discussion 4. Remarks by IOE 5. Remarks by IFAD 6. Closing remarks by MAF |

Supporting data and analysis

Country context

Box 1

Policy initiatives relevant to FNML

The 2012 decentralization policy, known as the Sam Sang (“three builds”) directive, seeks to accelerate local economic development through decentralized public administration and the development of targeted villages. It proposes villages as the main development unit (delivery of rural development outputs), district as the integration unit (coordination across sector agencies to ensure effective and efficient delivery in villages), and provinces as the strategic unit (resource allocation priorities). The promotion of cooperatives started in 2010, as channels for farmers, traders and other professionals to increase their production capacity and help farmers to access financial resources. The “one district one product” initiative aims to contribute to local economic development by focusing on the promotion of one specified agricultural product.

Source: Politburo Resolution No. 03/CPP issued 15 February 2012; Prime Minister Office decree No 136/PM dated 5 March 2010.

Evaluation methodology and process

Box 2

Main limitation of the baseline survey and endline impact assessment

In the baseline survey, the sample of non-FNML villages had better access to irrigation, schools, credit and markets. Of 38 FNML and 38 non-FNML villages, access varied (respectively) to: markets (3 versus 22), credit (13 versus 24), schools (21 versus 20) and irrigation (13 versus 19). These key services are important drivers of income and agricultural productivity, so there is possible bias in the selection of non-FNML villages, rendering comparisons with FNML villages unfair. Moreover, the 2015 supervision mission raised a serious concern about the number of non-FNML beneficiary households within FNML villages. Indeed, the 2020 impact assessment removed 63 per cent of non-FNML households from the sample because they had participated in project activities. This also meant that the control group made up only 27 per cent of the total sample. Relatedly, the impact assessment did not report the statistical significance of the difference-in-difference analysis, which makes it difficult to understand the external validity of results (whether the impact results of the sample households can also be applied to all households in the target population area).

Relevance section

Table 1

FNML’s alignment with national policies

| National policy | Objectives and focus area | FNML objectives, components and approaches |
|-----------------------------|--|--|
| NSEDP 2011-2015 & 2016-2020 | <p>Key role of agriculture in poverty reduction through agriculture modernization and commercialization, enhanced food security, improved productivity and quality, optimal use of natural resources and improved livelihoods of farmers;</p> <p>Regional and local development;</p> <p>Governance (decentralization and participation);</p> <p>Natural resources management and sustainable development;</p> <p>Environmental protection;</p> <p>Enterprises development.</p> | <p>Contribute to the reduction of extreme poverty and hunger in five southern districts;</p> <p>Ensure sustainable food and nutrition security and income of households in the project targeted area;</p> <p>Component 1: food and nutrition security and pro-poor market access;</p> <p>Component 4: smallholder adaptation to climate change;</p> <p>Improved water systems.</p> |
| NSEDP 2016-2020 | <p>Emphasizes:</p> <p>Greener and more inclusive growth;</p> <p>Private sector participation;</p> <p>Adaptation to climate change.</p> | <p>Participatory VDP;</p> <p>All components mainstreaming gender equity;</p> <p>Area targeting ethnic minority groups;</p> <p>Inclusive business partnerships;</p> |

| National policy | Objectives and focus area | FNML objectives, components and approaches |
|--|---|---|
| | | Component 4: smallholder adaptation to climate change. |
| National Growth and Poverty Eradication Strategy | Improved living environments for groups of diverse ethnicities; Increased community participation in the national development process; Enhanced human resource development and eradication of mass poverty; Stabilization of shifting cultivation. | Contribute to the reduction of extreme poverty and hunger in five southern districts; Component 1: food and nutrition security and pro-poor market access; Component 4: smallholder adaptation to climate change; Area targeting ethnic minority groups. |
| Agricultural Development Strategy 2011-2020 | Area-focused development approach; More sustainable land use; More viable land allocation systems; Encourage the creation of cooperatives. | Ensure sustainable food and nutrition security and income of households in the project targeted area; Component 4: smallholder adaptation to climate change; Climate-informed VDP; Creation of APGs. |

Source: PPE analysis.

Table 2
FNML's alignment with IFAD strategy in Lao PDR

| IFAD's focus | COSP's policies and priority areas | FNML objectives and components |
|--|--|---|
| Lao PDR COSOP (2011-2015 extended to 2017) | Ensure increased opportunities for sustainable food security and economic livelihoods for poor rural people through improved: Community-based access to and management of land and natural resources; Access to advisory services and inputs for sustainable, adaptive and integrated farming systems; Access to markets for selected products. | Ensure sustainable food and nutrition security and income of households in the project targeted area: Component 1: food and nutrition security and pro-poor market access; Component 3: institutional support (investment and technical services through APGs, farmer-to-farmer schools, capacity development and institutional support to district staff); Component 4: smallholder adaptation to climate change. |
| Lao PDR COSOP (2018-2024) | Improve food security, nutrition and access to financial services and markets. Contribute to rural transformation by enhancing smallholders' resilience to natural shocks through agricultural technologies and decentralized services. | Ensure sustainable food and nutrition security and income of households in the project targeted area: Component 1: food and nutrition security and pro-poor market access; Component 2: rural finance; Component 4: smallholder adaptation to climate change. |

Source: PPE analysis.

Table 3
Nutrition-sensitive and nutrition-specific measures in FNML design to improve nutrition

| Type of measure to improve nutrition | Nutrition -sensitive and -specific measures | | Implementer |
|--------------------------------------|--|-----------------------|---------------------------------|
| Food availability | <ul style="list-style-type: none"> - Promotion of home gardening and school gardening. - Support to extension services to improve agricultural production and APGs on food and cash crops, vegetables, livestock, fish and other products for consumption and to generate an income (handicrafts). - Support to irrigation water schemes. | Nutrition - sensitive | MAF |
| Caring capacity and practices | <ul style="list-style-type: none"> - Awareness-raising about good nutrition practices using the six food groups through cooking demonstrations and evening nutrition classes for women (and to some extent men as they are key decision-makers in households). - Promotion of gender equality by increasing awareness on complementary gender roles and relations. | Nutrition - specific | LWU |
| Healthy environments | <ul style="list-style-type: none"> - Construction/rehabilitation of domestic water schemes to improve access to domestic water and to reduce the workload burden of women. | Nutrition - sensitive | Department of Health |
| Operational | <ul style="list-style-type: none"> - Coordination and implementation of nutrition and gender activities by LWU at district level, with support from two village nutrition facilitators per village (and from the village). | Not applicable | LWU and voluntary beneficiaries |

Source: PPE team's elaboration based on information from FNML design report, 2013.

Effectiveness section

Table 4
FNML outreach to households and beneficiaries

| Village statistics and FNML outreach | Village statistics | FNML target | FNML actual | Actual/Target |
|--------------------------------------|--------------------|-------------|-------------|---------------|
| # of villages | 173 | 175 | 173 | 100% |
| # of households | 15,259 | 12,000 | 14,175 | 118% |
| - % women-headed households | - | 10% | 5% | 50% |
| - # and % poor households | - | - | 6,905 53% | - |
| - # and % medium poor households | - | - | 5,289 40% | - |
| - # and % better-off households | - | - | 877 7% | - |
| # people/beneficiaries | 65,020 | 60,000* | 70,876* | 134% |
| - # of women beneficiaries | - | 50% | 50% | 100% |
| # households through home gardening | | | 9,097 | 64% |
| # beneficiaries in APGs | | | 6,132 | 43% |
| - # poor beneficiaries in APGs | | | 3,057 | 50% |
| - # women beneficiaries in APGs | | | 3,223 | 53% |

* Number of beneficiaries estimated by households multiplied by average of 5 members per household.

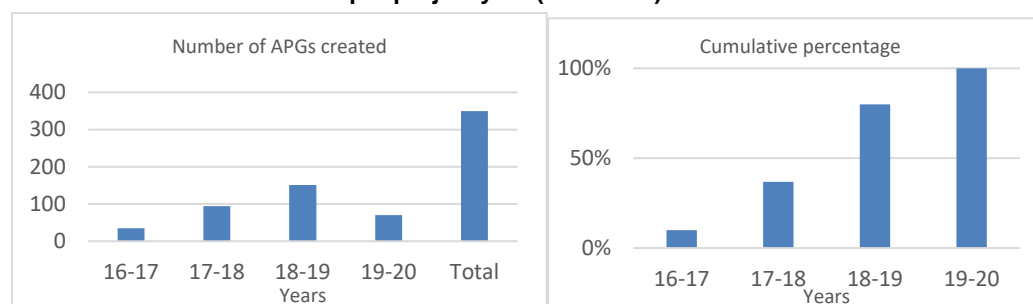
Source: Compilation of data included in FNML completion report 2020, endline survey and PRCO M&E database.

Table 5
Definition of the three types of APGs

| Group type | Expected number | Location | Characteristics | Mode of support | Purpose |
|------------|-----------------|-----------------------------|---|--|---|
| Advanced | 10-20 | Close to district | Access to banks and procurement capacities. | Matching grant transferred to APG dedicated account, own procurement and implementation. | Production, marketing and investment plans. |
| Market | 100 | Established production base | No access to banks or procurement capacities. | Matching grant delivered in kind through FNML district bank account. | Production and investment plans. |
| Learning | 50-60 | Remote villages | High incidence of food shortage, malnutrition and low literacy. | Support in kind. | Simple plans for improving livelihood through improved food production with water supply. |

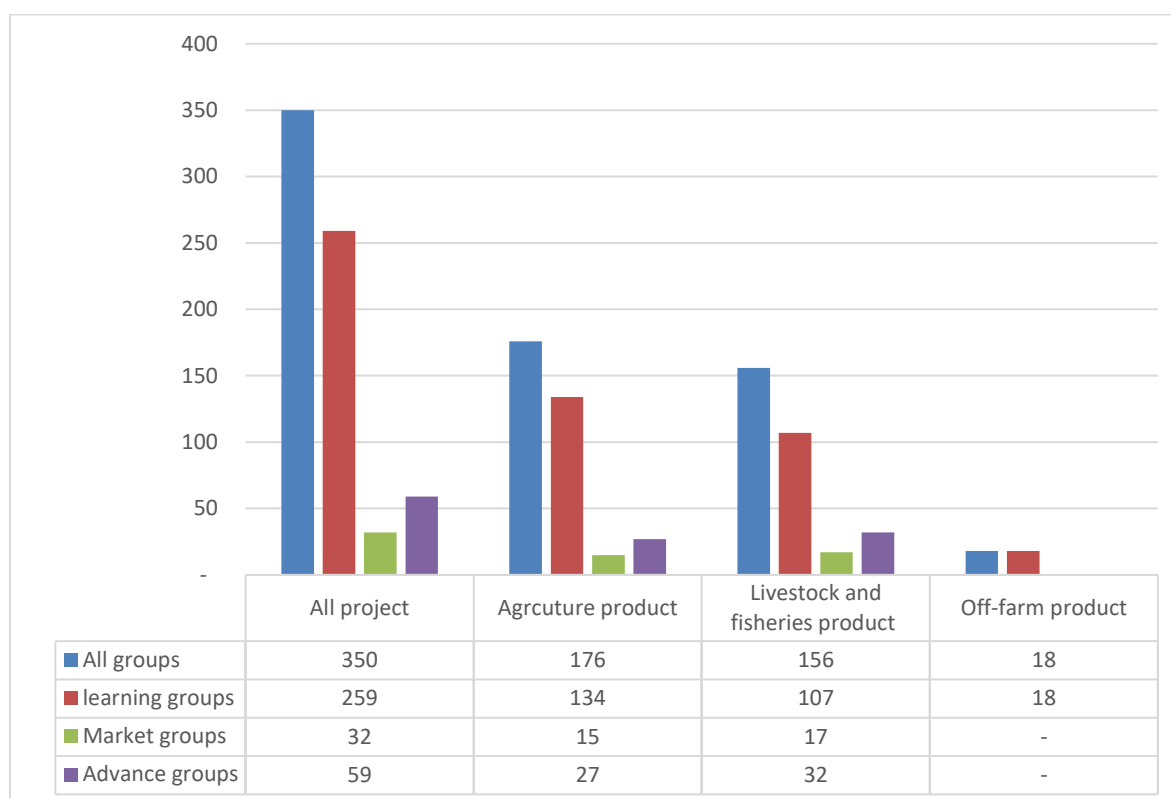
Source: FNML midterm review pages 4 and 5.

Figures 1 and 2
Number of APGs established per project year (after MTR)



Source: FNML M&E database.

Figure 3
Number of APGs per type of activity by the end of the project



Source: FNML M&E database.

Box 3

Mixed results of a water scheme in Dakvor village, Dakcheung District

In Dakvor village, FNML supported one multi-use water scheme that still functioned two years after project completion. Water was piped from the local river to a water tank, from where it was distributed to household yards. It brought water closer to households located at one end of the village (while other households were served by two other existing water schemes funded by other donors). With water now piped into their yards, women no longer spend an hour and precious energy to fetch water. However, the quality of the water was the same as from the local river and the overall water supply for home gardening in the village remained insufficient.

Source: PPE elaboration.

Table 6

Performance of VFGs

| District | 2016 | | | | 2019 | | | |
|-----------|---------------|-------------------|----------------------------------|--------|--------------------|-------------------|----------------------------------|---------|
| | Number of VFG | Number of members | Average performance/member (LAK) | | Number of VFG (VB) | Number of members | Average performance/member (LAK) | |
| | | | Savings | Loans | | | Savings | Loans |
| Total | 99 | 2,150 | 72,640 | 25,593 | 40 | 1,770 | 322,896 | 256,762 |
| Samouay | 21 | 553 | 19,268 | 5,271 | 5 | 121 | 161,240 | 24,793 |
| Ta'Oy | 18 | 297 | 97,879 | 8,081 | 20 | 1,083 | 267,830 | 158,329 |
| Dakcheung | 19 | 600 | 87,488 | 78,783 | - | - | - | - |
| Xansay | 26 | 412 | 47,973 | 1,456 | 7 | 240 | 619,000 | 673,083 |
| Phouvong | 15 | 288 | 110,590 | 34,375 | 8 | 326 | 566,411 | 427,607 |

Source: FNML M&E database; data collected from NSOs during field visits.

Table 7
Performance of VBs over time (2019 to 2022)

| District | 2019 | | | | 2022 | | | |
|----------|--------------------|-------------------|----------------------------------|---------|--------------------|-------------------|----------------------------------|-----------|
| | Number of VFG (VB) | Number of members | Average performance/member (LAK) | | Number of VFG (VB) | Number of members | Average performance/member (LAK) | |
| | | | Savings | Loans | | | Savings | Loans |
| Total | 40 | 1,770 | 363,153 | 268,593 | 44 | 3,594 | 1,488,375 | 1,326,873 |
| Samouay | 5 | 121 | 161,240 | 24,793 | 5 | 421 | 1,281,971 | 1,214,489 |
| Ta'Oy | 20 | 1,083 | 267,830 | 158,329 | 24 | 1,569 | 1,394,500 | 1,281,530 |
| Xansay | 7 | 240 | 619,000 | 673,083 | 7 | 744 | 1,569,449 | 1,594,274 |
| Phouvong | 8 | 326 | 566,411 | 427,607 | 8 | 860 | 1,690,547 | 1,233,279 |

Source: Data collected from NSOs during field visits.

Box 4

Village banks supported by FNML through NSOs

Thaveexab and Vanmai NSOs were established as microfinance institutes in 2009/2010 and supported by GIZ under the Access to Finance for the Poor project from 2013 to 2018. Each village bank is managed by a committee comprising five members from village authorities, Lao Youth Union, Lao Women's Union, and Lao's People Revolutionary Party members. Each committee must involve at least two women for gender equity purposes.

The profits are distributed among the members in the form of dividends (65 to 70 per cent), the VB committee (18 per cent), the reserve (10 per cent) and the VB management fees (2 to 5 per cent). NSO services are covered by a levy of 0.4% per month on the interest. Two years after the project closure, Thaveexab and Vanmai NSOs were able to continue the business and to extend their network. To generate enough income to continue their service delivery, NSOs only include villages with a sufficient savings and borrowing capacity. Their ability to cover poor villages is therefore limited.

Vongsumphan VB is considered the top performer in Phouvong District. The bank is able to pay dividends to its members each year, deposits are active and there are few bad debts. This good performance is due to the location of the village near the district headquarters, the regular participation of households in meetings organized by the NSO and members having a good understanding of the regulations.

Box 5

The performance of the PPCP grant to Bualapha

Bualapha Agricultural Development Import-Export Co. Ltd is a company specialized in breeding broilers and laying hens. A one-year PPCP agreement was signed between the project and Bualapha in July 2019 for a grant of approximately US\$30,000. The project aimed to extend the company's production capacity any by improving infrastructure at its headquarters in Attapeu and developing a network of 200 smallholders to produce broilers in the districts of Phouvong and Xanxay. Ten APGs (five in Phouvong and five in Xanxay) were proposed for the breeding programme.

In Attapeu, a new chicken house was built, and a hatchery machine procured. Bualapha provided inputs (chicks, feed and small equipment) and training to APG members (it is noteworthy that this was not recorded by the project, nor could it be verified by the evaluation). Farmers tried to produce broilers according to the company's technical recommendations and Bualapha agreed to buy 1 to 1.5 kg broilers for a price of LAK 40,000 each. However, the evaluation learned that only 20 per cent of the chickens produced reached the agreed standards and that many of the chicks initially provided were lost due to diseases, use in social events and lack of monitoring. After one round of support, the contractual agreement between Bualapha and the farmers was not renewed.

By entering this PPCP agreement, the company manager expected to reduce the need to hire labour at headquarters. She also saw the opportunity to contribute to enhancing poor farmers' incomes. However, the results did not meet expectations in terms of the quantity and quality of broilers supplied relative to the time spent on training and follow-up. After the project and investment, Bualapha extended its network of broiler producers to three districts, which had households with more capacity for commercial farming. The company also benefited from the project in terms of reputation and visibility. With the increased number of hydropower projects in the region, the company has started contracts for the provision of eggs and chicken to the new personnel.

Efficiency section

Table 8

Cost per beneficiary household in FNML and in other projects in Lao PDR

| | FNML design 2013 | FNML revised design 2015 | FNML completion 2020 | RLIP completion 2014 | NRSLLDP completion 2013 | SNRMPEP completion 2015 |
|---------------------------------------|---------------------|--------------------------------|----------------------------|----------------------------|-------------------------------|-------------------------------|
| Total programme cost (US\$) | 12,299,000 | 18,858,000 | 18,116,723 | | | |
| Total beneficiary households | 10,500 | 12,000 | 14,175 | | | |
| Cost per beneficiary household (US\$) | 1,171 | 1,572 | 1,332 | 731 | 1,397 | 1,788 |

Source: PPE team elaboration based on data in FNML project documents; IOE (2015) PPE RLIP; IOE (2018) PPE NRSLLDP; IOE PCRVS SNRMPEP.

Rural poverty impact section

Table 9
Changes in income over time

| Measurement of income | Baseline (2014) | | Endline (2020) | | Change | |
|--|-----------------|----------|----------------|----------|--------|----------|
| | FNML | Non-FNML | FNML | Non-FNML | FNML | Non-FNML |
| Average income per capita (US\$) | 156 | 149 | 274 | 285 | 76% | 91% |
| Total income per household (LAK*) | 6,538 | 6,125 | 13,083 | 14,408 | 100% | 135% |
| Crops income per household (LAK*) | 1,003 | 1,242 | 3,404 | 3,551 | 239% | 186% |
| Livestock income per household (LAK*) | 4,961 | 3,371 | 1,362 | 1,158 | (73%) | (66%) |
| Other (employment) income per household (LAK*) | 3,852 | 5,090 | 4,898 | 6,278 | 27% | 23% |

* 1 USD = 15,064 LAK on 22 July 2022.

Source: 2014 baseline survey, 2020 endline impact assessment.

Table 10
Changes in household asset index as a proxy of wealth

| Household assets | Baseline (2014) | | Endline (2020) | | Change | |
|--|-----------------|----------|----------------|----------|--------|----------|
| | FNML | Non-FNML | FNML | Non-FNML | FNML | Non-FNML |
| Average household asset (wealth) index | -0.4 | 0.4 | -0.06 | 0.18 | 85% | -400% |
| % household with asset index of >0.3 | - | - | 36 | - | - | - |

Source: Endline impact assessment 2020.

Table 11
Changes in household assets

| Household assets | | FNML villages | | | Non-FNML villages | | |
|-----------------------|------|------------------|----------------------|---------------------|-------------------|----------------------|---------------------|
| | | % poor household | % non-poor household | % project household | % poor household | % non-poor household | % project household |
| Permanent housing | 2014 | 1 | 3 | 1 | 2 | 2 | 2 |
| | 2020 | 18 | 26 | 22 | 16 | 35 | 29 |
| Basic toilet facility | 2014 | 7 | 13 | 9 | 43 | 31 | 40 |
| | 2020 | 45 | 62 | 53 | 82 | 81 | 82 |
| Electricity | 2014 | 17 | 42 | 24 | 23 | 29 | 25 |
| | 2020 | 43 | 73 | 57 | 74 | 64 | 67 |
| Television | 2014 | 15 | 32 | 19 | 18 | 29 | 21 |
| | 2020 | 24 | 43 | 33 | 36 | 43 | 41 |
| Mobile phone | 2014 | 28 | 64 | 37 | 45 | 65 | 50 |
| | 2020 | 28 | 53 | 40 | 44 | 54 | 51 |
| Motorcycle/scooter | 2014 | 37 | 58 | 42 | 57 | 71 | 61 |
| | 2020 | 60 | 78 | 68 | 58 | 76 | 71 |
| Hand tractor | 2014 | 3 | 4 | 3 | 6 | 12 | 8 |
| | 2020 | 11 | 19 | 15 | 13 | 29 | 24 |
| Tractor-drawn plough | 2014 | 2 | 3 | 3 | 7 | 12 | 8 |

| | | | | | | |
|------|---|----|----|---|----|----|
| 2020 | 9 | 20 | 14 | 7 | 26 | 20 |
|------|---|----|----|---|----|----|

Source: Endline impact assessment 2020.

Table 12
Agricultural productivity in the project area over time

| Crops & fish farming | 2014 | | | 2019 | | | % change | | | Livestock | 2014 | 2019 | % change |
|----------------------|-----------|----------------|--------------|-----------|----------------|--------------|----------|-------|--------|------------------|---------------|---------------|----------|
| | Area (ha) | Yield (ton/ha) | Volume (ton) | Area (ha) | Yield (ton/ha) | Volume (ton) | Area | Yield | Volume | | Volume (head) | Volume (head) | Volume |
| Project area | | | | | | | | | | Project area | | | |
| Rice* | 247 | 1.3 | 321 | 220 | 2.0 | 440 | -11% | 54% | 37% | Cattle | 6,194 | 19,324 | 212% |
| Cassava | 80 | 15.0 | 1,203 | 4,039 | 17.5 | 70,780 | 4936% | 17% | 5784% | Buffalo | 733 | 22,761 | 3005% |
| Maize | 207 | 4.4 | 916 | 188 | 4.7 | 877 | -9% | 5% | -4% | Goat | 3,120 | 8,586 | 175% |
| Vegetable | 109 | 4.9 | 537 | 256 | 5.5 | 1,419 | 134% | 13% | 164% | Pig | 14,987 | 12,548 | -16% |
| Coffee | 900 | 2.5 | 2,276 | 2,940 | 3.6 | 10,538 | 227% | 42% | 363% | Poultry | 50,269 | 146,770 | 192% |
| Cardamom | 89 | 0.8 | 72 | 680 | 0.7 | 487 | 668% | -12% | 574% | | | | |
| Fish farming | 15 | 0.6 | 9 | 43 | 0.7 | 29 | 195% | 15% | 239% | | | | |
| Non-project area | | | | | | | | | | Non-project area | | | |
| Rice* | 189 | 1.4 | 269 | 119 | 2.4 | 281 | -37% | 66% | 4% | Cattle | 20,208 | 10,345 | -49% |
| Cassava | 751 | 12.4 | 9,322 | 2,105 | 17.6 | 37,145 | 180% | 42% | 298% | Buffalo | 31,321 | 6,763 | -78% |
| Maize | 389 | 4.1 | 1,612 | 143 | 3.7 | 528 | -63% | -11% | -67% | Goat | 10,035 | 7,978 | -20% |
| Vegetable | 171 | 4.4 | 757 | 118 | 6.4 | 759 | -31% | 45% | 0% | Pig | 97,935 | 18,728 | -81% |
| Coffee | 2,465 | 2.7 | 6,614 | 3,002 | 3.7 | 11,239 | 22% | 40% | 70% | Poultry | 164,832 | 99,588 | -40% |
| Cardamom | 278 | 0.8 | 224 | 348 | 0.7 | 257 | 25% | -8% | 15% | | | | |
| Fish farming | 58 | 0.7 | 38 | 55 | 0.7 | 39 | -5% | 9% | 4% | | | | |

* Hulled rice. Data for 2019 from all villages unavailable, 2020 data in the Results and Impact Management System sample is used instead. Area and volume are estimated for the number of growing HHs in the sample.

Note that the decrease in the volumes of pigs from 2014 to 2019 was due to the breakout of African swine fever in 2019, reported by project staff, implementing staff and the beneficiaries of pigs.

Source: Endline impact assessment 2020; FNML PCR 2020.

Box 6

Increased rice yields from project provision of improved inputs, training and matching grants

Field visits revealed that inputs, coupled with the provision of training and matching grants, led to increased rice yields. For example, in Vongsomphou village in Phouvong District, Lakon rice was promoted in the context of the "one village, one product" policy. With the support of the project, a 20-member APG shifted to organic farming, motorization, and selling husked rice instead of paddy. The average yield per hectare doubled from 1.5t to 3t. Through training, the APG members learned how to apply biological disease control methods such as the use of small crabs or taro root put on a stick to deter insects, and use tobacco, soap and ginger to control aphids. They also learned how to use manure to fertilize their fields. With the matching grant, they purchased a tractor for land preparation and harvesting and a husking machine. The paddy is marketed jointly by the APG members who, the evaluation team learned, are now thinking about packaging as the next step.

Source: PPE elaboration based on field visits.

Table 13
Household food insecurity access score in 2014 and 2020

| HFIAS | FNML'S VILLAGE | | | | NON - FNML'S VILLAGE | | | |
|---|----------------|-------------|----------|--------------|----------------------|-----------------|----------|--------------|
| | 2014 | 2020 | | | 2014 | 2020 | | |
| | | Project HHs | Poor HHs | Non poor HHs | | Non project HHs | Poor HHs | Non poor HHs |
| Average HH's HFIAS score | 9.5 | 6.0 | 6.8 | 5.1 | 9.7 | 4.0 | 5.6 | 3.4 |
| % of HHs that have HFIAS score of 7.0 or lower) | 30.5% | 63.0% | 56.0% | 70.9% | 27.5% | 76.2% | 64.5% | 81.2% |

Source: Endline impact assessment of FNML, 2020.

Table 14
Households experiencing hunger periods in 2014 and 2020

| | FNML's villages | | | | Non FNML's villages | | | |
|--|-----------------|-------------|----------|--------------|---------------------|-----------------|----------|--------------|
| | 2014 | 2020 | | | 2014 | 2020 | | |
| | | Project HHS | Poor HHS | Non poor HHS | | Non project HHS | Poor HHS | Non poor HHS |
| % HHS suffering first hunger time | 78.7% | 60.1% | 71.2% | 47.5% | 76.9% | 48.1% | 67.7% | 39.6% |
| Average first hunger time (in months) | 5.0 | 5.1 | 5.4 | 4.5 | 4.5 | 4.7 | 5.1 | 4.5 |
| % HHS suffering second hunger time | 4.3% | 10.6% | 18.2% | 1.9% | 4.8% | 4.9% | 14.5% | 0.7% |
| Average second hunger time (in months) | 5.2 | 5.8 | 5.9 | 5.4 | 4.5 | 3.7 | 3.9 | 2.0 |

Source: Endline impact assessment of FNML, 2020.

Table 15
Child malnutrition data from FNML baseline and endline surveys

| Proportion of children with malnutrition | FNML surveys | 2014 baseline | | 2020 endline | | % change | |
|--|--------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|
| | | FNML villages | Non-FNML villages | FNML villages | Non-FNML villages | FNML villages | Non-FNML villages |
| Acute malnutrition (wasting) | FNML surveys | 10% | 9% | 19% | 18% | 90% | 99% |
| Chronic malnutrition (stunting) | FNML surveys | 39% | 37% | 68% | 71% | 76% | 95% |

Source: FNML 2014 baseline survey and 2020 endline impact assessment.

Table 16
Child malnutrition data from government sources

| Proportion of children with malnutrition | Target districts (average)* | | | Target provinces | | | National level | | |
|--|-----------------------------|------|----------|------------------|------|----------|----------------|------|-----|
| | 2016 | 2019 | % change | 2011 | 2017 | | 2011 | 2017 | |
| Acute malnutrition | 30% | 33% | 10% | Attapeu | | Attapeu | 15% | | |
| | | | | Saravanh | N/A | Saravanh | 12.5% | 6% | 9% |
| | | | | Xekong | | Xekong | 8% | | |
| Chronic malnutrition | 30% | 37% | 23% | Attapeu | 40% | Attapeu | 30% | | |
| | | | | Saravanh | 54% | Saravanh | 43% | 44% | 33% |
| | | | | Xekong | 63% | Xekong | 50% | | |

Source: *Annual malnutrition surveys from 2016 to 2019 of FNML districts' health departments; Lao national information platform for nutrition, accessed November 2022.

Gender equality and women's empowerment section

Table 17
Comparison of measures to promote gender equality in design and in implementation

| Type of gender-related measure | Gender Action Plan (in 2013 design report) | Gender-related activities implemented by FNML |
|--------------------------------|---|---|
| Analysis | A poverty, gender and ethnic group assessment in target areas to inform the first design mission | A poverty, gender and ethnic group assessment was undertaken in target areas in September 2012 to inform the first design mission |
| | Targeting and gender action plan to be adjusted to incorporate the results of value chain analysis and market assessments, specifying expected outcomes, related indicators, and data collection and analysis to monitor change | No evidence of implementation |
| Targeting - participation | Promote the equal participation of men and women in groups and training (target of 50 per cent) | Implemented throughout programme |
| | Support women's groups where appropriate (notably on nutrition) | Women's groups supported for nutrition activities and 65/350 APGs with matching grants |
| Targeting - empowerment | Promote high-quality participation of women in farmers' organizations decision-making bodies (target of 33 per cent) | No evidence of implementation |
| | Favour crops that can fetch high prices for small surfaces and volumes and propensity of male labour-sharing behaviour (to avoid increasing women's workloads) | No evidence. But in reality, difficult given limited choice of crops with potential on the market |
| Transformation | Support LWU to build on the "three good approach" used in RLIP to promote gender equity in households and to pilot the Gender Action Learning System. | LWU increased awareness about gender roles and relations No evidence of piloting GALS or training LWU on GALS |
| | Improve the capacity of extension workers to include women and organize special sessions for them | Implemented through training of <i>kumban</i> and district staff |
| Operations | Support the recruitment of men and women to ensure gender-balanced implementing teams at all levels | No evidence of implementation |
| M&E | Disaggregate M&E data and analysis by sex | Implemented at output level, limited at outcome level. |

* Comprises a household-level assessment of gender roles within the family and promoting women's roles as mothers, producers and citizens.

Source: PPE team elaboration.

Box 7

Overview of Lao Women's Union and its involvement in FNML

Lao Women's Union (LWU), established in 1955, is a mass organization of women at the central, provincial, district and village levels. Following the law (2013) enshrining LWU legally, its status is now the equivalent to that of a ministry. At the national level it works alongside the National Commission for the Advancement of Women, Mothers and Children to implement the Vision for Development of Lao Women 2030, the Strategic Development Plan for Lao Women 2025 and the Five-Year Lao Women Development Plans (presently, 2020-2025). The Government identified LWU as the focal point to oversee progress towards Sustainable Development Goal 5 and the implementation of the Beijing Declaration and Platform for Action. LWU is mandated to represent women of all ethnic groups and to protect women's rights and benefits.

During the evaluation mission, LWU at the provincial and district levels shared with the evaluation team their training manual and the PowerPoint presentations that guide their work. They show how LWU promotes gender equality between rural men and women by increasing understanding about: the concept of gender; gender roles in the household and in the community; access to, and control of, resources and assets and how they are needed to achieve goals; and the different and complementary needs of women and men. Interviews with LWU district staff also revealed that they discuss gender relations with men and women to reduce the acceptance and occurrence of physical and verbal violence against women and children.

Sources: Lao PDR (2013) Law on Lao Women's Union; World Bank (2017) Country Gender Action Plan for Lao PDR; LWU (2019) National Review of Lao PDR, Twenty-fifth Anniversary of the Fourth World Conference on Women and Adoption of the Beijing Declaration and Platform; LWU (undated) training manual on gender/PowerPoint presentation.

Table 18

Outreach to women

| Project indicator/ activity* | Number of beneficiaries | Proportion of women (%) | Notes |
|---|-------------------------|--|--|
| Persons trained in production practices/ technologies | 35,526 | 55% | - |
| APG members | 6,132 | 53% | - |
| - Crop APGs | - | Mushroom 25%, pineapple 26%, ginseng 30%, cassava 33%, paddy rice 35%, ginger 38%, maize 39%, peanut 45%, cardamom 46%, banana 50%, fruit trees 50%, coffee 54%, watermelon 56%, vegetable 78% | |
| - Livestock/fishery APGs | - | Beekeeping 39%, duck 42%, fish 53%, goat 54%, cow 55%, chicken 70%, pigs 74% | |
| - Off-farm product APGs | - | Smith 33%, bloomgrass 35%, bamboo 52%, weaving 72% | |
| - Women-only | - | 65 (19%) of 350 APGs with matching grants were women-only. Located in Ta'Oy (28), Samuay (22) and Dakcheung (15). For livestock/fisheries (36), vegetable and coffee crops (17) and handicraft (2) | 100% |
| Farmer-to-farmer extension | 7,112 | 45% | Xs 27%, Ty 38%, Sm 41%, Dk 50%, Pv 62% |
| Poor smallholder household members supported in coping with the effects of climate change | 39,365 | 43% | - |
| Support to improve nutrition | 17,598 | 89% | |
| Trained in income-generating activities and business management | 4,543 | 57% | |
| Persons accessing rural financial services (village funding groups) | 2,150 | 26% | Ty 2%, Xs 20%, Pv 25%, Sm 31%, Dk 37% |

*Note that data are missing on the participation of women and men in CBFM and the different types of nutrition activities. Source: PPE elaboration from FNML logframe and M&E databases.

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