

EVALUATION

Country: Laos

Project Title: Integrated Rural Development Project in
Oudomxay (II)

Project Number: AS 1029 / LAO 1015-02

Allocation Amount: 1.522.000 EURO

Project Holder: Deutsche Welthungerhilfe (DWHH)

Project Duration: 03/2003 – 12/2006

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1 Summary of the main results and conclusions

The project under review is an integrated rural development project. The main emphasis of the project is the support of natural resource management and conservation activities within 19 target villages in the Oudomxay Province. Other issues addressed by the project are micro finance, hygiene and sanitation, water supply, community development and to a limited extent, education. The project started in 1999 with a pilot phase and is now running in its third phase. Activities are implemented by the DWHH together with various government agencies. Target populations are ethnic minority groups.

1.1 Project holder analysis

The Lao PDR is a country where the legal framework does not yet allow the establishment of local and national NGOs. Therefore the usual way of DWHH to support project implementation is to undertake projects on its own. Thus DWHH is the planner, implementer and funding agency of a project. DWHH projects in Laos are conducted in close cooperation with government partners. This requires good managerial and administrative efforts from DWHH, since the partner agencies are impeded by low capacities in terms of resources, education and manpower.

DWHH has appointed a foreign expert as project manager (PM). He receives support from locally hired DWHH staff, government seconded staff, DED staff(s) and short term consultants (STC) in the execution of the project. The overall responsibility for the formulation of policies lies with the project steering committee (government authorities and PM). The project management (day to day routine) is the responsibility of the project manager and the National Project Director (NPD).

The education of government staff in Laos is generally on a low level; however the project succeeded to increase the level of expertise of government seconded staff in regard to all agricultural and green subjects. Weaknesses have been found in the field of gender, micro finance and community development, where the expertise was not enough to fulfil the requirements. Too many staff, together with an inauspicious extension approach, led to the over presence of extension workers in the villages towards the end of the project.

Financial administration and procedures are in accordance with DWHH standards and run smoothly. No shortcomings were observed. Activity monitoring procedures are up to standard but in regard to impact monitoring the project was not able to meet the requirements. This is related also to a shortfall within the planning documents which lacks the formulation of impact indicators.

1.2 Analysis of the situation and the target group

The project is executed in three districts of Oudomxay Province. Among them, two are considered as “extremely poor”. The target population in the 19 project villages mainly belong to the Lao Loum and Lao Teung groups. Altogether 2041 families in 1674 households (HH) with 9922 people are reached. Lao Loum groups are normally better off and easier to work with. With Lao Teung communities the picture is different. They

are less educated and much more restricted by traditions which render development difficult and limit the participation of women.

All villages have access to roads and appeared to be in a better position already (fraction of poverty low). The main selection criterion of the target villages was the location within the watershed. Also important was the accessibility and the potential for conservation activities. The selection criteria were found to be reasonable for a conservation project. In addressing poverty (as it is the main emphasis of the Laotian government's policy) not enough poor set ups were within the project.

One of the most important issues at the project level is its close location to the Chinese boarder which attracts many Chinese influences. These influences have two sides: they are an opportunity as well as a threat. On one hand the proximity to China offers good markets, especially for non timber forest products (NTFPs). But on the other hand it is pushing the villagers into cash crop production and concession economies which might do much more harm than it is anticipated (soil depletion, dependency).

1.3 Analysis and assessment of project preparation

The project under review is the continuation and expansion of two predecessor projects and is mainly aiming in the consolidation of integrated natural conservation measures in 15 villages. Within the phase under review, the number of villages has increased by four villages in a new district, to altogether 19 villages. Assessment and proposal writing was done mainly by the project manager and followed the experiences gained from the forerunner projects. The project planning matrix (PPM), which is similar to the previous ones, was discussed with government line agencies and eventually approved by all parties. After the final approval by the headquarter and the donors (EU and Happel foundation) a series of PRA excises were conducted in the villages, which laid the foundation for further interventions and involvement of the target group.

1.4 Analysis and assessment of planning and project planning matrix (PPM)

The PPM addresses natural resource management as the overall objectives with the improvement of living conditions as an indicator. This was found to not be very plausible. The reverse such as putting 'improved living condition' as the overall objective would have been better: Further, the PPM was found to be mixed up and showed unclear objectives, indicators and results (as a consequence of not being clear about what these terms mean).

Personnel and financial planning was done well, providing enough resources in both fields. The financial side of the project was especially very well equipped (also due to a budget addition and favorable currency exchange rates). Thus the project could afford a no cost extension of eight more months. This additional period will last till December 2006, after which still 5 to 8% of the overall budget will be left. In being so well equipped (also in terms of assets like vehicles), more than 19 villages might have been served.

1.5 Analysis and assessment of project implementation

The project was found to be successfully implemented, especially in regard to fulfilling the quantitative outputs given in the PPM. Most activities in the plant production, livestock raising, conservation and hygiene and sanitation exceeded the targeted numbers.

Regarding the soft skill subjects, the project staff failed to have ideas and did not take (enough) initiatives. More emphasis should have been placed on a gender and pro poor focus. Further adjustments in the approaches and improvements are needed in the fields of micro finance, community development and institutional building at the village level.

The factors contributing to the successes were: a) well committed staff, good cooperation between technical assistance (TA) and government staff; b) result oriented implementation, results on technical outputs; c) easy to handle target group; d) good overall management and e) well distributed technical knowledge . The factors influencing shortcomings were: a) no or unclear concept and approach for pro poor and women; b) no methods and tools on promoting 'soft skills'; c) focus was too one-sided on technical countable outputs (quantities) and d) reluctance to change, even though short comings have been realized.

The project can close like this and villages received a good boost to carry on and continue with activities, even if they are not followed by the government anymore. However, for a minimum of eight micro finance (MF) schemes and activities of two new villages, the project has to find a solution on how to go about it. They are not yet sustainable (MF schemes) or still could gain further inputs for improvement. An exit strategy for these sites needs to be developed in case there is no successor project. However the project generally has to develop exit strategies for the villages. The main interest here for will be: When has enough progress been achieved in order to leave a village?

1.6 Impacts with regard to development

The most visible impact of the project is the improvement of income and the betterment in regard to the health conditions. Villagers clearly relate these improvements to the intervention of the project. The outstanding work in the area of water supply is responsible for changes for the better in the field of health.

Regarding strengthening the capacities and supporting marginalized groups like women or poor, the project did not do enough. Positive impacts in these aspects (like the more active involvement of women and the improving income for the poor) came rather as an aftermath of the interventions, than they were intended. Generally one can observe: If the entire village develops, almost everybody will get a share.

Environmental impacts are visible especially with NTFP planting and fish conservation areas. However their sustainability is in question. The same counts for other measures like the saving and credit schemes, pig raising groups, upland plots

and marketing groups. Generally one can say: in cases where the project succeeded to create ownership, sustainability is sooner granted.

1.7 Project management

The project management is of profound quality, mainly in the hands of the project manager. He checks and receives advice from different sources like the National Project Director, the other DWHH project managers, the country office, the regional office and DWHH head office. Communication between all these parties is running smoothly with no problems.

Unfortunately the reluctance of the management to change in regard to the short comings prevents some improvements. Although all have been realized and recognized, only a few were addressed. Thus time to change for the better on some core activities, like the village credit and saving schemes (VCSS), has elapsed.

1.8 Recommendations

Recommendations, with a focus on immediate actions, address the exit strategy for the project (officially close down by December 2006). Among them are:

- common review and lessons learnt process, best practices
- immediate exit strategy for still shaky micro finance schemes and two villages which are not yet fully self reliant
- finalizing policy making on subsidies (as support for the other DWHH projects)

... and in view of a new proposal: improvement of the PPM.

Recommendations addressing medium to long-term improvements are going into the direction of how to do better in similar or with a new projects. They focus on:

- more pro poor and women concepts
- integrated approaches addressing several sectors
- improvement of the extension approach and traditional know how
- assessment of needs and requirements of villagers but also of the project in terms of professional expertise
- impact monitoring system
- formulation of MoU.

More specific recommendations are for some of the implemented activities like for irrigation, NTFP, livestock and marketing groups.

Further recommendations for the government (in regard to the Chinese influence and the continuation of support for projects) are given as well for the donor and DWHH. The latter is advised to furthermore provide funding for a poverty reduction project with an integrated approach.

1.9 General conclusions

DWHH is best known and recognized within the Laotian NGO community for doing profound and good integrated rural development projects. DWHH projects are seen as role models by the Laotian partner organizations. Therefore projects should be continued but social, gender and community development issues should become core subjects. Lean management concepts and projects offering only a clear limited choice of activities (like only within the green sector) are not yet the option to address the priority development issue in Laos, namely the eradication of poverty.
