

Phongsaly Food Security Project (PFSP)

Mid Term Review Report



Access Track construction in Ban Koung Lith, Khua District, 2007.

Prepared for CARE International in the Lao PDR

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Vientiane, July 2007.

Executive Summary

The Phongsaly Food Security Project (PFSP) is financed under the European Commission's NGO Food Security Programme (FSP) that aims to support and stabilize availability, access and use of food, reduces vulnerability by developing existing or new coping strategies and build capacity at community and local government levels in direct support of the Government of Laos National Growth and Poverty Eradication strategy (NGPES). The PFSP was designed by CARE International in Laos and submitted to the EC in February 2005. Final GoL approval (MOU) was received in May 2006. **Project start-up was slow with on-ground direct inputs only commencing in January 2007.**

Target areas are remote and are the most challenging that CARE has faced in Laos to date. Access to many villages, and all those in Samphan, is either by boat or walking for up to 12 hours. The logistical and workplanning **challenges posed by this environment** are thus considerable. Such challenges, combined with insufficient management support from CARE Vientiane and delays associated with staff recruitment have resulted in implementation delays and an initially slow pace. **Accelerating the pace of PFSP implementation** is the primary recommendation made by District partner agencies and authorities.

The project design covers what is considered by this review to be an **excessively broad range of activities and is thus over ambitious**. This is further compounded by some of the PFSP activities being under-resourced, under-designed and, perhaps as a result, being poorly implemented. The core approach employed by the project is to assist households develop new coping strategies by enhancing opportunities for generating income in lieu of that previously earned through opium sales. This approach, is in itself ambitious but this is made all the more so by a range of additional activities, seeking to address health and nutrition issues. Concerns over the slow rate of implementation may be behind a tendency within the team as a whole to **focus on numerical activity target accomplishment** rather than ensuring the desired outcomes are achieved.

Largely because of delays to project start-up PFSP **to date has been less efficient than planned** both in terms of expenditure rates and direct vs indirect expenditure ratio's. Costs are higher than would be expected in Low land areas of Laos and these are justified because of the complex operating environment. Additional sub-project financing has the potential, if prudently managed, to significantly increase PFSP efficiency ratio's. Project effectiveness is hard to assess at this early stage of implementation however some areas of concern are evident, particularly within component two (e.g. Latrines). Prospects within component one are significantly more positive and opportunities to further enhance these are present.

Despite the issues raised above the project has, since January 2007, made significant progress and in a number of areas positive impacts on livelihoods are likely.

CARE recognized that it was providing **inadequate management support** to the project and has now addressed this which is expected to further accelerate implementation and improve the quality of such. Limited activity financing within the design was also recognized and CARE should be commended for **sourcing significant additional finance for PFSP sub-projects** to enable a substantial expansion in the scale of village level activities. Reducing management complexity associated with four separate budgets, plans and reporting requirements is therefore important. Wider management issues also remain and CARE is strongly encouraged to increase clarity around the level of management authority held by the Provincial Coordinator.

With additional sub-project financing and increased management capacity at the field level, the project team has the **potential to achieve significantly greater impacts than initially planned**. Core activities within the projects first component (increase incomes) are in general progressing well, staff commitment is good and some excellent decisions have been made to date in key areas (e.g. NTFP type selection). Emergent opportunities within the target districts, in particular associated with green tea and to a lesser extent livestock

fattening, present PFSP with the possibility to play a significant demonstration role for livelihood development in the area as a whole in line with NGPES objectives and local strategies. Achieving this will require that the project focus down on those activities with greatest potential and discard those less likely to generate the desired and sustainable results. This is challenging but should facilitate the required simultaneous improvements in implementation pace and quality (in some areas) that are now required.

Numerous challenges remain for the project including;

- Requirements for a rapid acceleration of activity implementation and improved balance of project focus between Khua and Samphan.
- How best to support district NGPES goals whilst mitigating potential negative impacts associated with village movement.
- How to ensure greater gender equity in project benefits distribution and improve project relations with Hmong communities.
- Need to complete access track construction within the next 12 months to allow for other hardware (e.g. water systems) construction in remoter villages prior to project end.

Addressing these constraints will be key if the projects evident potential is to be realized.

Abbreviations:

AEDP	Agro-Enterprise Development Process
CBO	Community Based Organisation
CCL	Committee Cooperation du Laos
DAFES	District Agriculture and Forestry Service
DHO	District Health Office
DIMC	District Implementation and Management Committee
EC	European Commission
FSP	Food Security Program
GoL	Government of the Lao PDR
HH	Household
LWU	Lao Women's Union
MA&D	Market Assessment and Development
masl	Meters Above Sea Level
MOU	Memorandum of Understanding
MTR	Mid Term Review
NGPES	National Growth and Poverty Eradication Strategy
NTFP	Non-Timber Forest Product
OVI	Objectively Verifiable Indicators
PAFO	Provincial Agriculture and Forestry Office
PC	Provincial Coordinator
PFSP	Phongsaly Food Security Project
PIA	Project Implementation Agreement
PRRO	Protracted Relief and Recovery Operation
PSC	Project Steering Committee
PWT	Project Working Team
SADU	Smallholder Agro-enterprise Development in the Uplands
SIDA	Swedish International Development Agency
TA	Technical Assistance
VDC	Village Development Committee
VDP	Village Development Plans
VHV	Village Health Volunteer
VVV	Village Veterinary Volunteer

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1. Background:

1.1 PFSP Background:

The Phongsaly Food Security Project (PFSP) is financed under the European Commissions NGO Food Security Programme (FSP) that aims to support and stabilize availability, access and use of food, reduces vulnerability by developing existing or new coping strategies and build capacity at community and local government levels in direct support of the Government of Laos National Growth and Poverty Eradication strategy (NGPES).

The PFSP was designed by CARE International in Laos and submitted to the EC in February 2005. The design process undertaken in Khua and Samphan districts of Phongsaly province (a new project area for CARE Laos) included a reasonably in-depth, rapid food security assessment and resulted in the projects 31 target villages being identified. The design received formal support from the Phongsaly Provincial Authorities. Target areas are extremely remote and are the most challenging that CARE has faced in Laos to date. Access to many villages, and all those in Samphan, is either by boat or walking for up to 12 hours. The logistical and workplanning challenges posed by this environment are thus considerable,

The finalised design, includes an excessively wide range of activities and sub-activities including; participatory village development planning, community based organisation (CBO) development, Village Health Worker training, nutrition training for mothers, under-5 growth monitoring, community training in reproductive health and HIV/AIDS, home-garden establishment, water supply system construction, latrine construction, access track construction through cash for work, livestock bank establishment (including management committee training, forage planting trials), Village Veterinary Worker selection, training and equipping, NTFP establishment including participatory NTFP assessment, land use planning, NTFP domestication, identification and support for on and off-farm income generation activities.

The core approach employed by the project is to assist households develop new coping strategies by enhancing opportunities for generating income in lieu of that previously earned through opium sales.

PFSP was approved by the EC in May and a contract signed between CARE Deutschland and the EC on 5th October 2005, a Project Implementation Agreement (PIA) was then signed, as per the CARE International Code, between CARE International in the Lao PDR and CARE Deutschland on 8th December 2005.

In line with GoL regulations CARE submitted a project outline and draft MOU and budget to provincial authorities and the Ministry of Foreign Affairs ~~on DATE~~. Obtaining MOU approval was a reasonably protracted process with approval ~~being issued on DATE~~ and the MOU actually being signed on May 10th 2006 during a visit from CARE Deutschland.

With approval from Phongsaly Provincial Authorities activities commenced prior to MOU approval in February 2006 with the employment of the project manager. Staff recruitment was slow with the final staff members (responsible for health and community development) arriving in November 2006. For an outline timeline of project activities please see Section 2.1.

Since January 2007 the project team has made significant progress and has effectively 'caught up' the implementation schedule in a number of areas. Recent decisions by CARE management, not least in locating an experienced and professional Provincial Coordinator (PC) in Khua, are producing results with improvements being made to operational workplanning and the devolution of activity expenditure management to project officers. This is likely to result in better structured and efficient implementation. Significant opportunities are now evident for the project to make a considerable impact on poverty, and by inference, food security within both target villages and, by replication, more widely.

On-ground activity implementation only started in January 2007 with the construction of water supply systems, latrines and access tracks. Established NTFP cultivation groups received planting materials and, just prior to the MTR; cattle for first two livestock banks were distributed.

CARE Laos, recognizing the need for additional direct inputs and management support for the project sourced funding for an additional three sub-projects to supplement PFSP. These projects cover the same geographic areas as PFSP and, at an activity level; selected PFSP activity types (see Table 1 below). Significant additional financing for both operational and direct costs are now available. The decision to source additional resources was an appropriate one and PFSP beneficiaries are likely to enjoy significant additional benefits as a result. A key challenge is in ensuring that the inevitable management complexities resulting from multi-donor funding are minimized.

Donor	Activities
Xmas 05	Livestock Banks, forage, VVV's.
Xmas 06	Livestock Banks, forage, VVV's, Capacity building.
Computer share	Water, sanitation education, agro-enterprise/NTFP.

These additional sub-projects collectively provide substantial additional financing for direct activities and offer the potential for significantly increased impacts at the village level as a result of PFSP.

1.2 Mid Term Review:

An external Mid Term Review (MTR) was scheduled within the design and the Terms of Reference (TOR) for this are attached in Annex 1.

This Mid-Term Review was undertaken to:

- A) Make an informed judgment about the past performance of the Phongsaly Food Security Project (PFSP) (its efficiency, effectiveness and impact).
- B) Document lessons learned.
- C) Provide practical recommendations for follow-up action.

Specifically, the consultant was asked to attempt to make an assessment on the following:

- The appropriateness of the project design to solve the problems that is supposed to address;
- The stakeholder participation in the planning and implementation of the project, and the level of local ownership;
- Gender issues should be specifically assessed;
- Assess the situation of the project villages effected by resettlement and make recommendations on how to proceed;
- Project performance with respect to efficiency and effectiveness;
- Project management and coordination arrangements;
- The quality of operational work planning, budgeting and risk management;
- The quality of information management and reporting;
- The extent to which key local stakeholders are adequately informed about project activities (including beneficiaries/target groups and local government);

- The prospects for sustainability of benefits – including institutional capacity building and local ownership, environmental impact, social acceptability, etc;
- The potential impact of the project on the livelihood of the beneficiaries;

An external consultant was hired to undertake the MTR and he was joined by a representative from the Ministry of Foreign affairs for the first half of the field mission. The MTR took place in the field between the 28th June and 7th July 2007. A schedule for the review including proposed village visits was prepared by project management ahead of time and revised on the team's arrival in Khua and subsequently adapted again in light of changing local circumstances and the weather. The MTR consultant visited six villages, three each in Khua and Samphan covering the range of activities being implemented by the project. These villages were Ome Mok, Nam Bout and Koung Lith in Khua district and Pha Nang, Kha Na and Houay Lablee in Samphan. The final schedule for the MTR may be found in Annex 2.

The review was undertaken during the wet season which resulted in many villagers, and in some cases almost the entire village, being absent from the village working in their upland fields. Heavy rainfall also made village access harder and villages visited were changed as a result. The review made a specific point to understand the local resettlement issues, as required within the Terms of Reference, and to visit villages affected. Three out of the six villages were affected in some ways as a result of resettlement; one through a simple and short move to the nearby road, one through receiving an additional three villages to their site and finally one new village site where two old villages, from a significant distance away had moved.

The review process involved individual and group interviews with line agencies from both Districts, individual interviews with project staff on their particular areas of responsibility (see Annex 3). Discussions were held with village leadership, project activity group leadership and other village members from six of PFSP's target villages, the focus being on sites where the project has already worked. The objective was not to undertake rigorous primary research in a structured manner but to gain an understanding of the degree of 'fit' between community needs and PFSP interventions, the quality of these and likely future impacts.

The MTR also involved significant discussion with the outgoing Project Manager and newly recruited Provincial Coordinator based in Khua. A Wrap up workshop was held in Khua with senior representatives from both districts and project staff where preliminary recommendations were discussed and feedback received. Resettlement issues formed the bulk of discussion. A similar meeting was held in Vientiane with the EC's responsible officer Ms. Carine Malardeau, CARE's Provincial Coordinators and the Country Director where the focus was on external issues affecting the project, most significantly resettlement in Samphan.

1.3 Appropriateness of PFSP Design:

The design included an in-depth, holistic assessment in a target of villages in both Khua and Samphan¹. The design team was led by an experienced external consultant and included CARE's program coordinator. This assessment represents significant investment by CARE and clearly identifies key issues.

1.3.1 Needs, Purpose and Objective definition:

CARE's decision to target Samphan and Khua districts within the design, a new programming geography for them, should be commended. Communities face significant

¹ Annex E to Project Document; Food Security Rapid Assessment Survey, Phongsaly Province, Dec 2004-Jan 2005.

stresses, not least the substantial livelihood shock as a result of opium eradication. This eradication resulted in substantial losses of income, as well as punitive charges for those continuing to grow². The PFSP correctly foresaw these issues and sought to focus on the development of alternative income generation strategies for these communities. The project is thus largely founded on the assumption that increased income will result in increased food security, control over this income at the household level is thus key. Evidence from elsewhere strongly suggests that women's control over such income is more likely to translate into improved household well-being.

However, holistic analysis and identification of village priorities undertaken during the design appears to have resulted in the project seeking to address many of the interlocking causes of poverty, vulnerability and food insecurity. While noble, such an approach, across 31 remote villages in a new programming area for CARE, where many villages are accessible only on foot for up to 12 hours, appears over ambitious. A key risk associated with undertaking such a broad range of activities is that the implementation quality of each activity may suffer. In a number of cases within PFSP, this risk appears to have eventuated.

With the benefit of hindsight the project would perhaps have been better focusing simply on a fewer number of simpler activities with a greater explicit focus on women's income generation.

1.3.2 *Input and Activity Adequacy:*

The range of activities and necessary sub-activities contained within the design is seen as excessive and likely to result in a lowering of quality of implementation as a result. The project design is spread across a wide range of sectors; health, transport and agriculture requiring a very broad range of skills and thus staff numbers. The number of villages able to be supported through each particular intervention is however, in some cases, very limited. Thus livestock banks – a key income replacement strategy within the design – were planned to be established in only 6 out of the targeted 31 villages. Many of the activities proposed, e.g. the establishment from scratch of an effective network of Village Veterinary Volunteers (VVV's), are complex and fraught with difficulty in terms of on-ground implementation.

1.3.3 *Risks and Assumptions*

Village resettlement: The project design did not reflect risk of village resettlement and impact on the implementation of project activities. This is a significant oversight and has resulted in the project struggling to adapt itself to the fairly fixed resettlement plans within Khua and Samphan.

Nam Ou 8 Hydro-power scheme: The design did not make reference to the planned Nam Ou 8 hydro-power scheme that has been under study for well over a decade.

Perceptions of large livestock: In common with most communities within Laos, large livestock, are primarily viewed as an asset or reserve to be called upon in time of emergency or for specific large expenditure (e.g. sending a child to school in Vientiane). As such, households seek to maximize their asset value rather than the income generated through raising large livestock. The design does not acknowledge challenges faced in seeking to support such a significant transition requiring households to adapt both their thinking and production systems towards large livestock production for sale. The 'commoditization' of large livestock is a long term process that the project is well positioned to support, however the OVI for the livestock scheme does not acknowledge the significant assumptions associated with such a transition.

Timing of Impact: As a result of delays faced during project's first 18 months many of the projects impacts, as currently defined by OVI within the logframe, will not be realized until

² See for example PFSP Baseline study

post-project because of the lead times associated with NTFP cultivation and livestock breeding cycles. This is a shame as both activities appear to have significant potential to increase incomes.

1.3.4 Indicator formulation and 'doability'

Indicators established within the project logical framework are complex and have been assessed against data available from the baseline study and elsewhere to determine the extent to which;

- a) Assessment during the final evaluation is possible and
- b) Extent to which change is likely to be discernable.

This assessment and suggested changes to these indicators is presented in Annex 4. These proposed changes would need to be reviewed by the project team and adjusted if OVI modifications are acceptable to the EC. In summary the major issues are as follows:

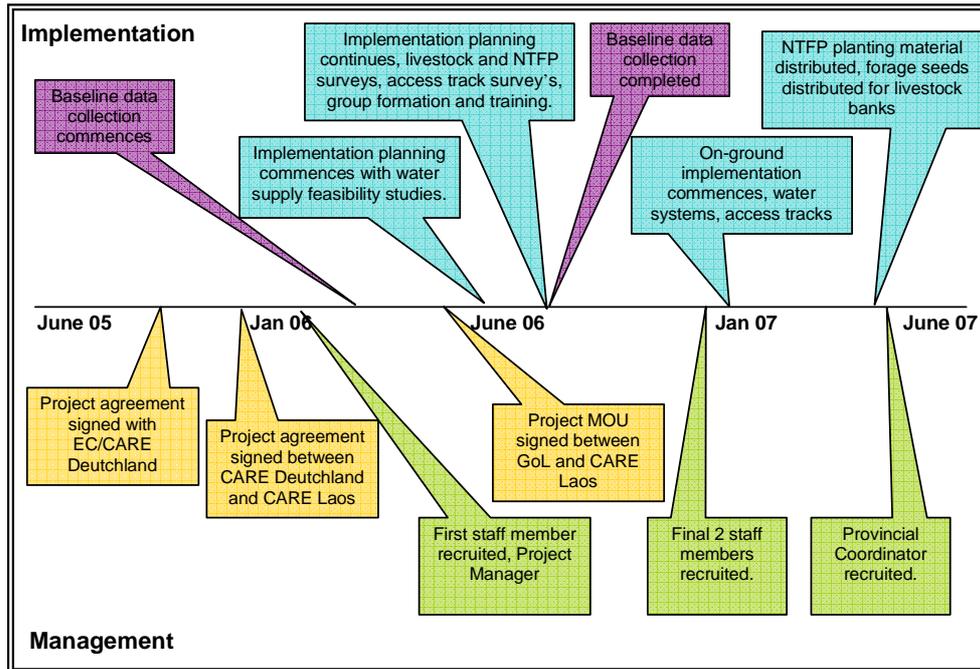
- a) Six out the seven indicators at the higher levels of the logframe are unable to be assessed because of the lack of clarify around key phrases within the indicators, e.g. *"steady physical and economic access to healthy, nutritious food in sufficient quantities"*.
- b) Baseline data provides a comprehensive overview of the socio-economic situation of target villages, however it does not explicitly link data collected to the indicators within the logical framework and as such has limited baseline value. Operationally however the baseline was excellent and provided the team with a strong understanding of conditions within the target villages and remains the primary source of information on which the project makes its resource allocation decisions.

2. Project Management and Organization:

2.1 Project Start-Up:

The projects start-up was delayed by a number of factors, a simple timeline showing key events from project approval to MTR is shown below and illustrates the time required to establish operations in a new site.

PFSP Project Timeline



These factors are understood and acknowledged by the EC and CARE. It needs to be noted however that, as shown above, the principle source of delay appears to be at the Vientiane rather than project office level. Staff recruitment that could have commenced in May 2005 on EC approval of the design was not completed until October 2006, some 19 months later.

2.1 Management and Coordination Arrangements:

The project design has been followed in terms of project structure with the Provincial and District Departments of Agriculture playing the key coordination roles. A Project Working Team (PWT) comprising CARE and Counterpart staff from the relevant district line agencies has been established and meets on a monthly basis, alternating between Khua and Samphan. The District Implementation and Management Committee (DIMC) comprising district line agency heads has also been established in both sites and is reported to have met three times since project start-up. A Project Steering Committee (PSC) was planned to meet on an annual basis. Since the initial inception workshop this committee has not yet met, the next meeting being planned for July 2007.

Discussions with the heads of line agencies and District Authorities resulted in the following:

- a) All are very appreciative of the assistance being provided by PFSP, in particular in eastern areas of Samphan where there is reported to be no other external assistance provided.
- b) There has been no formal reporting on project expenditure against the MOU budget; this makes it very difficult for District and Provincial counterparts to monitor project progress and expenditure rates. There is concern that under-expenditure will result in project period extension, in-turn increasing expenditure on staffing rather than direct inputs at the village level³.

³ These concerns relate to the experiences of working with another NGO project in Phongsaly.

- c) PWT meetings are largely used to report on activities and resolve issues, a clear detailed activity plan for the next month is not produced which can lead to conflicting demands on district staff time. A number of line agency head's reported that this resulted in difficulties.
- d) DIMC's currently comprise heads of District line agencies and a representative from the District Cabinet Office. Some opinions were expressed that engaging District Authority leadership in such meetings would improve performance and allow key issues to be more rapidly resolved⁴.

Issues of coordination between Projects and their District counterpart agencies are inevitable and overall PFSP seems to have managed such relations reasonably well. However it is recommended that expenditure against MOU budget is reported to the DIMC to allow for more effective monitoring. This requires action from CARE Vientiane.

The current Project Manager has resigned his post and CARE is currently recruiting. This poses a degree of risk to the project

2.2 Staffing structure

PFSP now has a full complement of project staff (8 professionals plus support staff) these are on the whole well skilled and many have significant prior project experience. Most are however relatively young. Staffing numbers are sufficient for project implementation and indeed increased levels of activity in the other sub-projects.

Field professional staff are however, with one exception, all male. In addition they are all, with one exception, ethnically Lao Loum. None of the projects professional staff are from Khua or Samphan. These three factors combine to reduce the effectiveness of the team as a whole and increase the time required to achieve project objectives. Staff are reported to be actively making efforts to learn Khmu and this self-initiative deserves strong support from project and CARE management.

Staff numbers and skill-sets appear sufficient to achieve project targets. One possible exception is in terms of access track construction. With an estimated 55km of track still to build across two districts it is likely that additional, perhaps short-term, national technical assistance will be required. This is a key priority for the project and is in many villages a necessary pre-requisite for other project activities (e.g. water supply systems) requiring delivery of significant heavy inputs to villages that are currently only accessible by foot.

The operational integration of the smaller sub-projects financed from Australia into PFSP (see Recommendation 6.1.2) would generate significant opportunities for increased efficiency and reduced management complexity.

CARE has recently appointed an experienced development professional as Provincial Coordinator (PC) to oversee all projects implemented in Khua and Samphan. This is welcomed and appears likely to contribute to improved project operational planning and implementation. The PC is contracted through to September 2008, one year before PFSP completion. Based on experiences to date, CARE will need to carefully consider the nature of management support following his departure.

2.3 Planning and reporting systems

Currently annuals plans are developed as part of the reporting process to the EC and these are then translated by individual project officers into monthly work-plans with their counterparts. These individual work-plans are not consolidated into project wide work-plans. This can result in different project sub-teams visiting the same village three days in a row on different topics, not only inefficient for the project but also places unnecessary time burdens

⁴ Such coordination with District Leadership could also occur outside of the formal DIMC process.

on community members. Monthly work-plans, adjusted as required, are currently only consolidated on a white-board within the project office.

Annual work-plans to date have been insufficiently detailed to provide clear direction to the teams, plans need to clearly identify the steps to be undertaken and the villages in which these steps will occur. Such operational work-planning is vital if project targets are to be achieved, engagement of line agencies in the development and ratification of these is also important if the DIMC's monitoring role is to be realized.

The development of project wide three-monthly plans does not currently occur, limiting the extent to which the DIMC can play an effective monitoring or support role for the project.

The PC has recently introduced new planning, reporting and budgeting tools at the sub-team level. These should significantly improve management oversight and increase sub-team financial management authority which to date appears to have been heavily centralized.

2.4 Work organization:

2.4.1 District Focus Imbalance

The project has established an effective and sophisticated office base in Khua complete with satellite email communications and a wireless computer network. Two staff houses are also established. By contrast, the extent of project office establishment in Samphan is minimal. The project has rented two rooms in the district guest house on a permanent basis and has plans to undertake simple renovations to these rooms and convert the veranda to a simple office. There is no central electricity generation in Samphan, nor are there communications facilities other than the *Foni* system. However, a WinPhone system will be installed in the District in the near future and low levels of power is available from pico-hydro generators.

The amount of staff time spent per district is difficult to assess as CARE does not operate a field per diem system. However, it is clear that sometime weeks may go past without a visit to the District by the project team.

Living conditions in Samphan are substantially more basic than in Khua and the preference of staff to spend time in Khua is entirely understood. However, coordination with Samphan District Authorities and implementation quality would be significantly improved if a more permanent presence in the District is established.

2.4.2 Sub-Teams

The project appears to operate as a series of discrete, fairly independent sub-teams with individual work-plans and activity budgets. While this is inevitable to some degree it is reported to be more pronounced within PFSP than in other CARE projects. This can result in some inefficiency and more importantly require greater time from villagers in working with the project. Opportunities for cross-team support in activity implementation or enhanced coordination to reduce villager down-time associated with project coordination should be investigated.

Overall it appears as though a significant amount of staff time is consumed through office based work and that potential exists for the team to spend more time in the field. With additional activity financing now available through CARE more challenging numerical targets can be set and the project team pushed to achieve these.

2.5 Project adaptation

The project has adapted to significant challenges within the operating area, most notably in regard to planned or actual changes in villages locations as a result of District resettlement plans. The project strategy to deal with resettlement was, in line with district requests; not to work in villages that were planned to move. This has been interpreted to mean that the

project will then work with villages after their movement. There are clear risks with such an approach that are discussed in more detail in section 3.4.1.

In general the project design appears to have been applied somewhat as a 'blueprint' and while flexibility and adaptation is evident in some areas (e.g. the blurring of the distinction between IGA and NTFP activities) in others it appears as though the project has not adapted sufficiently. Project management is now encouraging this to occur and providing project team members with greater confidence in proposing and adapting the design in light of experience. This is welcomed and encouraged.

3. Status of Implementation:

3.1 Progress to date:

Delays to project start up are documented above in section 2.1.

Given these factors, project progress to date appears adequate although improved planning may have increased implementation speed. For a number of activities seasonality is a key issue (e.g. NTFP planting, Forage planting) and as such, in these cases, on-ground implementation could not actually have occurred any faster than it did.

However, the planned limited scale of some activities (e.g. livestock banks in only six locations) means that staff time appears to have been under-utilised to some degree. This while progress according to plan may be seen as adequate, the potential clearly exists for much greater levels of activity implementation. More challenging targets now need to be set for the team utilising additional activity finance sourced by CARE.

The following section presents accomplishments to date within the project. The extent of detail varies by activity. The consultant focussed on these activities assessed to have the most significant impact on household livelihoods. This broadly translated into a greater focus on 'hardware' activities rather than 'software'.

3.1.1 Specific Objective One: Access to food is increased through improved capacity of households to generate income by taking advantage of market opportunities

Result 1.1 Six (6) Livestock schemes established

To date the project has fully established two cattle banks, one each in Khua and Sampan districts. In Yang Teuy (Khua) twelve households are members of the bank which received a total of 36 head of cattle in June 2007. In Nam Yuan (Samphan) thirteen households are group members of the bank which received a total of 30 head. Prior to cattle delivery PFSP worked with cattle bank members to ensure a) construction of an overnight cattle shed/pen, b) establishment of a fenced forage trial plot and c) establishment of bank regulations. Cattle bank groups have also been formed in a further two villages (Om Pia and Keung Keuy, both in Khua district). Distribution in these sites is planned for the 2008 wet season. While initially sceptical of the Cattle Banks group-based approach, the consultant now understands the rationale for such and believes that this is a positive and based on prior CARE experience.

Forage plots are only recently established but all species planted have now germinated and appear to show reasonable growth. The area of forage planted is however limited and it is doubtful that the impacts of forage on cattle will be discernable. The project plans that forage grasses be simply used as a supplemental feed for the herd as a whole to encourage their nightly return to the cattle shed established.

Cattle banks represent a very significant project investment in a relatively small number of households. To date this investment equates to over kip 7 million per household. As such competition within the village for membership in such banks can be expected to be substantial. Bank members interviewed stated that bank members had to fulfil certain key criteria, these being a) Not currently possessing large livestock, b) Having adequate labour to contribute to cattle supervision and management and c) Being of good character. In fact, four of the twelve members in Yang Teuy do currently own personal livestock although these are limited. It appears as though in general, targeting of this assistance has been adequate with all households in the village that did not previously own large livestock being members of the PFSP supported Cattle Bank.

Within the PFSP budget some 10,000 Euro is allocated for livestock banks per village. This amount is excessive and the project is wise to have reduced expenditure in this regard, this needs to be matched an increase in the number of villages targeted by this activity. The Provincial Coordinators plans to broaden livestock banks to include small livestock, targeting women and enabling more rapid generation of benefits are supported by the MTR.

At present, cattle are largely perceived of as assets, to be only sold in times of emergency or for specific high return family investments (e.g. sending children to higher education). As such, PFSP's stated objective to increase regular income generated through livestock sales is unlikely to be realised unless new opportunities associated with cattle raising are taken advantage of. PFSP plans to take Cattle Bank leadership to Xieng Khoung for a cross visit to the CIAT supported livestock forage project there. This is welcomed by the MTR as it provides an excellent opportunity for farmers to appreciate the benefits of cattle **fattening** that is now occurring in Xieng Khoung and is the major driver of widespread farmer adoption of forages⁵.

The short term (3-4 month), pen based cut-and-carry fattening of selected head prior to sale is generating substantial returns for Xieng Khouang farmers. PFSP is recommended to focus on this during their study tour⁶ and subsequently to provide additional assistance (co-financing of one head for fattening) to established Cattle Bank groups to trial this approach. If successful, this project intervention has the potential to revolutionize Cattle production in target districts in line with the provinces plans for poverty eradication.

PFSP has also undertaken the selection and training of Village Veterinary Volunteers (VVV's) in each village, unfortunately these are all male. These VVV's have yet to receive required supplies. VVV's have been widely promoted in Laos although with mixed results. PFSP is taking a number of important steps to increase the likelihood of success in what is acknowledged to be a complex activity, these are:

- Increase in focus on curative treatments rather than just vaccinations
- Exploring possibilities for non-cold chain based vaccination types.

Establishing a cold chain in Khua and Samphan will be complex and, based on the previous EU Livestock project, have serious sustainability issues.

Result 1.2 Ten (10) NTFP management and domestication schemes established

PFSP identified two NTFPs with significant market potential, Galangal (for its fruits not rootstock) and Cardamom. To date PFSP has established NTFP production groups in six villages (three per district), having a total membership of 263 households. These households

⁵ Production and Marketing Changes: Cattle and Buffalo Sub-sector in Paek District, Xieng Khoung. November 2006, SADU Project, CIAT.

⁶ It is recommended to visit the two villages of Ban Xang (Hmong) and Ban Naa Laam (Lao Loum) both within easy drive of Phonsavanh where forage based fattening is reasonably well advanced.

were provided cultivation training and planting material. Typically households received some 200 kgs of Galangal roots and/or 200 Cardamom plants. On average the value of planting material provided per household equates to some 800,000 Kip. Cardamom plants provided are of the Paksong variety that is locally proven (Khua) to produce well.

Significant interest in cultivation of these crops was evident with a number of group members expanding cultivated areas through their own purchase of planting material. In many villages the cultivation of these NTFP's is completely new and as such the project appears to have successfully supported the widespread domestication of NTFP's. Markets for such NTFP's are well established in Khua and also present in Samphan. The MTR included discussion with one Samphan based trader who reported no difficulty at all in sourcing markets for these products. As NTFP's however it can be expected that there will be significant inter-annual price volatility and risks exist that last years unusually high price for Galangal fruit (15,000 kip/kg as opposed to the more normal 5-6,000 kip) will not be repeated, depressing farmer interest.

The current mechanism of free supply of planting material is supported by the MTR as an initial activity with these groups. However, in subsequent years with established groups the project should facilitate farmer purchase of additional planting material and, perhaps, provide a partial subsidy for this. Only in this way can genuine farmer interest and commitment be assessed.

PFSP has made good progress in this work and is to be congratulated for this. It has assessed market demands and selected an initially limited number of NTFP's on which to focus. At this point however PFSP should seek to identify other potential NTFP's/crops to support. This will both diversify farmer risk and allow a more tailored approach to the specific agro-ecological conditions in different villages. Substantial opportunities appear to exist for higher elevation villages with green tea and there is widespread farmer interest in this. Tea represents a significant opportunity for PFSP that should be seized upon. More details on this are provided in section 3.4.3.

Result 1.3 200 farmers (men and women) in 20 villages have improved capacity and capability to realize diversified in-farm and off-farm income generation options

Opportunities for off-farm income generation are limited within the target areas. PFSP has interpreted the design to focus on the establishment of IGA groups around particular opportunities e.g. weaving or honey production. The number of households in such groups is limited as is project support. In recognition of this, PFSP has wisely utilised IGA budget line funds to also support NTFP production groups in line with result 1.2. This was a pragmatic and sensible decision. However the project appears to believe that it must continue to seek IGA opportunities and during the MTR was exploring the potential for basket weaving in one site.

It is important that PFSP maintains its market orientation and only provides support where there is a clear and strong market demand. It is also important that large numbers of households have the potential to benefit from such activities if the project is to generate significant benefits. To date IGA activities appear to have been very 'niche' in nature. Continued emphasis on 'seeking out' IGA opportunities is unlikely to generate significant demands and may prove to be an un-necessary distraction for the project team.

As such it is recommended that the IGA and NTFP budget lines be merged and funds used as most appropriate dictated by market demands. Potential for handicraft production and marketing within the target areas is highly limited and without any obvious comparative advantage. PFSP needs to carefully assess whether further assistance to this sector is warranted.

CARE Laos appears to have established a practice in PFSP and other projects where it directly engages in product marketing, playing the role of a middle-man. This approach is in direct contradiction with best practice in value chain development and is likely to hinder

rather than support, the development of real market opportunities and linkages for village products. CARE should consider adoption of either the CIAT developed Agro-Enterprise Development Approach (AEDP) or the SNV supported Market Assessment and Development (MA&D) methodology. Documentation on both approaches is widely available and are field ‘proven’ in Laos.

PFSP should support relevant project and District staff to attend trainings in such approaches and/or undertake cross visits to field sites to better understand the processes used in these approaches.

Result 1.4: 60 km’s of Access Tracks constructed through cash-for-work.

To date a total of 5.6 km of access tracks have been constructed in Khua through cash-for-work following previous EC project payment rates. These two tracks, each link a village to the newly built ‘main road’ in Khua. Other tracks have been surveyed and the project plans for three tracks to be constructed (shown below in Table 2) in the next work period. Of these, track 2 to Phu Sai is reported to be starting construction in July 07.

Table 2: Access track construction plans, next 12 months

From	To	Est. length
1. Yang Teuy (Khua)	Viengkham (Khua)	15 km
2. Kha na (Samphan)	Phu Sai (Samphan)	13 km
3. SIDA road end (Nam On? Samphan)	Nam Hang (Samphan)	n.a.

Track construction undertaken to date has generated a total of 2,889 workdays employment for the 74 households of Koung Lith and Koung Keuy villages. This equates to an average of 39 workdays per household, generating an average of 926,289 kip income per household. This is a significant investment and, with the daily rate averaging nearly 24,000 kip, likely to be an attractive form of employment for households.

Both men and women participated in construction with women providing some 42% of the labour days. It appears as though payment for labour on road construction is made to the household head (usually male) for all labour contributed by the family. This has obvious implications for utilization of income earned.

Villagers consulted during the MTR stated that income was used to buy housing materials, food and small livestock. This direct injection of cash resources into the household economy is thus likely to have rapid impacts. The extent to which these directly contribute to household food security may be enhanced by ensuring that women receive payment for their household’s labour contribution rather than men.

Consultations with district partners on access track construction resulted in a number of recommendations being made;

- a) Track construction is seen as the most important project activity, implementation needs to be accelerated.
- b) Construction in the wet season is possible but conflicts with rice production; this could be mitigated by 1) opening up construction to adjacent villages not directly served by the track and 2) ensuring that payment is made on a regular (daily or weekly basis) rather than on completion of the track. This will both increase the attractiveness of such employment and result in greater positive short-term food security impacts.

Given the importance of track construction from both community and partner perspectives as well as the fact that such tracks are required before PFSP can construct water systems in the remoter villagers, it is strongly recommended that the project place primary focus on access track construction over the next twelve months and ideally, complete all required tracks in

this period. This would entail additional construction in northern Samphan (e.g. Ban Le Vai). This may require additional short-term national TA to support the current road engineer.

Tracks constructed to date show a number of design weaknesses, these include:

- Lack of even the most basic drainage cuts,
- Steep, near vertical cuts into the hillside that may result in later land slides,
- Minimal compaction,

These issues are recognised by project management and plans have been made to address these through a study tour to visit projects with more experienced engineers. It is likely that following the wet season significant, large scale repairs to some these tracks may be required. It is essential that the project supports these financially where required to ensure sustainability of these tracks.

Finally, a key external risk faced by the project is the extent to which the longer-term benefits from track construction (e.g. increased trader access) will in fact materialize⁷. Samphan currently has no road connection to the wider national road network and as such, these longer terms impacts can be expected to be limited until such connections are in place. In Khua the situation is more positive with the District constructing a road from Nam Bout through to Nam Bak in Luang Prabang (?) which will then become the most direct route from LBP to Khua. The state of this road constructed to date is however poor and is currently only reliable in the dry season. Lack of drainage on this road suggests that annual repairs will be required if sustained benefits are to be realised.

3.1.2 Specific Objective 2: Utilization of food is improved through enhanced primary health practices and improved knowledge about basic nutrition of children.

Result 2.1 Water supply systems (for drinking, sanitation and home garden irrigation) constructed and Water User Groups established and working in 15 villages

Water supply systems have been constructed in a total of 5 villages with construction ongoing in one site. On average costs per household served are Kip 740,000. In all sites bar one, systems are Gravity Fed with standpipes erected at the village level⁸. On average there is one standpipe per 10 households. However, in smaller villages (i.e. excluding Nam Bout) this average drops to only 7 households. This level of coverage appears higher than is typically the case in Laos. Systems are generally well constructed and if anything, appear over engineered. In all cases visited bar one, the water source for the GFS was typically a large, uncovered spring or stream feed pool. In one site (Pha Nang), the source is a fairly large stream that has already over flooded the capture wall by some 50 cm during heavy rainfall. This has undercut and side cut the dam wall. The entire scheme thus looks to be at risk⁹. The PFSP project manager was disturbed by the finding and immediately sent out the water engineer to make an assessment and undertake emergency repairs to prevent further damage.

It appears as though insufficient attention was paid to community consultations regarding wet season stream flow. Inadequate post-construction monitoring also appears to be an issue.

The extent to which women were involved in standpipe siting decisions is unclear but in a number of villages they reported that they were not involved. It appears as though while village wide meetings were held to make such decisions, in many cases women did not

⁷ UXO are also reported to be present in some areas,

⁸ In this village the spring source is lower than the village site and as such a simple capture tank is constructed. Villagers must therefore walk some 200 m to the site for water collection. Collection is reported to be better than previously because of improved quality (less direct contamination) and more rapid collection from the tank.

⁹ Other issues with the GFS in this site are also evident, (e.g. PVC pipes remain unburied) and it appears as though there was inadequate or rushed supervision.

attend. This is a great pity as water supply has, to date, been the only hardware activity where women are the primary beneficiaries. That said, it is unlikely that women's involvement in siting will have made a significant difference to standpipe locations because of the generally small size of villages and limited number of sensible sites.

During the MTR visits were made to the GFS spring capture and tank sites, visits were also made to the previously used water sources. This reveals that in the villages visited at least, prior used sources were a reasonably short distance from the village site. These ranged from 0m to approximately 500m. As such, while women's time has been saved as a result of GFS construction, the amount of time saved is likely to be limited. More significant however is increased water utilization resulting from in-village availability.

Because spring capture sites are largely uncovered and in some cases the GFS supply is from a stream, water quality is questionable. PFSP has not to date undertaken water quality testing. In line with the Specific Objective the project has provided verbal guidance to community members that water from these sources should be boiled. In a number of discussions however it was clear that this is not always occurring with the belief that the water is '*clean enough to drink*' being present. It is recommended that the project install simple enamel or plastic signs to each standpipe with pictures showing that water should be boiled before drinking. CARE's Impact Support Team (IST) could perhaps provide assistance to the project in developing and sourcing such.

Result 2.2 Sanitation facilities constructed in 15 villages linked with construction of water supply systems under 2.1 and contributing to improved health status

PFSP provide basic construction materials for all households in villages with a PFSP constructed water system to build simple single chamber latrines. These materials cost approximately Kip 360,000 per household. As such the project has sought to enable 100% latrine coverage in target villages through direct project in-kind grants. In villages visited most households have undertaken construction, some however had not yet done so.

The consultant has a number of misgivings regarding the projects approach to sanitation based upon prior experience as well as observation and discussion in target villages. These are as follows:

- Slow take up of available materials in some sites suggests a low priority placed in latrines by community members.
- Latrines did not feature in any of the village's assistance prioritization undertaken during the baseline survey. Significant issues of 'fit' with community priorities are thus evident.
- In one village, latrines had been constructed but only one had a 'hut' erected round it (and in this one case the latrine had been built inside a pre-existing rice mill building).
- None of latrines built to date appear to have been used expect in Nam Bout, in other villages people reported that they were waiting for the official handover or that the 'huts' had not yet been built.
- On a more positive side, in one village a number of households had contributed their own funds (estimated to be around kip 50,000 per household) to build improved latrines.

There is a real risk that latrines have been constructed on the basis of externally determined ideas and priorities. Close monitoring is required to determine to what extent latrines are actually being used in these villages. Should utilization rates be low it is suggested that PFSP consider reallocating funds for sanitation works to allow additional water supply systems be constructed.

Result 2.3 Selected District staff receive training on nutrition and primary health issues, including reproductive health, HIV/AIDS awareness

Unable to be assessed.

Result 2.4 Training for better understanding of child nutrition is conducted for mothers in all target villages

The MTR paid limited attention this result area and as such conclusions should be seen as preliminary only.

Nutrition training has been undertaken in 27 of the projects 31 villages by PFSP and DHO staff. Training comprised two parts. Firstly picture cards were used to explain the importance of the three main food groups and simple games were played with these cards by attending women. Secondly, PFSP and DHO staff undertook food preparation training in target villages to increase mother's awareness of appropriate weaning foods for their children. A number of issues appear to exist with this nutrition training:

- Foods prepared used ingredients not available in-village or requiring purchase (e.g. sugar, tinned condensed milk).
- There was no experimentation with respect to different food types and community acceptability of these.
- None of the villagers talked to during the assessment reported using the training provided.

Result 2.5 Training on health issues, including hygiene, reproductive health and HIV/AIDS awareness, is conducted in all target villages

Unable to be assessed.

Result 2.6 Village Health Workers trained in all villages and actively contributing to an improved health status in their villages

Unable to be assessed.

3.1.3 Specific Objective 3: Capacity of the target population and the local Government bodies, to address development issues and to effectively participate in the planning and management of community development projects is sustainably enhanced.

Result 3.1 Households in all villages identify their own food security constraints and needs and develop activity plans to address these

PFSP design results in a somewhat uneasy balance between, on the one hand the development of Village Development Plans (VDP's) that the project can respond to and, on the other, predetermining the types of assistance that the project can provide (i.e. results).

The project has managed this tension in a pragmatic manner by not undertaking full VDP's but instead basing interventions on communities prioritizations made during the baseline survey. This is considered by the consultant to be an appropriate response to the design and, importantly, to villager consultation and data gathering fatigue.

The fact that not all activities are implemented in all sites does allow the project to be responsive to the particular features and opportunities present in different village sites. A comparison between village prioritization with direct input interventions actually undertaken to date by PFSP is shown in Annex 5. This needs to be assessed in the light of a) project sequencing and the relatively early stage of implementation to date and b) an interpretation of villager needs as against what can realistically and cost effectively be provided.

With such a frame it appears as though the project has been reasonably effective in targeting its assistance on the basis of village prioritization.

Activity plans depend upon the activity type either undertaken on a village wide or group basis. The project does appear to have invested sufficiently in group development, planning and where appropriate, regulation formation. While not of 'text book' quality, the extent of attention paid to such issues does appear, on the basis of the limited consultations able to have been made, to be adequate.

There is a risk however PFSP staff view the Project Document as a blueprint of activities to be strictly implemented. The arrival of the Provincial Coordinator should assist the project team gain the confidence to further explore alternative approaches and make necessary adjustments based upon implementation experience. This is crucial if the project is to have benefits beyond the immediate target villages and populations.

Result 3.2 All staff of relevant local Government bodies related to project action areas trained to effectively support local communities in planning and implementing their development activities.

PFSP has not undertaken structured counter part staff training but has instead operated on a on-the-job training modality. PFSP project staff and their district counterparts work closely together such that it is difficult at times to determine which is Government and which is CARE staff. This was the intention of CARE's PWT approach, established almost 10 years ago. District staff appreciate the opportunity to engage in well resourced development interventions within their speciality and have doubtless benefited from these.

Project plans to increase the use of study tours to broadened technical exposure of district and project staff is positive and should be encouraged. Additional financing under the Computer-share project will also allow for more structured, higher education for local youth enabling their entry into the Dept. of Agriculture in the future.

For the demonstration value of PFSP's work to be most effective it is important that at the district level, non-technical, management staff are engaged in project implementation monitoring and feed the results of this monitoring back into project planning cycles. This is the intended role of the DIMC. As such the lack of forward planning review and district staff monitoring undertaken to date has undermined the potential for such benefits.

A number of recommendations are outlined in section 6.1 on how to strengthen the engagement of district management staff in project monitoring.

3.2 Efficiency:

This section seeks to make an assessment as to the efficiency of PFSP's operations to date considering timing, cost and result achievement.

3.2.1 Timing and Cost

PFSP's start up was considerably delayed as discussed previously. As such the project has not, to date, demonstrated efficiency in terms of timing. That these delays are a result of a wide range of factors at both project and NGO level does not mitigate against this finding. CARE Laos need to draw lessons from the time required to establish operations in new provinces and factor these into designs in the future. The seasonality of activities also needs to be factored into project planning, for PFSP, delays in the implementation of some components were thus inevitable, and with hindsight, predictable as early as May 2006.

Expenditure by May 2007, was at 28% of total budget, or 67% of budget to date. Lower than expected expenditure is present across almost all budget categories but is particularly significant in direct input costs.

Table 3: Total input cost per beneficiary by activity type to date.

Activity	Total Input Cost (Million Kip)	No. of beneficiary Households	Cost per beneficiary household (Million kip)
Galangal	78 m	217	0.36
Cardamom	19 m	44	0.44
Livestock	168 m	24	7.04
Water	174 m	236	0.74
Latrine	78 m	216	0.36
Access Track	95 m	81	1.16

Overall the projects costs are high and equate to some €119 per planned beneficiary¹⁰. This high cost is reflective of both low population densities and high operational costs in remote, mountainous areas. Overall such high costs appear justified given the very challenging operating environment of the project.

A summary of direct costs expended by the project in support of village level ‘hardware’ activities is presented above in Table 3.

Additional costs have been incurred for training and other ‘software’ activities. However, assessing the ratio of direct input costs to total project costs to date gives a ratio of 1: 4 as compared to that within the design of 1: 3 (see Table 4). This indicates that the project has, to date been some 25% less cost effective in the delivery of direct village inputs than the original design. This efficiency loss is largely the result of slow start up and can be expected to be reversed over the remainder of the project period.

Significant foreign exchange rate gains are expected as a result of the devaluation of the USD against the Euro. The extent to which these gains will be off set by the rising value of the Kip against the USD is unclear but it is likely that PFSP will have a net gain available.

Table 4: Total to Direct Expense Ratio

Project Expenditure		Euro
A	Total Expenses to date	229,095
B	Direct Expenses to date	57,635
A/B Ratio		3.97
A	Total Budget	884,333
B	Total planned Direct Expenses	296,250
A/B Ratio		2.99

3.2.2 Result Achievement

Results achieved to date are documented in sections 3.1.1 to 3.1.3 above. In general results achieved to date appear to be adequate given start-up delays and the remaining two plus years of implementation time. However, there are some areas, highlighted below, where the rate and/or quality of progress is a matter of some concern:

- a) The very limited extent of access track construction to date is understandable given confusion surrounding the planned SIDA road and changes to its route. However, to date less than 10% of the planned total lengths of track have been constructed. Significantly greater emphasis on track construction will be required over the remainder of the project period and additional short term national TA may be required to facilitate this. Ideally all tracks would be completed within the next 12 month period allowing other infrastructure works, e.g. water supply systems to be built in the final dry season in remoter villages.
- b) The extent to which health, nutrition and reproductive health training will result in changed in health status within target villages is highly questionable. Within the design and implementation inadequate resourcing and attention was placed on these activities. Effective

¹⁰ Total project cost/total number of planned beneficiaries (7,400).

interventions are likely to require significantly greater attention than has been the case and it is the consultants opinion that the project is perhaps best served by acknowledging these weaknesses but not seeking to address them within the remainder of the project period because of the lack of resources to do so. Instead PFSP should focus on those elements of the project with the greatest likely impact and ensure that these are as widespread and effectively implemented as possible.

3.3 Effectiveness:

This section seeks to make an assessment as to the effectiveness of project implementation to date; effectiveness is taken to encompass issues associated with beneficiary access and utilization.

3.3.1 Beneficiary Access

Access relates to the mechanisms through which beneficiaries are, or are not able to access project provided resources. Within the PFSP context this directly relates to the manner in which certain villages were selected for different types of project provided inputs. In an ideal world, all villages would be able to access the full range of assistance provided by the

Table 5: Planned Activity

Result	Target	% of Total Target Area
Livestock schemes	6 Villages	19%
NTPF schemes	10 Villages	32%
IGA activities	200 HH's	19%
Access Tracks	60 kms	n.a.
Water supply	15 Villages	48%
Sanitation systems	15 Villages	48%
Nutrition Training	All Villages	100%
Health training	All Villages	100%
VHW Training	All Villages	100%

project as required. In fact, the PFSP design is quite limited in this regard as shown in Table 5. In all activities with planned direct input of 'hardware' PFSP was, by design, planned to assist less than half the number of total target villages. As such decisions over which village will receive which form of assistance is critical. Some villages have been recipients of a number of different forms of direct project assistance while in others; direct assistance has been limited to NTPF planting material. However direct input expenditure to date per village varies considerably from a low of 10 million kip in Phu Sai, to a high of 104 million kip in Nam Bout. Additional sub-projects sourced by CARE will significantly help address this issue ensuring a greater equity of support between villages. It will allow for livestock banks to be established in all villages and significantly increase the amount of finance available for NTPF activities.

Project management report that decisions made regarding which intervention is provided to which village was determined as a result of baseline survey findings; actual activities undertaken to date per village are compared with prioritizations determined during the baseline in Annex 5, in general PFSP has done a reasonable job in resource allocation.

This issue of inter-village activity selection is further complicated by the need for intra-village beneficiary selection in certain activities (e.g. livestock banks, NTPF groups, IGA groups). See section 5.2 for discussion on the PFSP's poverty targeting approach.

3.3.2 Beneficiary Utilization

Beneficiary utilization is hard to assess at this early stage of project implementation, however based on village observation and discussions it is possible to divide project activities to date into two categories, those where indications suggest that beneficiary utilization is not an issue and those where utilization may be an issue. Utilization monitoring is required for all activities but is particularly important for those activities where issues are likely to exist.

Table 6: Beneficiary Utilization

Utilization not seen as an issue	Utilization may be an issue
Access tracks	Latrines
Water supply	Nutrition training
Livestock banks	Reproductive health training
NTPF planting material	Village Veterinary Volunteers
IGA activities	Village Health Workers
	IGA activities

Additional details on these issues are included in section 3.1.1 to 3.1.3 above.

3.4 External Factors

3.4.1 Resettlement

In common with many areas of Laos, the District Authorities of Khua and Samphan have developed plans for the resettlement of certain villages to support the achievement of the Lao National Growth and Poverty Eradication Strategy (NGPES). A number of PFSP target villages are included in these resettlement plans and this has created some delays and difficulties for the project team in determining where to provide assistance, at current or future locations.

As a humanitarian agency CARE international provides assistance to people irrespective of their race, religion, political views etc, and this is assumed to also encompass location. As such it appears advisable that PFSP reconsider their current position that material assistance will not be provided to villages planned to move until they have reached their new location. This is a sensitive issue and Annex 6 provides more details on possible options for the project in addressing this topic. As an International Aid Agency CARE needs to ensure that both its reputation is protected and, critically, that those in need of assistance by the project are provided with it. Moving village location inevitably increases labour demands and can result in increased food insecurity, examples inadvertent impacts have been well documented elsewhere in Laos¹¹.

PFSP is well positioned to assist the target Districts achieve their NGPES goals through both reducing the need for village movement, where this option is preferred by communities, by the provision of access tracks, water systems etc and at the same time, supporting villages that have moved or do so in the future, to re-establish livelihoods in new locations. This may require PFSP to establish a more flexible mechanism to support villages in a wider range of ways than is currently possible in the design. Cash-For-Work employment opportunities on access track construction are likely to be particularly valued by newly moved households. Ensuring close coordination with the new WFP Protracted Relief and Recovery Operation (PRRO) will be critical in this regard as the Operation seeks to assist communities affected by the double shock of village movement and opium eradication.

3.4.2 Nam Ou 8 Hydropower scheme

The construction of this reservoir is reported to be now in the Provincial plan. If construction does go ahead, and it is reported from all sources that this is very likely, the construction period would be six years. The Dam site is 370 masl. with the dam wall being between 120 and 170 m in height. Some 35 points (understood to be villages) would be impacted, including Samphan District centre and all the riverine target villages of the PFSP in Samphan. With provincial funding the district is currently constructing a road along the Nam Ou from the district through to the Lao-American financed road in the western part of the

¹¹ UNDP, Service Delivery and Resettlement: Options for Development Planning, 2004

district. It appears that this Nam Ou road would also be inundated. Further assessment undertaken during the MTR indicates that construction would not commence until 2015 at the earliest and as such inundation would not occur prior to 2021. As such the Nam Ou 8 is considered present only a low risk to the project.

3.4.3 Opportunities

There appear to be a number of significant opportunities for the PFSP over the next two years.

Commercialized Cattle Production: Both Districts have identified livestock production as a key poverty eradication strategy. PFSP is well placed to assist this to occur through support to the trialing of commercially oriented cattle production. This can be trialed through the use of existing forage plots for short term fattening (or finishing) of selected head. Such approaches are now widely employed by farmers in Xieng Khoung and PFSP has an excellent opportunity to directly support the trial and demonstration of such approaches in Phongsaly. This requires considerable focus from the project team and additional direct support to livestock production groups in the purchase of low-weight cattle for the specific purpose of fattening and on-sale. Typically such fattening is 100% stall based, cut-and-carry with most significant weight gains being achieved in the first three months. PFSP should coordinate closely with the SADU project in NAFRI to better understand the approaches used from not just a technical production side but also, critically, marketing and extension. PFSP plans to undertake a study tour to Xieng Khoung and this is encouraged. SADU experience suggests that participation in such visits should include livestock group leadership, district technical staff and also locally based livestock traders.

Green Tea: within the last 5 months itinerant Chinese traders 'discovered' significant wild stands of green tea in Viengkham village in Khua (4 Ha) and quickly moved to establish local level processing for such tea that achieved a price of kip 100,000 / kg dried¹². With news of these prices spreading rapidly other, smaller stands of wild tea were also identified (e.g. in Dapkajork village) and farmer interest in tea cultivation boomed with a number of farmers buying natural seedlings from Viengkham for trial planting. District Authorities are supportive of the Green Tea sector and have requested PFSP to assist.

Significant parts of northern Laos are thought to comprise the fringes of China's famous "*Jingmai Mangjing Ancient Tea Forest*"¹³. Wild tea in Laos is of the Yunnan broad-leaved variety, the type used for Pu'er (compressed tea block) production in China. Pu'er tea prices in China have been rising at rates in excess of 100% per annum for the past five years and at an auction at the 2005 Guangzhou (International) Tea Expo, 250 grammes of 'vintage' Pu'er was sold for ¥180,000 (US \$22,500). Yunnan Province, the primary market for Phongsaly tea boasts the largest tea growing land area and the third highest annual tea yield in China. More than 11,000,000 people are involved in Yunnan's tea industry including more than 6,000,000 farmers. Tea plantations cover an area of 1,980km² with an 112,000MT annual yield and a production value of US\$ 938,000,000 in 2005.

Tea gathered from wild, mature trees (over 100 years of age) are particularly valued and used to produce the highest quality Pu'er. As such it appears though PFSP is presented with an excellent opportunity to support villages where such trees exist to;

- a) Understand the value of this resource through cross-visits and trader discussions
- b) Establish community level nurseries to take advantage of growing local demand for seedlings.

¹² This price is likely to be limited to first 'flush' production and be bud and two top leaves only.

¹³ See; http://www.rishi-tea.com/travelogue/Fair_Trade_Organic_Tea/slides/South_West_Yunnan.php

- c) Strengthen community level processing skills and other value adding activities.
- d) Increase major buyer's knowledge of the site thus enabling higher farm-gate prices.

PFSP could also support;

- a) An assessment of all villages in Khua and Samphan to determine if other such stands of wild tea trees remain in existence.
- b) A Viengkham Tea Day where major traders are invited to inspect the stands, offer advice on production and, perhaps, negotiate prices and mechanisms for product sale.
- c) Other villages in Khua and Samphan over 1000 masl establish trial tea gardens as part of PFSP's NTFP activity.

Tea is being widely promoted by the Lao-American Project in Western Samphan and by a number of Agencies in Myanmar as an opium replacement crop because of its relatively high value-to-weight ratio and strong, growing market demand.

The consultant believes that the strength of this opportunity could warrant CARE Laos developing a specific project purely to work in this sector across a number of different locations where such stands of wild tea (called *Mieng* in Lao) exist.

4. Expected Impacts and Sustainability:

4.1 Expected Impacts

Making any assessment of impact of PFSP at this stage is problematic because of the very early stage of field implementation. However, some level of assessment has been undertaken above by project 'result' in sections 3.3.1-3.1.3. These assessments are summarized below in Table 7. First however a broader assessment of likely impacts, at the specific objective level as defined by OVI's in the projects logical framework is presented.

4.1.1 Specific Objective Impacts

Goal: Food security needs among poor ethnic groups in remote upland areas in Samphan and Khua Districts, Phongsaly Province are sustainably met.

OVI: 90 % of all households in target villages having steady physical and economic access to healthy, nutritious food in sufficient quantities

Baseline Status:

Baseline data does not provide adequate information to be able to assess the extent to which households currently have "*steady physical and economic access to healthy, nutritious food in sufficient quantities*". Data is available on rice self-sufficiency and cash incomes that could be used to develop a proxy indicator that combines the both of these. However, critically such data is only presented on a village wide, average basis, and as such a re-analysis of household interview sheets (available in the Khua office) would be required to develop this 'proxy' indicator. Complexities associated with developing this indicator are sufficient that it does not appear warranted.

Assessment:

While PFSP is making solid progress in many areas the extent to which incomes will be increased by end of project is limited because of time required for NTFP's and livestock to reach maturity. Even with proposed changes to such activities the most significant results are unlikely to be apparent until after the end of the project. The consultant's assessment is that PFSP has the potential to make a substantial contribution to increased food security in target villages where multiple activities are undertaken that are mutually re-enforcing. Additional activity financing secured by CARE is thus critical in ensuring this.

Specific Objective 1: Access to food is increased through improved capacity of households to generate income by taking advantage of market opportunities

OVI: 90 % of all households in target villages having income generated from livestock, NTFP, and other income generating activities allowing steady access to sufficient quantities of food to meet their food security needs

Baseline Status:

Baseline data records the extent of income generated by source on a village wide basis. There is therefore the potential for the project to repeat this assessment during the final evaluation (time allowing¹⁴) to determine if changes to the levels of such income, or the balance between these, have changed. However, as stated above, discernable change is unlikely to have occurred during the life of the project.

Assessment:

The extent to which incomes rise as a result of project activities will be determined in large part by the directions that the project now takes. This is particularly true with respect to livestock where the commercialization of production is seen by the consultant as key if incomes from livestock are to be significantly increased. Simply supply of livestock will in and of itself increase household asset value and hence livelihood security. This does not mean however that this will translate into increased incomes, unless on-farm commercialization occurs also.

This requires both a technical and attitudinal shift of considerable scale. Experience from Xieng Khoung suggests that commercialization of Cattle production increases community demands for vaccination and other veterinary services and willingness to pay. Disease outbreaks pose a significant risk to livestock within target villages including those provided by the project. While adequate steps have been taken to date, annual vaccinations will also reduce such risk.

PFSP is well positioned to facilitate the trialing of such approaches; their wider adoption however is unlikely to occur within the project period. Assessing the extent to which farmers perceive these trials to be successful (and continue use of such approaches) as well as any further adoption of such approaches by others is seen as an adequate measure of likely future impact. Farmers have demonstrated their interest in trialing new approaches (e.g. tea cultivation) and PFSP's NTFP production groups are likely to include such 'early adopters'.

Support to the establishment of domesticated NTFP plots has occurred to date through the formation of NTFP cultivation groups, free distribution of planting material and associated cultivation training. This has enabled the establishment of a significant number of privately owned, domesticated NTFP plantations. While the project should continue free distributions in new villages or with new group members, it should seek to increasingly cost-share with community members themselves both to increase coverage and cost effectiveness as well as ensuring that members are sufficiently committed to the activity.

Specific Objective 2: Utilization of food is improved through enhanced primary health practices and improved knowledge about basic nutrition of children

OVI: 2.1) No. of children improving weight for age status
2.2) 80 % of families in target villages apply appropriate health practices

Baseline:

¹⁴ Remembering that the baseline took a total of 5 months field work

The design initially includes the use of under-five growth monitoring as a key activity to monitor child nutrition. PFSP management report that scales for this activity have not been purchased, and are not planned to be, because of their high cost. As such indicator 2.1 will not be able to be assessed. The baseline study provides limited statistical information on the extent to which appropriate health practices are being followed, in summary these are as follows:

Immunization Rate:	100% all villages
% of Families boiling water for drinking:	Range between 20% and 90%
% of families using mosquito nets:	Range between 20% and 100%

Assessment:

The project has provided 100% latrine coverage in 5 villages. The extent of regular use of these latrines and associated hand-washing with soap would appear to be a logical indicator. The extent to which households boil drinking water is also key, even in villages where project water systems have been installed.

Specific Objective 3: Capacity of the target population and the local Government bodies, to address development issues and to effectively participate in the planning and management of community development projects is sustainably enhanced

- OVI:**
- 3.1) All target villages having initiated a village planning process
 - 3.2) 90 % of target villages having prepared annual village development plans (VDP)
 - 3.3) Development activities carried out by village groups in all villages having a VDP.

Baseline Status:

Baseline data was not collected on village development planning but it is understood that Village Development Committees did not exist in target villages prior to the project. VDP's were not developed, as discussed earlier and as such this indicator will not be achieved.

Assessment:

The project has contributed to increased capacity at village levels through the establishment of activity specific management committees and key persons. Interaction with project activities is likely to have increased capacities in relation to management of external project assistance. Further capacity development can be achieved through the increased use of study tours for both district and village representatives into key areas of project activity. It is important that Village representation on study tours is considered a priority.

4.1.2 Result Level Impacts

Table 7 below summarizes expected level of impact, the gender of these benefiting and the relative number of beneficiaries from different activities undertaken to date by PFSP. New approaches by PFSP that are planned (e.g. the broadening of livestock schemes to include small livestock) are likely to address some of the critical gender and distributional issues discussed below.

Table 7: Summary of expected impacts by activity

Activity	Who Benefits	No. of Beneficiaries	Likely FS Impact	Likely FS Impact Timing
Access track	M/F	High	High	Immediate (wages) + 2009-2015 for market access depending on quality of linkage to national network.
Livestock schemes	M	Low	Med-High	From 2010 onwards

NTFP production	M/F	Med	High-Med	From 2009 onwards
IGA activities	M/F	Low	Low	Immediate
Water supply	F	High	Low-Med	Immediate
Latrines	M/F	High	Low	Immediate
Health ed.	M/F	High	n.a.	n.a.
Nutrition ed.	F	High	Low	Immediate

This reveals that men are more likely to be participants in higher impact activities than women and that, with the exception of access track construction, high level impacts are most likely to be experienced by fewer numbers of people and visa versa. This latter point is to some degree inevitable given budget limitations. This assessment suggests the following for PFSP:

- a) That plans to broaden the type of livestock schemes to include small livestock focused on women are appropriate and essential.
- b) The access track construction has the largest, most immediate and most broadly felt impacts to date and as such should be a major project focus for the remaining two years.
- c) That IGA activities to date have not proven their value, PFSP may be wise to limit future activities in this sector particular given the heavy workload on this one staff member.
- d) That there may be a case for not seeking to increase the impact of more complex activities but instead enhance focus on those activities where likely impacts are higher, e.g. in the fields of income generation, where project staff have a greater capacity.

4.2 Sustained benefits flow

Assessing likely sustainability of project activities at this stage is problematic given recent implementation. However a preliminary assessment is provided below in Table 8 that provides a relative assessment between different activities and the rationale for such.

Table 8: Relative sustainability by activity

Activity	Likelihood of sustained benefit flows	Rationale for assessed level
Access tracks	High	Road networks are expanding; strong demand exists from District and villages for access. Potential for negative effects from current construction quality and Nam Ou hydropower scheme.
Livestock schemes	Med	Long period (3 years) between transfer between groups, next recipient households not identified until year 3, decline in value and fertility of original cattle. Extent of forage utilization yet to be determined. Establishing effective VVV networks complex.
NTFP Production	Med-High	Market demand strong, domestication locally proven, extent of sustainability will vary by household and depend upon market trends.
IGA activities	Low-Med	Direct project engagement in supply of raw materials (weaving) and product purchase (honey) appears unsustainable. Extent of

		sustained benefits will depend on level of engagement of private sector in these activities, as yet unproven.
Water supply	High	Where design and construction appropriate (most cases visited) sustainability appears strong. Villagers clear on who in the village is responsible.
Latrines	n.a.	Utilization (benefits) yet to be proven, extent to which these are sustained is thus unknown. Model of latrine used has positive sustainability features.
Health education	n.a.	Unable to be assessed
Nutrition education	n.a.	Utilization (benefits) yet to be proven, sustainability there unable to be assessed.

Village development Committees established by PFSP appear to be operational in all villages visited. The extent to which these continue in operation post project will depend upon extent of district utilization of these VDC's and motivation of members.

5. Crosscutting Issues: Gender, Poverty, and Ethnicity:

5.1 Gender:

The project design sought to mainstream gender into project activities, certain activities, most notably water supply systems, will benefit women more than men. However, as the LWU in Khua point out, the project does not have activities that specifically target women per se apart from the nutrition education for mothers.

The extent to which decision making in different project activities at the village level is determined by men vs. women (or the village vs. the project) was one area investigated during the MTR. It appears as though women's role in decision making, even in water system standpipe site selection, was highly limited. In all sites a village meeting with representatives from all families was held to determine the locations for water points but in at least one case, only the family head (i.e. the man) attended these meetings.

Even in access track construction where women contributed almost half of the labour provided, it appears as though in general it was the men that received payment on behalf of their family as a whole. While traditional Khmu culture places much of the responsibility for household financial management with women, providing cash-for-work payment to the (usually male) head of household is likely to contribute to the further erosion of such traditions.

There are strong cultural practices that differentiate livestock responsibility between men and women with women having responsibility for smaller livestock. As such the projects focus solely on cattle has, inevitably, excluded women.

The presence of only one (brave) woman within PFSP's professional team and the nature of gender interactions within the team as a whole sets the context for the PFSP's poor record on gender. At present PFSP appears to largely reflect the gender status quo within the target area. This is a substantial missed opportunity and one that must be addressed.

While CARE's Impact Support Team (IST) has sought to improve the projects gender focus through identifying positive examples it is clear that much more, and perhaps more practical work is required. Simple, practical steps are required to improve the projects responsiveness to and benefits for women within target villages. These might include:

- Insisting that all village decision making processes occur through separate male, female meetings where the results are then compared.

- Earmarking a portion of livestock bank funds specifically for women where implementation is undertaken by the LWU with the DAFES.
- Using available new finance to establish 'women's development funds' able to be flexibly used by village women under the management of the project with the LWU.

To date activities with the greatest likely impact and sustainability have largely benefited men. Simple actions to increase women's control over their own fertility may, in the long run, provide the greatest impacts for women within target villages. Additional funds secured by CARE are planned to be used to assist this. Simple, appropriate mechanisms are required to achieve this objective.

5.2 *Poverty:*

Within swidden production systems where sufficient land is available, labour availability is commonly the key determinant of a household's 'wealth' or ability to produce a surplus. In turn, such availability is influenced by health and the family's stage within the 'family lifecycle'¹⁵. As such, *relative poverty* within upland communities is often 'temporal' in nature, reflecting disease, disability and age more than asset ownership (wealth) per se.

Within both Khua and Samphan, sufficient land for upland cultivation appears to be present, villagers reporting swidden cycles of 7 years in many cases. In this context, poverty is unlikely to be inter-generational in nature and will change over time in line with the family's life cycle. Opium production ensured the viability of this system allowing households to enjoy a reasonable standard of living even in remote locations. Since the opium ban, it is reported that many of the wealthier households have left these areas to start a new life in urban centers.

PFSP does not explicitly target poor households but does instead; on an activity by activity basis have criteria that give preference to poorer households as long as other criteria (e.g. labour availability) are met. The consultant believes that such an approach is largely acceptable and justified. Such approaches however require close and careful monitoring to ensure that such approaches are in fact working. This is complex because the baseline survey whilst identifying the proportion of households classified as poor, did not (to the consultants knowledge) document this listing. As such there is no 'master list' of poor households on which the project can measure its progress in this regard.

However, in recently resettled or consolidated villages, issues of poverty and food security are likely to be greater. Additional emphasis and increased flexibility in type of support being able to be provided to these communities is therefore warranted. Access track construction through cash-for-work provides PFSP with an opportunity to assist poorer households through opening up employment on such works to all villages in the neighboring area. In addition, tracks are likely to be completed more quickly. Providing payment to these workers during the construction period (e.g. on a weekly basis) rather than on track completion will further have more positive food security impacts and attract more workers. Experience from elsewhere within Laos suggest that there are real risks that in such contexts poverty can become inter-generational in nature with new comers increasingly resorting to daily labour sales as a means of survival because of limited land availability in their new sites. PFSP needs to be alert to such risks particularly in large newly consolidated sites such as Nam Bout and Viengkham in Khua District.

The project does not appear to have either a policy or strategy to differentiate between wealth groups within target villages. The baseline survey does not provide names of households, classified during the survey as being the poorest. Assessment of the extent to which the project has assisted relatively less or more poor households will thus be

¹⁵ E.g. A family with young parents and young children unable to assist in cultivation will be 'poorer' than a family with older parents and a number of productive age children.

problematic. Moreover, baseline data collection on poverty assesses relative rather than absolute poverty.

The extent to which rice deficits within villages can be used as a proxy for poverty is problematic, but in the (largely) post-opium context of the project it does provide a reasonable proxy of relative poverty between villages. Re-analysis undertaken on baseline data as part of the MTR process is attached in Annex 7 that assigns different weightings to rice sufficiency periods enabling a composite, weighted rice insufficiency score to be realized. Comparing these village scores to project direct investments in villages to date reveals that the project has commenced operations largely in the ‘poorest’ villages first¹⁶. PFSP management should be commended for this.

5.3 *Ethnicity:*

The projects target villages are overwhelmingly Khmu (27) with lesser numbers of Hmong (4). To date, project direct inputs have largely been provided to Khmu villages. Project staff report that villagers often assume that PFSP staff are in fact district staff. In some Hmong villages people are fearful since the opium ban and the significant fines levied as a result of non-compliance. As one staff member reported “*Sometimes they run away when they see us coming, they think we are district staff come to fine them for growing opium*”

Staff also report ‘difficulties’ in working with Hmong villages and that the Hmong ‘do not listen’. Such perspectives are reasonably common but signal clear issues regarding the projects ability to address the concerns of its Hmong clients. It is unclear how best to address this issue but other projects have effectively used local volunteers from within the target population’s ethnic group to improve the project/community relations.

Ensuring adequate understanding of traditional, as well as formal positions of authority within Khmu and in particular Hmong communities and having free-range discussion on the project with such traditional leadership (as well as formal leadership) may increase project understanding and effectiveness in villages that are seen as ‘difficult’.

The way in which the project deals with these complex issues of ethnicity, particular amongst the Hmong, will have significant implications for impact attainment within these communities. Access difficulties to these villages compound these problems reducing the amount of time that project staff are able to spend in such locations. Access track construction to these sites thus has the potential to contribute to resolution of these issues. New approaches to the resettlement issue proposed may also result in improvements in this regard.

PFSP staff that have demonstrated a commitment to learning either Khmu or Hmong deserve this to be formally acknowledged and supported by PFSP and CARE. At both levels mechanisms to further support and reward (ideally financially) such efforts need to be considered.

6. **Recommendations:**

Three sets of recommendations have been developed covering a) Project management issues, b) Technical issues and c) Recommendations to CARE Vientiane. Collectively these comprise a substantial program of works for an already busy team. It is essential that the PFSP team together with District partners review these recommendations carefully and prioritize they accept, for implementation.

6.1 *Project Management Recommendations.*

6.1.1 Focus on areas of greatest return to communities; while health, nutrition and reproductive health issues are considerable these are only worth continuing to address

¹⁶ Note; this conclusion relies on the validity of baseline data collected.

if the project has adequate staffing and sub-activity design and management resources to undertake these effectively.

- 6.1.2 More challenging targets now need to be set for the team utilising additional activity finance sourced by CARE and the pace of implementation significantly accelerated.
- 6.1.3 Reduce complexities associated with multi-donor financing by developing a single 'operational budget' and work plan that incorporates all different sources of finance for activities in Khua and Samphan. This will require input from the CARE Assistant Country Director – Finance (See 6.3.3).
- 6.1.4 Hold further discussions with Samphan District Authorities regarding resettlement issues on the basis of the recommended approaches. The CARE Country Director could be present during these discussions.
- 6.1.5 Assuming that Option 4 for the resettlement issue is agreed upon, immediately establish an office in Samphan, develop staff rotation system to ensure permanent staff presence in the district, ensure regular project management visits to the District Authorities.
- 6.1.6 Develop a number of simple, practical steps, processes or actions that the project can adopt to improve its engagement with, and generate benefits for, women within targeted villages.
- 6.1.7 Continue to improve long and short range detailed activity planning as commenced with planning and reporting formats, and associated coordination with the Districts on these.
- 6.1.8 Seek mechanisms to reward project staff who activity demonstrate a commitment to learning minority languages.
- 6.1.9 Revise OVI's at all levels to allow assessment at time of final evaluation, suggestions are included in Annex 4.
- 6.1.10 Improve result monitoring that is focused on the anticipated impact and likelihood of achievement.
- 6.1.11 DIMC and PSC meetings need to provide the opportunity for review of detailed workplans and performance to date, including financial data (see 6.3.4).
- 6.1.12 Increase flexibility of project support able to be provided in villages where substantial resettlement has occurred. Coordination with WFP to ensure that villages assessed by PFSP as vulnerable are included on the WFP listing.
- 6.1.13 Consider the limited introduction of community cost sharing for direct inputs as a project principle to ensure activity relevance and ownership.

6.2 Technical Recommendations.

- 6.2.1 The project needs to develop a two year work-plan of access track construction with the relevant CPTPC's. This is acknowledged to be a complex task given uncertainties surrounding the SIDA financed road under-construction but existing contracts signed with villagers for access track construction provide adequate rationale for proceeding¹⁷. As much as possible, PFSP should seek to complete all remaining track construction over next 12 months.
- 6.2.2 Support large scale track repair after the first wet season and improve construction quality (drainage, cut angle etc).

¹⁷ If, at a later date these tracks are then able to be upgraded by SIDA so much the better.

- 6.2.3 Open up track construction wage labour opportunities to people from any nearby village and establish a more frequent payment system. This may require hiring additional short-term technical assistance.
- 6.2.4 Diversify livestock bank types (poultry, pigs etc) to allow women's participation and accelerate impacts, maintain the approach of integrating penning, feed production with project grants of livestock.
- 6.2.5 Use Cattle fattening as a mechanism to enable farmers 'prove' the value of forages.
- 6.2.6 Focus on methods to increase 'commoditization' of all livestock production, with a particular focus on Cattle and structure livestock banks to support this (e.g. cross visits to Xieng Khoung as planned and direct financial support for groups to trial fattening).
- 6.2.7 Focus on quality rather than quantity of VVV's, one can serve a number of villages, focus on the best.
- 6.2.8 Expand the range of NTFP's being supported by the project to include tea (in sites above 1000 masl) perhaps through community level nurseries. Actively seek additional high value to weight agricultural commodities.
- 6.2.9 Exploit emerging opportunities for high value wild tea processing and marketing through increasing villager exposure to the tea sector and major tea traders awareness of the resource in Khua.
- 6.2.10 Reduce focus on IGA's and integrate into the budget line with NTFP's. Opportunities appear limited and additional support should only be provided where there is clear strong market potential.
- 6.2.11 In the remaining four villages where nutrition training has yet to occur, pilot the use of alternative foods (e.g. Soya milk) to test their village acceptability. Pilots should include processing and involve village women in assessing the different options.
- 6.2.12 Latrines are not yet 'proven', the project needs to monitor utilization rates and, if low, reconsider current 100% coverage plans, this could involve the reallocation of resources.

6.3 Recommendations to CARE Vientiane.

- 6.3.1 A comparison of major findings between this MTR and of that recently undertaken on the PARUA Project, show a degree of similarity in key areas. This suggests that a number of issues are not project specific but in fact institutional in nature.
- 6.3.2 The CARE Country Director, as the line manager of the Provincial Coordinator, needs to make regular visits to PFSP project sites.
- 6.3.3 Provide required support to the PC to enable the operational consolidation of all projects in Phongsaly into a single work-plan and operational budget. This will require Vientiane to provide expenditure reports to PFSP on the basis of this consolidated budget (i.e. establish a new, consolidated chart of accounts).
- 6.3.4 CARE HQ needs to provide regular MOU expenditure reports to the PFSP Project Manager for on-reporting to District and Provincial counterparts. This should, at minimum, be on a three-monthly basis.
- 6.3.5 Decentralize significantly more authority to Provincial Coordinator's and Project Managers over expenditure (i.e. raise approval limits to perhaps US\$2,000) and administrative matters.
- 6.3.6 Critically, increase the responsiveness of CARE Vientiane administrative staff to the support needs of projects.

- 6.3.7 Start the process of design for a follow on project in Khua and Samphan. Based on PFSP experience this should commence now if a smooth transition is to be possible.
- 6.3.8 Consider the development of a Sub-Sector Development Project focused on Green Tea that could cover PFSP, PARUA and other non-CARE project sites in Northern Laos to take advantage of substantial wild tea trees and maximize community returns from these.
- 6.3.9 Assess the extent to which CARE's current policy of paying a monthly lump-sum in lieu of a daily per diem for days spent in the field has been effective. It is likely that many staff receiving this sum do not spend the full 10 days per month in village as planned. Financial incentives, such as per diems, can play a valuable role in increasing project 'village time'.
- 6.3.10 Consider developing a 'field staff protocol' covering practical issues faced by staff on a daily basis (e.g. eating in the village, cultural practices, vehicle passengers, gender relations etc), this should explicitly lay-out what CARE does not see (and perhaps does see) as acceptable, particularly in relation to sexual conduct.
- 6.3.11 Strongly consider recruitment of local field officers from within targeted ethnic communities in all future designs. Such approaches are likely to significantly improve village/project understanding.
- 6.3.12 Develop mechanisms that reward (financially) staff members who speak ethnic minority languages or who demonstrate commitment to learning them.

6.4 Other Issues.

- 6.4.1 Radio communications equipment purchased by PFSP are not appropriate and, because of their weight and village remoteness, are not being used. These should be sold and funds used to purchase the originally intended satellite phones.
- 6.4.2 The Chinese generator purchased should also be sold and a smaller modern type purchased for use in Samphan as required.
- 6.4.3 The absence of Provincial Coordinators from the CARE Laos Senior Management Team appears to be a missed opportunity for ensuring that SMT decisions adequately reflect project level concerns.

Annex 1: Terms of Reference, Mid-Term Review.

1. Background

Reduction of poverty is the overarching objective of the EC's co-operation with the Government of Lao P.D.R. This ties into the Government's Food Security Strategy for the period 2001 – 2010, provisions of which are incorporated in the National Growth and Poverty Eradication Strategy (NGPES). The Strategy states that the most important objective in relation to poverty eradication is improved household food security. The EU NGOs Food Security Programme (FSP) supports and stabilizes availability, access and use of food, reduces vulnerability by developing existing or new coping strategies and build capacity at community and local government levels. The Phongsaly Food Security Project (PFSP) is implementing this strategy in Khua and Samphan district in Phongsaly Province. Samphan and Khua Districts are ranked among the 47 poorest districts in the country according to percentage of poor households. Both districts are identified as priority areas for 2003 – 2005 in the Government's National Growth and Poverty Eradication Strategy.

PFSP directly addresses issues determining households' food security status in terms of availability, access and use of food, and by targeting poor households in extremely remote areas, which are about to face a severe economic shock when the current practice of opium growing is eradicated. The project serves as an empowering agent for the beneficiaries to develop new strategies, assists in starting up new income generation activities, creates easier access to markets, achieves improved nutrition and reduce the workload of women who single-handedly carry most of the responsibilities in the families for all aspects of food security.

PFSP works in the areas of agriculture, livestock, NTFP production and marketing, income generating activities, primary and reproductive health, HIV/AIDS, nutrition, small feeder road construction, clean water supplies, sanitation and hygiene (WASH) in villages and community development in general.

The project addresses the above-mentioned problems and the present food insecurity by empowering the beneficiaries to implement a reduced number of selected activities related to availability, access, and use of food. **The overall objective** of the project is to substantially increase the number of households having steady physical and economic access to healthy, nutritious food in sufficient quantity, of appropriate quality, and has been formulated as:

Overall objective?

The project started in October 2005 with the recruitment of staff and the processing of the MoU. The delay in the signing of the MoU (signed only in May 2006) resulted in the late start of project activities. A second obstacle is the remote location of Muang Khua and its lack of attractiveness for national staff. It took until end of 2006 for the project team to be complete.

From March to May 2006 the project together with an international consultant conducted the baseline survey in half of the villages in Samphan and Khua district need baseline survey report. The activities of the different components started according to the start of contract of the respective technical advisor.

The project is now close to the end of its second year (which ends in September). **The mid-term review will provide important recommendations for budget revisions, workplan changes and improvements in the strategy and structure of the project work. These recommendations will be incorporated in the work for the second half of the project.**

2. Mission objectives

The objective is to provide decision makers in the Phongsaly provincial and district governments and the European Commission with sufficient information to make **A**) an informed judgment about the past performance of the Phongsaly Food Security Project (PFSP) (its efficiency, effectiveness and impact), **B**) to document lessons learned and **C**) to provide practical recommendations for follow-up action.

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3. Issues to be studied

The mission will attempt to assess and analyze project performance in the following fields:

- the appropriateness of the project design to solve the problems that is supposed to address;
- the stakeholder participation in the planning and implementation of the project, and the level of local ownership;
- Gender issues should be specifically assessed;
- assess the situation of the project villages effected by resettlement and make recommendations on how to proceed;
- project performance with respect to efficiency and effectiveness;
- project management and coordination arrangements;
- the quality of operational work planning, budgeting and risk management;
- the quality of information management and reporting;
- the extent to which key local stakeholders are adequately informed about project activities (including beneficiaries/target groups and local government);
- the prospects for sustainability of benefits – including institutional capacity building and local ownership, environmental impact, social acceptability, etc;
- the potential impact of the project on the livelihood of the beneficiaries;

Based on these assessments, the mission would be expected to provide:

- Recommendations for any required change/modification to project scope (including objectives, management arrangements, financing, etc) in order to support effective implementation and the delivery of a sustainable benefit stream.

4. Methodology

The evaluation will apply different methodologies, including desk review of reports (the consultant will receive major documents beforehand for preparatory reading), meetings with different stakeholders and focus group discussions. Assessment of project results on people requires first hand information and face-to-face interaction in the target villages and with local officials at all levels. The team will choose a number of sample villages that will be visited. In direct communication with the beneficiaries and disaggregated data collection using participatory methods is possible. At the district level, the views of the line agencies associated to the project will be taken into consideration.

5. Expertise required

The MTR will be conducted by an external consultant which relevant experiences with the support of the project team and local government line offices in Khua and Samphan districts. The consultant will be briefed in the CARE country office and then travel to Phongsaly Province. IN both districts the consultant will discuss project issues with the local governments and visit up to 3 villages in each district. Due to weather conditions the number

of villages and selection of villages can change on short notice. The consultant will stay 4 days in the field with one overnight stay outside of Khua district. After returning to Vientiane and the debriefing with CARE CO the consultant has 4 more days for report writing.

- a relevant Master Degree and an academic background in rural development, food security or social sciences;
- solid experience of evaluation assignments with EU funded projects in developing countries
- Knowledge of EU project cycle management, especially in the area of rural development and food security
- Substantial knowledge in food security, capacity development and community development in Laos
- Working experience in remote areas, particularly within the Mekong Region
- Sound judgment, flexibility and adaptability, cultural sensitivity
- Excellent command of written and spoken English
- proven skills in preparing reports;
- Working knowledge of Lao language.
- relevant experience with ethnic groups in the region is desirable;

6. Reporting requirements

After returning from Phongsaly the consultant will present a PowerPoint presentation with the major findings and recommendations of the mission. The presentation will be attended by the EU program officer. After the presentation there will be a debriefing with CARE country director and program staff.

On day 11 of the mission the consultant will submit an electronic copy of the draft report in English to the CARE CO. The report should be written in MS WORD or RTF format using Times Roman size 11 size text. The report should not be longer than 30 pages excluding annexes.

The report should be structured as follows:

- Executive Summary
- Abbreviations
- Background
- Project Management and Organization
- Status of Implementation
- Expected Impacts and Sustainability
- Summary of Crosscutting Issues: Gender, Poverty, Ethnicity
- Recommendations

7. Workplan and timetable

The mission is planned to start on June 26th 2007 and end on July 08th 2007 (11 days)

Task overview

- briefing in CARE country office
- discussing partnership, cooperation and institutional development issues with local government offices in Khua and Samphan (including resettlement issue)

- visiting up to 6 villages in Khua and Samphan districts to discuss with beneficiaries the state of implementation and the effects/impacts on households and the community as a whole
- presentation of major findings and recommendations in Vientiane CARE office
- debriefing with CARE country director

Timetable:

activity	days											
	1	2	3	4	5	6	7	8	9	10	11	12
half day briefing in CARE CO												
travel to Muang Khua												
meeting with the team in Khua in the evening												
visit district authorities in Khua (governor's office, agriculture, health, CTPC, LWU)												
visit the villages of Ome-Mok, Koung-Lith, and optionally Koung-Keuay												
extra day to visit more remote villages in Khua												
travel to Samphan and discuss with district offices, stay overnight in Samphan												
extra day to visit more remote villages in Samphan												
visit villages of Kha-Na, Pha-Nang and optionally Keng-Deung												
travel back to Khua												
travel back to Vientiane												
presentation & debriefing with CARE CO												
report writing												

This schedule is preliminary and can be changed on short notice according to the weather conditions in Khua, Samphan and Oudomxay airport.

Annex 2: Field Schedule of Mid-Term Review

Date	Activities
10-27/6/07	Pre-departure document review and methodology design
28/6/07	CARE CO briefing, dept to ODX, drive to Khua, mtg with team.
29/6/07	Meeting with Khua District Offices, Staff Interviews,
30/6/07	Village visits, Ban Om Mok and Nam Bout
31/6/07	Village visits, Yang Deuy, Koung Lith.
1/7/07	Travel to Samphan, meeting Dept. District Chief.
2/7/07	District office visits, village visits in Pha Nang, Ka Na and Houy Lablee.
3/7/07	District office visits, return to Khua.
4/7/07	District office visits, staff interviews
5/7/07	Initial recommendation development, staff interviews, document review.
6/7/07	Wrap-up meeting with Staff and District Representatives, document review
7/7/07	Document review, Return to Vientiane

Annex 3: Persons Consulted

Mr Somsamlet Thavikham, Ministry of Foreign Affairs.

~~Mr XXXX~~, Deputy Director, PAFES, Phongsaly,

District Level:

~~Mr XXXX~~, Deputy District Chief, Khua District.

Mr Phonthavy Saymonty, Chief of DAFES, Khua District.

Ms Viengkah, Director, Lao Womens Union, Khua District.

Ms Kantor, Deputy Director, LWU, Khua District,

Mr Ounthong, Director CPTPC, Khua District.

Mr Somchit, Director Planning, Khua District.

Mr Peng Buntavong, Deputy District Chief, Samphan District.

Mr Bounsaveng Kengsant, Director, DAFES, Samphan District.

Mr Bounlert Sainartetd, Director CPTPC, Samphan District.

Dr Khamla, Director DHO, Samphan District.

Annex 4: Indicator Review

	<i>Intervention logic</i>	<i>OVI</i>	<i>OVI Assessment / Practicality</i>	<i>Recommendation</i>
Overall objective	<i>Food security needs among poor ethnic groups in remote upland areas in Sampanh and Khoa Districts, Phongsaly Province are sustainably met.</i>	<ul style="list-style-type: none"> 90 % of all households in target villages having steady physical and economic access to healthy, nutritious food in sufficient quantities 	Steady physical and economic access to food needs to be defined. Measurement of this is assessed as impossible within current project scope and existing baseline data.	Replace indicator.
Specific Objectives	<i>1. Access to food is increased through improved capacity of households to generate income by taking advantage of market opportunities</i>	<ul style="list-style-type: none"> 90 % of all households in target villages having income generated from livestock, NTFP, and other income generating activities allowing steady access to sufficient quantities of food to meet their food security needs 	This indicator importantly suggests that 90% of households need to be benefiting from project income generation (livestock, NTFP, IGA) activities. The extent to which this is allowing them “steady access to sufficient quantities of food to meet their food security needs” is highly problematic unless food security is defined simply in terms of rice.	Refine indicator
	<i>2. Utilisation of food is improved through enhanced primary health practices and improved knowledge about basic nutrition of children</i>	<ul style="list-style-type: none"> No. of children improving weight for age status 80 % of families in target villages apply appropriate health practices 	Project does not plan to buy scales, as such OVI 1 not measurable. Appropriate health practices to be targeted by the project need to be clearly identified, baseline data exists on 2 practices; boiling water and use of mosquito nets.	Remove indicator Refine indicator (i.e. what practices) and establish targets per villages based upon baseline data findings.
	<i>3. Capacity of the target population, and the local Government bodies, to address development issues and to effectively participate in the planning and management of community development projects is sustainably enhanced</i>	<ul style="list-style-type: none"> All target villages having initiated a village planning process 90 % of target villages having prepared annual village development plans (VDP) Development activities carried out by village groups in all villages having a VDP. 	Project has not initiated VDP's because of pre-determined interventions. As such if current modalities continue all three indicators are no longer relevant.	Develop new indicators that ; a) Focus on village and activity level management committees and their competency. b) Enable group membership to assess / comment upon capacity of leadership.

Expected results				
Results for Objective 1	1.1 Six (6) Livestock schemes established	<ul style="list-style-type: none"> No. of livestock schemes established Income from livestock sold by villages with livestock schemes, amount to 60 % of the cash equivalent of their own food production deficit by the end of the project. 	<p>What constitutes a livestock scheme needs to be clearly defined, it is assumed to mean a livestock bank + planting of feedstuffs. Discussions with bank leadership and members indicate that sales of cattle generated through the bank would not occur until 3 years after bank establishment (i.e. sales would not take place before June 2010, after project completion). In addition, the indicator is formulated on a village basis whereas only some households per village are members. The indicator is measurable through primary research at time of the final evaluation with a sample of households from within each bank. But calculating a 'food production deficit' that covers more than simply rice would be problematic. Baseline data indicates that livestock sales currently account for 27% (Khua) and 44% (Samphan) of average HH income.</p>	<p>Refine indicator, expand to include number of households assisted to date through the banks. Revise indicator to instead assess the change in livestock asset value held by bank members compared to before project. This will be able to be assessed during final evaluation and demonstrates enhanced livelihood security with food security implications. Introduction of forage technologies is a major innovation, an indicator that assesses the extent to which this technology has been adopted/expanded should provide an adequate measure of success in this key step towards large livestock commoditization.</p>
	1.2 Ten (10) NTFP management and domestication schemes established	<ul style="list-style-type: none"> No. of NTFP schemes established Income from sales of NTFPs in villages with NTFP schemes, amount to 30 % of the cash equivalent of their own food production deficit by the end of the project 	<p>What constitutes a NTFP scheme needs to be defined. It is reported that both NTFP's planted with project assistance take 2-3 years before production, as such it is unlikely that increases in income will be realized during the life of project. In addition, the indicator is formulated on a village basis whereas only some households per village are members of NTFP groups. Baseline data indicates</p>	<p>Retain indicator, expand to include number of households assisted to date through project. Replace indicator – perhaps with assessment of extend of planting occurring in addition to that fully financed by the project, this would thus give an indication of 'adoption rates' by farmers.</p>

			that NTFP sales currently account for 41% (Khua) and 10% (Samphan) of average HH income.	
	1.3 Two hundred (200) farmers (men and women) in 20 villages have improved capacity and capability to realise diversified in-farm and off-farm income generation options	<ul style="list-style-type: none"> No. of new income generation options realised Income from sales or from services in targeted villages amount to 30 % of the cash equivalent of their own food production deficit by the end of the project 	Defining 'realized' is problematic. MTR suggests limiting focus to current pilots and not actively seeking more unless a <u>strong clear market is identified</u> . Measuring income from specific activities is highly problematic	Retain indicator 1 and define realized. Replace indicator 2, perhaps with number of households adopting new IGA activities or technologies for existing IGA's.
	1.4 Sixty (60) km hand tractor trails constructed linking villages to riverside and district centre markets and enhancing access to public health facilities	<ul style="list-style-type: none"> 60 km of hand tractor trails constructed Maintenance groups established in all villages directly benefiting from trails constructed Trails are being used by motorbikes and hand tractors 	No problem No problem No problem	Retain indicators.
Results for Objective 2	2.1 Water supply systems (for drinking, sanitation and home garden irrigation) constructed and Water User Groups established and working in 15 villages	<ul style="list-style-type: none"> 15 water supply systems installed and sustainably maintained by Water User Groups Women in participating villages report reduced labour expenditure upon water collection 	No problem, sustainably managed difficult to assess but where issues exist (e.g. broken tap) evidence of the WUG addressing the problem could be identified. No problem	Retain indicators
	2.2 Sanitation facilities constructed in 15 villages linked with construction of water supply systems under 2.1 and contributing to improved health status	<ul style="list-style-type: none"> 15 sanitation facilities constructed Improved sanitary conditions in village (such as reduced standing water during rainy season) 	Definition of a facility is unclear, PFSP has supported all households in target villages to construct latrines, no. of households with latrines is perhaps better indicator. This needs to be completed by assessment of the extent of utilization of these through simple visual	Modify indicator 1 Remove indicator 2

		checks/discussions. Project is not undertaking activities to reduce standing water during the WS as such indicator is not appropriate.	
2.3 Selected District staff receive training on nutrition and primary health issues, including reproductive health, HIV/AIDS awareness	<ul style="list-style-type: none"> 8 District health service staff trained and capable of conducting training under activities 2.4 – 2.6 	No problem remain	
2.4 Training for better understanding of child nutrition is conducted for mothers in all target villages	<ul style="list-style-type: none"> 80 % of mothers participate in training on improved child nutrition 	Number of mothers will change during life of project, suggest change to no. of women attending child nutrition training.	
2.5 Training on health issues, including hygiene, reproductive health and HIV/AIDS awareness, is conducted in all target villages	<ul style="list-style-type: none"> 60 % of men and women in all target villages taking part in training on health issues 90 % of participants demonstrate increased knowledge of health issues 	Difficult to assess	
2.6 Village Health Workers trained in all villages and actively contributing to an improved health status in their villages	<ul style="list-style-type: none"> 31 Village Health Workers trained and actively working in their villages 	'Actively working' needs to be defined.	Refine indicator
Results for Objective 3	<p>3.1 Households in all villages identify their own food security constraints and needs and develop activity plans to address these</p> <ul style="list-style-type: none"> 80 % of all households, including a minimum of 80 % of the poorest households, in all target villages, take part in problem analysis Activity plans finalised in 90 % of the target villages Planned activities 	Project has not initiated VDP's because of pre-determined interventions. As such if current modalities continue all three indicators are no longer relevant.	Develop new indicator; perhaps based n degree of 'fit' between project activities undertaken and village priorities identified during baseline survey.

		<i>initiated by villagers in all villages having a village development plan</i>		
	<i>3.2 All staff of relevant local Government bodies related to project action areas trained to effectively support local communities in planning and implementing their development activities</i>	<ul style="list-style-type: none"> • <i>No. of local government staff trained</i> • <i>No. of man days provided by government staff for project development activities</i> 	No problem, retain indicator.	Retain indicator

Annex 5: Comparing Village Prioritization with PFSP inputs to date.

Village Name	FS Score ¹⁸	Baseline Prioritization	PFSP Physical Inputs
Yang-Teuy	156	1 st Veterinary services, 2 nd primary health care, 3 rd water supply (lack of water in summer. 4 th women health problems, 4 th school support	Cattle Bank,
Koung-Keuy	218	1 st road construction, 2 nd safe drinking water supply 3 rd health care, 4 th veterinary service.	Access Track, NTFP,
Sen-Lath	546	1 st health care facility, 2 nd veterinary service, 3 rd ntfp management, 4 th get reasonable price on NTFP sale.	NTFP,
Ome-Thap	498	1 st health care facility, 2 nd veterinary service facility, 3 rd availability of enough and quality seed, 4 th ntfp management, 5 th fare trade of ntfp/support in marketing	NTFP,
Nam-Bout	338	1 st water supply, 2 nd primary health care, 3 rd initiate income generating activities, 4 th availability of improved quality seeds.	NTFP, GFS, Latrines
Koung-Lith	168	1 st repair of dirt path, 2 nd water supply system 3 rd health service, 4 th veterinary service, 5 th fare marketing of ntfp with traders	Access track, GFS, Latrines
Ome-Mok	214	1 st water supply, 2 nd primary health care service, 3 rd introduce agro forestry, new improved varieties of crop and value able cash crops, 4 th ntfp management.	GFS, NTFP
Nam-Yuan	292	1st construction of dirt road, 2nd clean drinking water supply, 3 rd school education 4th provision of health facility 5th increase in crop production (introduction of new farming techniques, decrease effect of drought and animals and insects attack on crop) and 6th veterinary services.	Cattle Bank
Kha-Na	210	1st health (primary health care), 2nd increase in production by applying new farming techniques and introduction of agro forestry and availability of credit facility (money, rice bank or livestock	NTFP, Road planned

¹⁸ Analysis undertaken as part of the MTR developed a weighted Food Security Score for each of the villages surveyed under the baseline, details are shown in Annex X. Greater weight is given to higher levels of food insecurity. Higher score = higher levels of food insecurity.

		bank)	
Keng-Deung	N.a.	Not Surveyed	NTFP
Kok-Muang	152	1 st dirt road construction, 2 nd water supply, 3 rd veterinary services, 4 th primary health care,	NTFP, GFS, Latrines
Pohu-Sai	232	1st Communication (road construction), 2nd increase in productivity, 3rd health 4th safe and clean drinking water, 5th Veterinary service 6th Marketing of NTFP	NTFP
Pha-Nang	538	1st safe drinking water supply and toilets 2nd primary health care, 3 rd Veterinary service, 4th farming techniques or introduction of new crops 5th crop protection from wild animals and insects	GFS, Latrines, NTFP
Le-Vay	304	1st Communication (road construction), 2nd increase productivity of land and protect crop from wild animals and insects, 3rd veterinary service, 4th primary health care, 5th explore new income generating options.	GFS, Latrines

Annex 6: Resettlement Options.

1. Introduction:

This annex was prepared following discussions with the EC representative and CARE management during a de-briefing of the Mid Term Review (MTR) at the CARE Office on July 13, 2007. It lays out possible options for the EU and CARE in addressing the resettlement issues in Samphan District and proposes one of these for adoption.

2. Resettlement Status in Samphan:

The Phongsaly Food Security Project (PFSP) targets 16 villages in Samphan district, the list of these villages being prepared during the initial project design in 2004 prior to the district developing resettlement plans. By June 2006 however these plans were clearly in place and PFSP produced a summary of these plans that remains broadly valid. In summary projects target villages that are affected by the District Authorities resettlement plans are shown below:

Village Name	Ethnicity	Pop.	District Resettlement Plan
Hin Daeng	Hmong	700	Planned move to Nam Hang (pop. 335)
Na Ou	Hmong	298	Planned move to Nam Hang (pop 335)
Houay Thong	Khamu	142	Planned move to Nam Ou road
Nam Orn	Khamu	224	Planned move to SIDA road
Mok Lom	Khamu	205	Planned move, no site yet identified.
Nam Ho	Khamu	143	Moved to new site at Houay Lablee (on Nam Ou Road) with Yang Neua.
Yang Neua	Khamu	124	Moved to new site at Houay Lablee (on Nam Ou Road) with Nam Ho.
Kok Muang	Khamu	226	Administratively clustered with Keng Deung, no movement required.

The most significant element of this plan involve the movement of some one thousand persons to Nam Hang, creating a large ethnically Hmong village of over 1,300 persons. It is reported that the Nam Hang site contains reasonable areas of relatively flat land. Hin Daeng is reported to have commenced movement, the current village location is below large boulders that the village fears could collapse onto the village site. Opportunities for similar approaches in Houay Thong, Nam Orn and Mok Lom may also be feasible. During discussions with District Authorities during the MTR wrap-up meeting in Khua, they expressed their willingness for Na Ou to remain at its current site if CARE was able to construct a track from the site to Nam Hang.

3. PFSP Practice to date:

The resettlement issue arose early in the projects implementation and has been a source of delay for the project as it has sought to define a position. Based on discussions with the Project Manager and Provincial Coordinator, PFSP's stated position is that it will work with the following types of villages:

- a) Those that are not within the districts resettlement planning, i.e. there are no plans to move them.
- b) Villages that are in the districts resettlement planning, i.e, are planned to move. In these villages the project has undertaken 'software' activities – training etc prior to the move

but any hardware (roads, planting material, livestock banks, water systems etc) would not be provided until after the village has moved to avoid 'wastage' of assistance.

Such an approach minimizes wastage but carries with it the **significant risk** that PFSP material assistance, provided only after movement, may be used to motivate communities to move to the proposed new location.

It also needs to be noted that CARE's Program Coordinator from Vientiane engaged in discussions with Samphan District Authorities on the issue of the planned movement of Phu Sai village, it appears as though this discussion and promises of project support to Phu Sai, may have contributed to the District's decision to remove the village from resettlement plans. PFSP has committed to construct an access track to the village site and construction on this is expected to commence in July 2007.

4. Future Options:

There are a number of options open to PFSP with regards to resettlement. These are presented below and summarized in section 6.

4.1 Maintain current approach.

Advantages:

1. Status Quo maintained, project continues according to current plans and relationships with the district are maintained.

Disadvantages:

1. PFSP assistance may be used to further the resettlement. This is a position that both the EC and CARE appear to find unacceptable without clear indication that new locations have sufficient resources, locally available to support the arriving population. In the sites visited during the MTR where relocation has occurred (Nam Bout and Houay Lablee), this does not appear to be the case with communities continuing to use their old upland fields, many hours walk away.
2. Because the speed with which communities will move is unknown, it is likely that the project would be unable to commence 'hardware' activities within these villages in the next dry-season, slowing down project implementation. Concerns over this may also increase the likelihood of risk 1 (above) occurring.

4.2 Work only with villages outside of resettlement plans.

This would require CARE and the district authorities to identify new villages within the District for CARE to work in that are not within the District Authorities' resettlement plan.

Advantages:

1. PFSP is not associated with village movement, uncertainties are removed and project implementation can occur reasonably rapidly.

Disadvantages:

2. PFSP has made commitments to current target villages and in even signed agreements with them. Withdrawing support will thus have a significant negative impact on CARE, EC and the districts reputation within these villages.
3. Existing 'software' activities undertaken to date are largely 'wasted', baseline data collected in these sites is unable to be used.
4. Villages that have recently moved are typically the most food insecure because of additional costs incurred with the movement. As such the project would be ignoring the most vulnerable communities within the target area.

4.3 Cease operations in Samphan

Proposed by the EC, this would entail PFSP ceasing all operations in Samphan and re-directing all assistance to Khua District where all planned resettlement within the current target villages has already occurred.

Advantages:

1. Project operations are simplified and focused.
2. Operationally, working in Khua is easier than in Samphan and greater efficiencies can be expected through the focus on a single district.
3. Administratively simplified as the project would need to coordinate with only one district authority.

Disadvantages:

1. Expanding to new villages within Khua may result in the project facing the same issue as is currently faced in Samphan, i.e. villages that are planned to move but have not yet done so.
2. Significant investments in Khua in terms of staff time, village trainings and relationship building will have been wasted.
3. Existing agreements at National, Provincial and District levels would need to be renegotiated on the basis of what is a very politically sensitive issue.
4. CARE risks significant damage to its relationship with Samphan district, Phongsaly Provincial Government and the Ministry of Foreign Affairs.

4.4 Maintain current target villages in Samphan but expand assistance to villages that are planned to move to include hardware. i.e. work with all target villages in an equal manner, irrespective of their resettlement status. This includes villages that are planned to move, or have already moved.

Advantages:

1. PFSP demonstrates that it will assist target villages irrespective of their decision regarding resettlement.
2. Provision of hardware assistance may enable some of the planned resettlement villages to remain in their current locations by addressing current critical constraints (e.g. water supply, road access). This has occurred to date in other locations in Laos.
3. Current time investments in Samphan will not have been wasted and PFSP commitments to villages will have been met.
4. Implementation delays will not occur as the project will not need to wait for village movement before proceeding with activities.
5. Project is well placed to assist communities cope with the effects of the movement if such does occur. PFSP should thus continue to work with villages that have moved but should **balance** this with assistance to those that have not yet done so.
6. Potential for 'nuancing and negotiation' with the district over the **type** of 'hardware' activities that the project would provide to such categories of village.
7. Relations with GoL are maintained; while some stress to the relationship can be expected at local levels, it is probably lower than would be the case for options 2 and certainly less than for option 3.

Disadvantages:

1. The approach goes in direct opposition to the Districts reported position that CARE should not provide any hardware to villages planned for resettlement until they have moved. This may create tensions with the District Authorities.
2. Risk exists that hardware provided by the project may not be utilized in the long-term as villages move according to District plans. Most resettled villages continue to use previous upland fields and as such agricultural inputs are unlikely to be wasted, gradual transfer to new sites is also possible. The extent of this risk varies by the type of hardware input provided by the project, summarized below:

Access Tracks: While tracks may no longer be used for village access, it is likely that they could to be used for access to upland fields.

Water supply systems: Pipes, valves, taps etc can be dismantled and reused in new location. As such it is only cement, re-enforcing steel and sand that would be wasted.

Livestock: Livestock can be moved, large livestock are likely to be retained in old location anyway and as such forages plots would retain their utility.

NTFP plantations: It is likely that households would continue to use their old upland fields and as such NTFP plantations would be unaffected.

3. The approach may be seen by District Authorities as undermining their resettlement plans for these villages.

5. Proposed Approach:

The consultant believes that the last option (4.4) provides the most appropriate solution to the issues faced by the project. The extent to which resource wastage may occur of project resources is minimal and can be further reduced through a staged approach of assistance with such villages. Alternative approaches (exit from Samphan or exit from planned resettlement villages) also carries with it significant wastage of time investments made to date by the project team. Most importantly, the project has the potential to support the achievement of the Districts National Growth and Poverty Eradication Strategy goals through assistance to villages in-situ that may remove the need for them to move and thus avoid possible negative livelihood results. PFSP should also continue to work in Villages that either have already or will in the future move to assist them in this transition. This will be particularly important in sites with a large concentration of population (e.g. Nam Bout, Nam Hang and Viengkham).

6. Summary of Options

Option	Targeting	Effect on resettlement process in Samphan	Effect on food security in Samphan	Effect on project implementation
One	All target villages including these resettled but only after they have moved.	<i>Negative</i> - CARE assistance could be used as an incentive for villages to move. Village movement could be faster than otherwise would be the case.	<i>Negative</i> - Likely initial net negative impact on food security in moving villages, primarily due to increased labour demands (distance to <i>Hai</i>). Risk of increased disease.	<i>Negative</i> - work delayed until resettlement occurs.
Two	Work only with target villages that are not moving. Add new villages.	<i>Neutral</i> - no effect on resettlement process. Process will continue, likely to be slower than in case of Option 1.	<i>Positive</i> - Project supports livelihoods and food security But ignores the areas of greatest need, recently moved villages.	<i>Negative</i> – implementation will be slowed while new villages identified and data collected.
Three	Cease operations in Samphan, expand operations in Khua.	<i>Neutral</i> - no effect on resettlement process. Process will continue, likely to be slower than in case of Option 1.	<i>Negative</i> - villages in Samphan do not receive assistance to address current food security issues.	<i>Negative</i> – implementation will be delayed as new villages in Khua are identified and data collected etc, likely of project achieving its targets reduced.
Four	Work with all target villages irrespective of resettlement status.	<i>Positive</i> - Could assist to prevent resettlement or reduce intrinsic needs to relocate.	<i>Positive</i> – All target villages receive assistance, potential exists that some villages will not move, reducing negative food security impacts.	<i>Neutral</i> – no impact on implementation speed but some risk exists regarding wastage of resources. <i>Negative</i> – goes against District instructions not to work with villages that are planned to move. Could be cause of tensions.

Annex 7: Self-Produced Rice Security in Khua and Samphan & Project Direct Investments to date

Rank of Rice Insufficiency	Village Name	Composite Rice insufficiency Score	Direct Investments (100,000 kip) as at May 2007
1	Senlath	546	116
2	Pha Nang	538	462
3	Om Phia	506	No inputs yet
4	Om Thap	498	116
5	Nambout	338	1049
6	Nam Hang	336	No inputs yet
7	Phonsaat	322	No inputs yet
8	Le Vay	304	352
9	Nam Nyuan	292	729
10	Phu Sai	232	102
11	Koung Kouei	218	617
12	Ome Mok	214	171
13	Kha Na	210	115
14	Mok Lom	192	No inputs yet
15	Kung Lith	168	732
16	Nyang Touei	156	960
17	Kok Muang	152	537
18	Vieng Kham	138	No inputs yet
19	Houei Kout	126	No inputs yet
20	Yang Neua	38	No inputs yet
21	Om Tham	10	No inputs yet
22	Nam Orn	4	No inputs yet
23	Houey Thong	0	No inputs yet

Note: Higher scores indicate higher level of self produced rice shortages.

	Weighting Factor	0	2	4	8	Composite Rice insufficiency Score
	Village Name	12 mth	9 mth	6 mth	3 mth	
Khua District Baseline Data	Houei Kout	59	21	21	0	126
	Phonsaat	14	41	32	14	322
	Ome Mok	26	41	33	0	214
	Om Phia	0	31	25	43	506
	Koung Kouei	29	31	39	0	218
	Senlath	5	7	41	46	546
	Kung Lith	29	58	13	0	168
	Nyang Touei	42	38	20	0	156
	Vieng Kham	27	23	23	0	138
	Om Thap	0	23	33	40	498
	Nambout	17	21	42	16	338

	Weighting Factor	0	2	4	8	insufficiency Score
	Village Name	12 mth	9 mth	6 mth	3 mth	
Samphan District Baseline Data	Kha Na	25	45	30	0	210
	Phu Sai	71	0	0	29	232
	Le Vay	48	14	9	30	304
	Mok Lom	56	18	13	13	192
	Pha Nang	0	31	19	50	538
	Nam Orn	96	2	0	0	4
	Om Tham	95	5	0	0	10
	Nam Nyuan	23	46	12	19	292
	Yang Neua	81	19	0	0	38
	Houey Thong	100	0	0	0	0
	Nam Hang	28	24	24	24	336
	Kok Muang	71	6	11	12	152

