



Lao People's Democratic Republic – Northern Region Sustainable Livelihoods through Livestock Development Project

Project Performance Evaluation

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Independent Office
of Evaluation



Investing in rural people

Basic project information



Project area: Five northern provinces, 18 priority poor districts and 408 villages

Target group: 17,000 ethnic households in *Lao Theung* (midland Lao) and *Lao Sung* (upland Lao)

Timeframe: 2007 – 2015

Project financing:

Appraisal: US\$18.4 million

IFAD: US\$3 million loan;

ADB : US\$9.3 million; US\$0.7 million grant

Swiss Development Cooperation: US\$3.5 million grant;

Government: US\$1.1 million; Beneficiaries: US\$0.8 million

Project goal and objectives

Project goal

- Reduce poverty by promoting sustainable livelihoods among upland smallholders

Project objectives:

- (i) Enhanced village livestock systems through improved livestock productivity and profitability under integrated upland farming systems
- (ii) Enhanced capacity of upland communities for community driven development (CDD)
 - Community-based groups for production
 - Microfinance
 - Infrastructure development

Relevance

Objectives

- Alignment with priorities of the Government and IFAD and ADB country strategies

Design

- Provinces covered diverse
- Microfinance component had design flaws
- Some assumptions (e.g. availability of human resources, water and land) were invalid

Targeting

- Geographical targeting correct
- Self targeting did not enable reaching the poorest

Effectiveness

Village livestock systems:

- Vaccinations for large ruminants (cattle and buffalo) successful
- Demonstration farms did not lead to sustainable changes in practices (e.g. forage crops)
- Marketing support dropped

Enhanced capacity for CDD:

- Establishment of viable Livestock Production Groups and Village Livelihood Funds were limited
- Micro finance delivered credit for livestock but did not trigger investment in livestock sector
- Focus on village infrastructure rather than livestock development

Efficiency

EIRR

- EIRR 15.7 % (appraisal 17.2)
- Start-up delays; difficulties of implementing project in remote districts reduced number of beneficiaries
- Understaffing, slow contracting of Lao Women's Union; two step processing of withdrawal applications
- ADB loan implemented over 7-year period rather than 5.5 years – delayed loan closing by 19 months for ADB and 14 months for IFAD.

High management cost

- US\$5.05 million, 27.3 per cent of the total project expenditure

Other selected criteria

Impacts:

- Increases in the number of animals and enhanced livestock management practices are linked to HH income and assets

Sustainability:

- Vaccinations: supplies, veterinary services and cold chains are not in place
- Village Livelihood Fund unlikely to be sustained
- Introduction of new technologies (e.g. forage to feed the animals) proved unsustainable due to lack of water and land

Other selected criteria cont.

Gender equality and women's empowerment

- Some targets reached (e.g. training)
- Language barriers and the limited follow up constrained the internalisation of new practices
- Workload for women rose in households that engaged in commercialized livestock rearing as a major source of income.

Environment and NRM

- Improvements in village hygiene from fencing and confinement of animals
- Some villages have eliminated slash and burn
- Biosecurity and water availability in the dry season a concern

Conclusions

- Livestock as a pathway to improve rural livelihoods was relevant
- Overambitious design - further exacerbated by delays reducing time for capacity building, empowerment of groups and strengthening institutions
- Successes in achieving the outputs directly linked to livestock development (e.g. vaccinations, micro credit to purchase animal) but weak on uptake on new practices and the establishment of viable livestock production groups and village livelihood funds
- The project objectives and the targeting approach was not sufficiently aligned

Recommendations

1. **An explicit and tailored targeting approach to support commercialisation and sustainable development of the livestock sector**

- financing instruments to orient the investment in the sector and support access to markets (IFAD)
- establishment of market –oriented rural infrastructure to access sectoral inputs and markets (ADB)
- training in nutrition, confinement and animal health to pave way for more sophisticated practices related to breeding, commercial inputs, and improved efficiency and marketing

Recommendations cont.

- 2. IFAD, ADB and the Government should sustain the partnership and support the Government's sector development strategy**
- 3. IED and IOE should conduct joint evaluations**