ADB

Implementation Completion Memorandum

Project Number: **JFPR CAM-9017**
January 2007

Community Based Livelihood Enhancement (CBLE) for the Rural Poor in Northwest Cambodia

(Financed by the Japan Fund for Poverty Reduction)

Asian Development Bank

JAPAN FUND FOR POVERTY REDUCTION (JFPR)

IMPLEMENTATION COMPLETION MEMORANDUM (ICM)

I. BASIC INFORMATION

1. JFPR Number and Name of Grant:
JFPR CAM-9017: Community Based Livelihood Enhancement for the Rural Poor in Northwest Cambodia

2. Country (DMC):	**3. Approved JFPR Grant Amount:**	
CAMBODIA	$ 1.8 million	
4. Grant Type:	**5-A. Undisbursed Amount**	**5-B. Utilized Amount**
O Project / X Capacity Building	$ 0.00	$1.8 million

6. Contributions from other sources

Source of Contribution:	Committed Amount	Actual:	Remark - Notes:
DMC Government	$ 50,000	$ 50,000	
Private Sector (NGO)	$ 70.000	$	NGO contributed significantly although it was not possible to quantify.
Community/Beneficiaries	$ 1.46 million	$	Beneficiary contribution entirely in kind in the form of rice contributions to the replenishments of rice banks, as well as the replacements to the cow banks, which will continue to run even after the project.

7-A. GOJ Approval Date:	**7-B. ADB Approval Date:**	**7-C. Date the LOA was signed (Grant Effectiveness Date):**
N/A	12 July 2002	14 August 2002
8-A. Original Grant Closing Date:	**8-B. Actual Grant Closing Date:**	**8-C. Account Closing Date:**
28 February 2005	30 June 2007	

9. Name and Number of Counterpart ADB (Loan) Project:
L1862-CAM: Northwestern Region Rural Development Project

10. The Grant Recipient:
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Royal Government of Cambodia, Phnom Penh, Cambodia
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11. Executing and Implementing Agencies:

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II. GRANT PERFORMANCE ASSESSMENT

12. Description

Cambodia is one of the poorest countries in the world. An estimated 36% of the population lives below the poverty line, with about 90% of them in rural areas. Rural poverty is a multidimensional phenomenon, largely related to the 3 decades of war and to the damage this has done to the population and their living environment, such as (i) disability and displacement; (ii) inadequate opportunities in agriculture and other rural activities; (iii) poor quality of land due to land mines and natural calamities; (iv) lack of access to education, health, safe water, and other services; (v) lack of access to good quality seed, fertilizers, irrigation, and credit; (vi) underdeveloped markets, remoteness, and poor communications; and (vii) permanent sense of insecurity and vulnerability.

Therefore, emphasis on improving the standard of living of the most vulnerable groups is essential but not fully sufficient to improve the quality of life of the poor. For this reason an integrated approach of material and psychological support is needed to help the vulnerable groups to benefit from and to participate actively in the development of their communities and to give the poor the opportunity to heal the psychological wounds in their communities.

13. Grant Development Objective and Scope:

The objective of the Project is to reduce rural poverty in northwestern Cambodia on a sustainable basis. The immediate objectives are to; (i) improve the food security and income status of the poor through production support and skill training; and (ii) raise confidence and initiative to overcome the emotional and social legacy of the war. The primary target group of the JFPR Project was female-headed households, war widows, the disabled, and displaced soldiers. The Project was formulated in conjunction with the Northwest Rural Development Project (NRDP), which assists rural infrastructure improvement and rural livelihood enhancement through local government institutions, in order to extend its benefits to the poorest of the poor.

The Project has four components; (i) direct support for livelihood development; (ii) support for community-based conflict resolution and capacity building with counseling for victims of trauma; (iii) benefit monitoring and assessment; and (iv) project management. Under Component 1 a range of agricultural production related activities have been implemented together with awareness raising on village development planning. Under Component 2 activities aimed at community-based conflict resolution and capacity building, and provided support to the victims of trauma.

The Component 1 was implemented by five IAs (ADA, KBA, PADEK, SEADO and ZOA) and the Component 2 by two implementing agencies (IAs) (SSC and TPO). The Project has been implemented areas identified by the World Food Program as having more than 40% food-insecure households in six of the four northwestern provinces of NRDP: Samraong District and Banteay Ampil District in Oddar Meanchey Province, Svay Chek District in Banteay Meanchey Province, Rotanak Mondol District and Samlout District in Battambang Province and Varin District in Siem Reap Province.

14. Key Performance Indicators	Accomplish-ment Rating	Evaluation
B. Purpose • 8% of the poor crossing the poverty line on a sustainable basis • 25% of the very poor are better off on a sustainable basis. • Increased number of vulnerable groups in participating development activities	S	Over the 3½ years of official project activity from July 2003 to December 2006, contracted IAs successfully realized all planned activities, reaching 38,000 direct beneficiaries in 118 target villages in six CBLE target districts. The Project Management Office (PMO) estimates that in excess of 190,000 people have also benefited indirectly from the CBLE project. The PMO and IAs considered that the original target of 90,000 direct beneficiaries set in the JFPR paper was optimistic and difficult to achieve within the effective project time-span of 2½ years.
C. Outputs • Improved and diversified farming and non-farming activities • Improved and diversified economic activities, self-	HS HS	The evaluation conducted at project closure by an ADB consultant determined that food security was a major output of the CBLE project brought about through activities that focused on improving rice production technology. In some villages new crops were grown and/or the area expanded. Fruits and vegetables because of the

employment, and improved business management • The very poor and poor start being active in meetings and expressing their ideas on development issues • The very poor and poor participate in community monitoring and evaluation of Project inputs • The very poor and poor gain access to NGO support from which they have been hitherto excluded	S PS S	nutrition value were targeted for expansion. The major change in farming activities came through the provision of opportunities for poor families to raise livestock through the establishment of cattle and pig banks in many of the project villages. The families who have received cattle all claim a major improvement in their farming activities is being received. The poor were becoming more active in expressing themselves in meetings. During the village visits of the Evaluation consultant, it was very obvious that all people in attendance were speaking up – nobody seemed to have any feeling of inferiority on this issue and felt unable to speak because of their social and economic background. The proposed community monitoring and evaluation of project inputs did not formally eventuate, however through the groups set up under the project there was certainly a better understanding of the inputs going into the community through the project assistance.

15. Evaluation of Inputs:

Overall the evaluation of application of inputs must be rated as more than satisfactory.

In the formulation the psychosocial component (Component 2) was directed towards trauma but the relatively low apparent level of war trauma reduced the relevance of the counseling aspects of the project in this regard. However the activities remained relevant as they opened up other social issues and focused more on drunkenness and domestic violence.

The implementation modality has been a factor in CBLE achieving its success. The assignment of an international NGO (CARE Cambodia) as the managing agency was important. CARE Country office in Phnom Penh readily provided back – up to the Project office, most notably in financial matters with one designated staff member assigned on a part time basis, for example, by financing short-term fund shortfalls from its own resources. CARE put in place effective supervision mechanisms. By having two (Khmer) field coordinators a much more rapid response was made to IA requests for help. Quarterly meetings of all IAs was one line of supervision, the second line was the regular site visits made by CARE's field staff. Problems were not allowed to build up, but change could be made quickly, indeed problems could be anticipated and solutions identified.

The performance of the IAs was rated as better than satisfactory. Each had their own way of working but in general terms it conformed with the JFPR/ADB guidelines. PADEK in fact used CBLE to further refine its rural development methodologies and topped up with other funds in order to provide a more complete package of activities.

Whilst not directly attributable to ADA, there was a problem initially with implementation in Battambang. There was a need to close down villages in the ADA area due to the presence of another NGO with a large and competitive program. Other villages were selected and the program recommenced in them, but the total time available was reduced and some of the outcomes/impacts were only just being realized at completion of CBLE.

There were two major ADB missions and both made significant recommendations that affected the project implementation. The PMO under CARE was able to provide backstopping and support ensuring that IAs adhered to project design and matters raised in various aide memoire.

16. Evaluation of Outputs and Results:

1. Relevance: The CBLE is rated highly relevant. It is consistent with both Royal Government of Cambodia and ADB policies. Poverty reduction is central to the Cambodian government's policies and strategies for development of the Kingdom as contained in the National Poverty Reduction Strategy (NPRS).

2. Efficiency: CBLE has been highly efficient from a process perspective in large measure due to the management exercised by CARE, and its back-up to the IAs. The use of National NGOs as the IAs has been a significant contribution to efficiency – they operate on low overheads, high enthusiasm and staff are well motivated. The staff of the IAs met in the field were impressive in their understanding of the situation of the target communities.
Small inputs have been converted to substantial outputs. The investment in Self Help Groups (SHGs) was an efficient use of funds as loans were small and thus manageable by recipients and without the onerous interest rates of other sources. Already funds invested into the SHGs have turned over twice in many villages.

3. Effectiveness: The range of activities undertaken and the achievements obtained were consistent with the project design. But in the absence of quantitative data on results it is difficult to make definitive statements as to whether the activities did achieve their purpose. However anecdotal evidence suggests that it is so.
Inputs were generally made with timeliness and this is important where agricultural production is undertaken – any delays can mean an entire cropping season is lost or yields drop substantially. The only delay came when funds were delayed but in those times IAs used their other funds and/or continued with activities that did not require expenditure. The establishment of Community Based Organizations (CBOs) late in the project life meant that the capacity building and mentoring was curtailed.

4. Impact: The CBLE project has been effectively implemented only over a maximum period of 3 years and 3 months for some IAs and 2 years 6 months for others. In such a short time frame it is almost impossible to quantify impacts. However, there are two examples.

- Rice-Bank: The rice bank is to supply "certified seed" for planting. An investment of about $15 for 50 kg of certified rice seed can produce a return of 500 kg of additional paddy rice (valued at $ 75).
- Cow-Bank: The cow-bank is designed to give poor families an animal that they could never afford to buy. Currently the herd build up has been slow although quite variable between provinces. Over the 3 years of CBLE numbers in all cow-banks may have increased by 30% which represents in the order of 10% return per annum. With proper herd management the increase in numbers should now increase rapidly as the first offspring enter their own breeding cycle.

It was also claimed during village visits that households have had a change in situation – bigger houses built, thatch roof replaced with iron, new motorbikes are some of the evidence. Poverty status has changed for many families to a less poor level than pre-CBLE times. Examples of changes, of impacts seen and discussed during the evaluation include: (i) women involved more in community decision making; (ii) establishment and on-going operation of savings and loan groups; (iii) period during which rice deficits are experienced have been reduced by some 2 – 3 months; (iv) the beginnings of a more diversified income from agricultural production; (v) less reliance on migratory labor to obtain income to buy food in deficit times; (vi) inclusion of the more marginalized families within the community life; and literacy and numeracy levels increased.

5. Sustainability: An "exit strategy" has been developed and put in place. This centered on establishing CBOs. In all, 11 CBOs have been established and at the time of the evaluation were all operational. Basically they were to take over the role of the IAs in facilitating the communities to continue with CBLE activities, The initial training and strengthening will be critical to the continuing effectiveness of the CBOs. In some instances, the IAs have other projects in the same area and staff will therefore be able to give some informal support.
However, the CBOs are relevant mostly to Component 1 and the situation is different for Component 2. Besides the psychosocial problems dealt with under CBLE may be replaced by a new set of concerns for which no treatment will be available. What has been achieved in Component 2 is likely to be long lasting with individuals but not necessarily communities.
A major output of CBLE was an increased capacity of villagers to manage their own development. The increased confidence of the very poor and poor families is a factor in sustainability – they will not let things go backwards but will be actively seeking to maintain benefits gained and even increase them. Some of the production activities should continue as they do not require an injection of new funds, but rather management of the existing ones, for example rice-banks, cow-banks and pig-banks.

17. Overall Assessment and Rating (HS,S,PS,U): **S**

Despite the relatively short project time-frame of the CBLE project clear outcomes and impact directly resulting from JFPR support are seen across the target area. Increased confidence and mutual support within communities has ensured savings and benefits will be sustained through SHGs. The PMO and the IAs conclude that the project was implemented as designed, with the two key components of production and psychosocial support being followed. The coordinating agency and implementing agencies note the overall assessment by the ADB JFPR-wide evaluation in March 2007, that the project was "successful"..

Table:1 Project Rating

Item	Assessment	Rating Value *	Weighting (%)	Weighted Rating**
Relevance	Relevant	2.5	20	0.5
Effectiveness	Effective	1.5	30	0.45
Efficiency	Efficient	1.5	30	0.45
Sustainability	Likely	2	20	0.4
TOTAL				**1.8**

Notes:

* On a 0 – 3 scale

** Highly Successful >2.7 Successful 1.6 – 2.7

Partly Successful 0.8 – 1.6 Unsuccessful < 1.6

18. Major Lessons Learned:

- The CBLE project was implemented in accordance with the original project design. However as previously noted the social milieu in the project area changed significantly from the time of project conceptualization to actual implementation time several years on. Underlying assumptions, which led to identification and naming of implementing agencies, would most likely have changed with a fresh analysis in 2003.
- All IAs expressed the view that the project time-frame was too short, particularly given the goal of establishing community trust and cooperation. The three year time period was not effectively possible given the difficulties experienced in getting activities up and running.
- Different start up times for component 1 and 2 in most districts meant that integration was made more difficult. In reality, NGO's working collaboratively – beyond simply 'sharing information' – is not a strong feature in NGO culture in Cambodia. Contracted IAs had to build from scratch cooperation around one common project goal. Some were more successful than others in achieving good integration; this may in part be due to the compatibility of the individuals appointed as field managers.
- Shared experiences and lessons learnt with other CBLE IAs during project implementation, and the technical support and backstopping from CBLE-PMO contributed towards a good result. IAs expressed the view that PMO monitoring visits were regular, providing constructive feedback and ensured project implementation reached the intended goal of the project.
- All IAs stressed the importance of good communication and cooperation with local authorities at every level. Involving local authorities in 'project responsible committees' maximized support from key stakeholders. Implementing NGOs believes partnership with government and other NGO's in working with local communities is valuable. All IAs stressed the importance of good communication and cooperation with local authorities at every level. Involving local authorities in 'project responsible committees' maximized support from key stakeholders.
- In relation to Component 2, project design needed to be better defined in order to give clear targets. Many beneficiaries are busy during the harvest season and have little interest or time in participating in activities such as community plays.
- Many communities also leave the village and work as itinerant labor in neighboring provinces or Thailand. The project did not adequately incorporate this factor into the design. Obtaining reliable information on internal and labor migration was difficult. Future similar projects in the region require much more reliable data and information on this matter.
- The phase-out strategy was not decided until the final year of the project. A recommendation has been made on this in the section on sustainability.

19. Recommendations and Follow-up Actions:

- Future JFPR projects should rely on a standard set of implementation procedures which can be adapted to local circumstances.
- Wherever practicable, future JFPR projects should seek to put in place contractual arrangements which facilitate timely, efficient and effective project roll-out, without compromising transparency and accountability, and that ensure host government and IA responsibilities do not conflict.
- Future similar projects should include a 'phase-out' strategy in the project design, with details to be decided at least 18 months before completion.
- Future similar livelihood projects should have a minimum 3-4 year effective time-frame.

20. Additional Remarks, Comments and Suggestions: None.

III. PREPARATION AND APPROVAL

Prepared by:	Name of Person, designation and institution	Signature	Date
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2. Manager, JFPR-GIU[7]:	Ian Clarke ACD Director of Programmes Care International in Cambodia	Ian Clarke	04/02/08
3. Project Officer, ADB:	Mio Oka Social Development Specialist, SEAE		20/02/08

Approved	Name of Person, designation and institution	Signature	Date
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2. Division/Country Director, ADB:	Urooj S. Malik Director, SEAE, SERD		21/02/08
3. Head of the Executing Agency:	H.E Sous Kong Secretary of State Ministry of Rural Development		04/02/08
4. Head of Implementing Agency:	Sharon Wilkinson Country Director Care International in Cambodia	Wilkinson	04/02/08

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[7] GIU=grant implementation unit (formerly called PIU=project implementation unit)