

# Terminal Evaluation “Effective Governance for Small-scale Rural Infrastructure and Disaster Preparedness in a Changing Climate in Lao PDR

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Project sites: provinces of Sekong and Saravane

## Final Report



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# Executive Summary

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## Project summary table

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Project Title:	Effective Governance for Small-scale Rural Infrastructure and Disaster Preparedness in a Changing Climate			
GEF Project ID:	0004554		<i>at endorsement</i> (Million US\$)	<i>at completion</i> (Million US\$)
UNDP Project ID:	0004710 (PIMS)	LDCF (GEF) financing:	4,700,000	4,700,000
Country:	Lao PDR	IA/EA (UNDP) own:		
Region:	Asia Pacific	Government (In kind): Government (parallel):	375,000 4,210,000	375,000 4,210,000
Focal Area:	Climate change	Other: IUCN (parallel): UNDP (parallel): UNDP (in-cash):	4,150,000 21,856,896 280,000	4,150,000 21,856,896 280,000
FA Objectives, (OP/SP):	Capacity building to mainstream climate change adaptation policies into development plan.	Total co-financing:	30,872,896	30,872,896
Executing Agency:	UNDP	Total Project Cost:	35,572,896	35,572,896
Other Partners involved:	Department of Disaster Management and Climate Change, Ministry of Natural Resource and Environment	ProDoc Signature (date project began):	May 2013	
		(Operational) Closing Date:	Proposed: Dec 2016	Actual: Dec 2017

## Project description

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The project “Effective Governance for Small-scale Rural Infrastructure and Disaster Preparedness in a Changing Climate” has been implemented from 2013 until December 2017 in Lao DPR’s southern provinces of Sekong and Saravane. It follows an assessment about the increasing vulnerability of the provinces to flooding and landslides from excessive rain storms and droughts and dry periods.

These have been amplified in recent years by anthropic actions in the agriculture, mining and hydropower sectors that are affecting negatively infrastructures like rural roads, community water supply and agriculture by altering irrigation potential.

The *project has been addressing these issues* through strengthening climate change analysis and planning at subnational level, making available additional resources to make infrastructures more climate-proof and improving local planning by taking into account simultaneously ecosystem functions and services.

The *objective of the project* is to improve local administrative systems affecting the provision and maintenance of small-scale rural infrastructure through participatory decision making reflecting community needs and natural systems vulnerable to climate risk.

*Three outcomes* were formulated: 1. enhanced capacities for local administrative institutions to integrate climate risks in participatory planning and financing of small-scale infrastructures, 2. incentives in place for small-scale rural infrastructures to be protected and diversified against climate change induced risks, 3. natural assets are managed to ensure critical ecosystem services in both Sekong and Saravane provinces.

The *project was funded* for 4 years (including a 1 year no-cost extension) with 4.70M\$ from GEF, 0.28M\$ TRAC funds from UNDP and 0.38M\$ in-kind contribution from Government.

The *project stakeholders* were the following: (i) UNDP as the GEF implementing agency, (ii) MoNRE as the project implementing partner (oversight by the DNDMCC) and in charge of components 1 and 3, (iii) MoHA in charge of component 2, (iv) UNCDF for channelling project financial resources for component 2 through MoHA's decentralised DDF mechanism, (v) PONRE and POHA with an oversight role for their respective components and (vi) DONRE and DOHA for direct implementation and requesting investment funds for infrastructures when required.

### **Terminal evaluation purpose and methodology**

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The *terminal evaluation's objective* is to review the performance of the project using the 5 DAC evaluation criteria (relevance, efficiency, effectiveness, impact and sustainability) but also its design, implementation process and the overall achievements and specific results in relation to the initial objective.

Two international and national consultants carried out the evaluation. They adopted a *participatory and consultative approach* with all stakeholders and ensured that (i) stakeholders had the opportunity to contribute to the evaluation process, (ii) information was triangulated, (iii) recommendations were based on consensus and agreement by stakeholders and (iv) the evaluation debriefing was made in a transparent manner.

The *data collection tools* were the review of key documents and literature, consultation and interviews of stakeholders and field missions to project site including final beneficiary interviews using gender-based approaches.

### **Evaluation findings**

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#### **Design and formulation:**

The *project design logic* was address key issues like inadequate centralised interventions implementation, the lack of technical and managerial expertise of local Government and Laos' increased vulnerability to extreme events that affect rural small scale infrastructures. The project focused its efforts on (i) increasing local planning capacities to respond to climate change hazards, (ii) increasing availability of information about climate change issues, (iii) increasing the resilience of rural infrastructures through strengthening infrastructures codes and standards, (iv) divulge information non the linkages between climate change, environmental degradation and the need for ecosystem based adaptation measures and (v) take advantage of an existing decentralised mechanism to allocate infrastructure funds directly at district level - DDF -.

The project combined two implementation approaches: convention top-down project implementation by MoNRE and decentralised implementation by MoHA, which required close collaboration and coordination between the two ministries.

The *log frame analysis* showed most indicators were SMART but somehow lacked information whether/how institutional and final beneficiaries wold take advantage of the project's benefits (ownership and empowerment).

Most *assumptions and risks* were controlled during the intervention but some technical and institutional risks were not identified properly like (i) coordination issues between MoHA and MoNRE that could result in extensive implementation delays with disjoint outcome results, (ii) insufficient Government’s capacity to follow-up infrastructures’ status on domestic financial resources and (iii) difficulty of final beneficiaries to ensure a regular maintenance programme.

The *project’s replication potential* was very high as it was to use the DDF mechanism which is part of Government’s strategy for decentralisation, (ii) the project’s climate resilience approach can be applied anywhere in the country, (iii) the CR updated guidelines are straightforward and need not local district staff retraining and (iv) the project had wagered on policy influencing to use a similar approach to CR in other interventions.

*UNDP’s comparative advantage* was to (i) be a neutral platform for development and able to build a trustful relationship with Government, (ii) favour a pro-poor approach through multi-sectoral intervention, (iii) multipurpose agency have the capacity to mobilise financial resources and other specialised UN agencies, (iv) favour small-scale infrastructures. It also has extensive experience of GEF grants in Laos and can bring expertise mostly in relation to RBM and M&E.

MoNRE has been the implementing partner. The following *implementation arrangements* were the following: Project Board, National Project Director, Project Manager, National GPAR Secretariat under MoHA and national PSU under MoNRE.

#### **Project implementation:**

*Adaptive management:* the project has been managed under the NIM modality. HR mobilisation was very slow at the start of the project (approximately a 1 year delay) but also inconsistent over the course of the project (numerous resignations) resulting in further implementation delays. The governance structure of the project was the following: annual Project Board meeting to endorse the annual plan and resolve key issues that might impact the project’s results, quarterly meeting to get an update on activities’ delivery and planning for the next quarter, monthly meetings to discuss technical issues and follow-up implementation. Due to these delays, a 12 months no-cost extension was granted by mid-project but despite this, there was no significant change in objectives, results or activities.

*On partnerships,* the project worked in close cooperation with the GPAR Secretariat and UNCDF to transfer district infrastructure funds, the Ministry of Agriculture for irrigation related issues and the Ministry of Transport for rad-related infrastructures.

*M&E feedback* resulted in (i) a substantial reduction of infrastructures’ projects (from 48 to 28), (ii) the inclusion of ecosystem considerations into the CRVA process, (iii) changes of ecosystem indicators, (iv) the project’s extension as mentioned above.

*Project finance* confirmed that the operationalisation of the project actually took nearly two years instead of just one, evidencing quite early on the need for a project extension. The 100% year after year), resulting from a sound planning capacity and effective financial management system. The resource allocation amongst outcomes 1 and 3 shows significant changes that confirm disjointed implementation between outcomes 2 and 3 (much delayed outcome 3 delivery resulting in lesser than expected spending).

The M&E system comprised: (i) the inception report with annual work plans, (ii) annual progress reports and project implementation reviews, (iii) periodic on-site visits, (iv) external MTR and TE and (v) audits. Sustained staff rotation made it difficult to keep a unified project M&E system. Eventually, two separate monitoring systems were put in place independently by both MoNRE and MoHA. A Learning Knowledge Sharing plan was formulated but not much implemented until after the MTR. An exit strategy was produced with clear

references to the Sam Sang initiative, the need to mainstream updated guidelines into the DDF mechanism but also go further with upgraded building codes to make infrastructures CR-resilient.

The department in charge of disaster management and climate change under MoNRE oversaw the project’s *implementation*. One of the main characteristics of the project has been its asymmetrical implementation approach by MoHA (decentralised) and MoNRE (centralised); this hybrid implementation system resulted in significant difficulties to coordinate activities and may have been to a large extent a factor for disjointed implementation between outcomes 2 and 3 (infrastructures and ecosystem-based adaptation measures respectively). UNDP as the implementing agency provided regular administrative/technical support (systematic presence at annual, quarterly and monthly meetings) and contributed to enhancing the communication strategy of the project, most during the second half of the project.

#### **Project results:**

##### *Overall results:*

- *Outcome 1 - capacities provided for local administrative institutions to integrate climate risks into participatory planning and financing small scale rural infrastructures:* outputs were achieved with district planners acquiring the necessary skills and knowledge to undertake climate change risk assessment; the technical capacity in climate resilient planning was provided to over 250 officials (Government and communities); water harvesting, storage and distribution infrastructures adaptation measures identified and integrated into development plans through CRVAs; detailed project investments finalised and tender documents prepared.
- *Outcome 2 – incentives in place for small-scale rural climate proof infrastructures benefitting over 50,000 people in all 12 districts of Sekong and Saravane provinces:* over 37,000 people were exposed to the project’s results through 15 upgraded irrigation schemes, 6 water supply projects, 1 flood gate improvement, 5 community bridges and 2 check-dams.
- *Outcome 3 – natural assets covering at least 60,000ha managed to ensure maintenance of critical ecosystem services:* this outcome was partially achieved; 9 sub-catchment areas were covered by the project through vegetation restoration, soil erosion reduction and land slope stabilisation; the DDF mechanism was upgraded as well to include requirements for a climate resilience grant system.

The *Project relevance* is highly relevant in view of Laos DPR’s strategies and policies related to climate change and in particular climate resilience and adaptation (Sam Sang initiative, 5-year National Socio-Economic Development Plan VIII, MoNRE Vison towards 2030, the 2009 NAPA, the national strategy on climate change and the national Governance and Public Administration Reform Programme [NGPAR]).

##### *Project effectiveness:*

- *Outcome 1 - capacities provided for local administrative institutions to integrate climate risks into participatory planning and financing of small scale rural water infrastructure provision:* activities under this outcome did contribute to the objective; district staff have now the with basic skills to mainstream climate resilience into planning processes, however, empowerment remains weak.
- *Outcome 2 - incentives in place for small-scale rural infrastructure to be protected and diversified against climate change induced risks benefitting at least 50,000 people in 12 districts of Sekong and Saravane provinces:* the DDF mechanism was a very effective solution to mainstream climate change considerations into rural infrastructures; it was however a relatively slow process with the need for formal approval of CR infrastructure design by MoNRE, evidencing still the difficulty for district staff to implement by themselves the CR guidelines that may be too DDF-specific to be replicated elsewhere.
- *Outcome 3 - natural assets managed to ensure maintenance of critical ecosystem services, especially water provisioning, flood control and protection under increasing climate change induced stresses, in Sekong*

*and Saravane provinces:* this outcome little contributed to the objective; EbA measures were implemented later after most infrastructures were completed, hence of lesser added value from both district officials and final beneficiaries' view point.

*Project efficiency:* the project spent nearly 5M\$ in 5 years for 28 infrastructures and 9 EbA measures (0,15M\$/subproject). While still not on par with international standards, climate proof infrastructures are expected to increase their lifetime by a factor of two or three at best. This may be considered highly efficient but is actually a best case scenario as it is conditioned by an inclusive maintenance and repair policy.

*Country ownership:* the project is in line with most Government strategic documents. The upgraded CR guidelines were approved and MoHA incorporated the CRVA and performance-based criteria into the DDF mechanism.

*Mainstreaming:* the project was well aligned with UNDP's country programs, contributing to sustainable natural resources and environmental management and adaptation - CDP Outcome 2 – and UNDAF's outcome 8 on climate change adaptation and mitigation.

*Sustainability:* social and cultural risks are relatively high with weak community ownership, still relying on Government for heavy maintenance and repairs. Interviews showed there is still no significant mind-set change on how to tackle infrastructures sustainability both at district and community levels. The pro-poor approach may be partly to blame with little emphasis on revenue/income generation form upgraded infrastructures. The technical risks are considerably lower now with increased lifetime duration of infrastructures; this capacity of communities and district authorities still remains limited to slight damages and design issues and major repairs still seem to be out of reach. The institutional risks are very high because there were few activities to mainstream lessons learned at central level for replication and Government empowerment. These risks were lowered as UNPD and the technical team supported the mainstreaming of the CR guidelines into new climate change-related interventions' approach focussing on the infrastructures themselves. Economic and financial risks are also high because the pro-poor approach does not favour the inclusion of economic components so as to optimise accrued infrastructures benefits (e.g. income generation). EbA measures and infrastructures were not simultaneously implemented resulting in high environmental risks because EbA measures are key to long-term infrastructures. At socio-political level, interviews showed that autonomous decision taking at district level remains largely limited to utilise the project's benefit into own district routine activities (need for central guidance).

*Impact:* the project's social impact has resulted from a number of activities to raise awareness of beneficiary communities resulting in the re-activation of community groups, better community dialogue and cohesion as the project's intervention required co-decision making for a number of activities (site selection, labour contribution...). Awareness on environmental and infrastructure damage remained weak and disjointed implementation of outcomes 2 and 3 did not help. The economic impact has been largely positive for bridges and dams and negative for water supply. While this has impacted to some extent the poverty level of beneficiaries, it did not significantly result in economic development because the project's support did not fully take advantage of the economic potential of rehabilitated infrastructures (particularly in the case of agriculture/dams). The project has been very influential on institutions through capacity building activities with increased understanding on CR, the design of CR projects, related technical specifications and upgraded standards of construction. High staff rotation was somewhat negatively affecting CR mainstreaming into district institutions. The environmental impact has been very limited with disjointed implementation of infrastructures and EbA measures. It was most positive when direct linkages between EbA measures and infrastructures were evidenced.

### Evaluation rating table

<b>Evaluation Ratings:</b>			
<b>1. Monitoring and Evaluation</b>	<i>rating</i>	<b>2. IA&amp; EA Execution</b>	<i>rating</i>
M&E design at entry	S	Quality of UNDP Implementation	HS
M&E Plan Implementation	MS	Quality of Execution - Executing Agency	S
Overall quality of M&E	MS	Overall quality of Implementation / Execution	S
<b>3. Assessment of Outcomes</b>	<i>rating</i>	<b>4. Sustainability</b>	<i>rating</i>
Relevance	R	Financial resources:	ML
Effectiveness	MS	Socio-political:	ML
Efficiency	S	Institutional framework and governance:	ML
Overall Project Outcome Rating	S	Environmental:	ML
		Overall likelihood of sustainability:	ML

<i>Ratings for Outcomes, Effectiveness, Efficiency, M&amp;E, I&amp;E Execution</i>	<i>Sustainability ratings:</i>	<i>Relevance ratings</i>
<p>6: Highly Satisfactory (HS): no shortcomings        5: Satisfactory (S): minor shortcomings        4: Moderately Satisfactory (MS): moderate shortcomings        3: Moderately Unsatisfactory (MU): significant shortcomings        2: Unsatisfactory (U): major problems        1: Highly Unsatisfactory (HU): severe problems</p>	<p>4. Likely (L): negligible risks to sustainability        3. Moderately Likely (ML): moderate risks        2. Moderately Unlikely (MU): significant risks        1. Unlikely (U): severe risks</p>	<p>2. Relevant (R)        1. Not relevant (NR)</p> <p><b>Impact Ratings:</b>        3. Significant (S)        2. Minimal (M)        1. Negligible (N)</p>
<p><i>Additional ratings where relevant:</i>        Not Applicable (N/A)        Unable to Assess (U/A)</p>		

### Summary of conclusions, recommendations and lessons learned

#### Conclusions:

The project has been innovative for mainstreaming climate resilience in terms of design (combination of small-scale infrastructures and Eba measures), responsiveness (participation by all direct stakeholders and ownership) and implementation approach (using a well-proven decentralised implementation mechanism – DDF –). The project however failed to generate enough interest at central level to influence policy making on CR and related construction codes or improve the sustainability model based on community maintenance and repairs by Government. In that context, the development opportunities that the project has shown have not been fully explored by Government. The project has been both successful in responding to pressing needs by the communities to rehabilitate rural infrastructures but also increase substantially their lifetime.

The hybrid execution mechanism (decentralised outcome 2 by MoHA and centralised approach for outcome 3 under MoNRE) has proved to be a complex construction and alternatives should be considered in the future.

In operational terms, the project has raised the local capacity of district technical staff on climate resilience approach to infrastructures enhancement.

The major *achievements and strengths* of the project are the following: (i) the CRVA approach is an effective tool for communities' participation and providing an overall view of local issues relates to climate change risks to infrastructures, (ii) higher construction standards were used resulting in longer lifetime of infrastructures, (iii) Government endorsed updated guidelines taking in to account CR have been produced for integration into the DDF mechanism, (iv) the project was successful in developing inter-sectoral collaboration at district level, (v) the participatory approach ensured a high degree of ownership (but still little empowerment), (vi) an appropriate exit strategy was developed by the end of the project meaning that most project results would be mainstreamed into new donor funded interventions.

The main *shortcomings and weaknesses* include: (i) the lack of game-changing sustainability model still based on a pro-poor approach with little attention to economic development (ii) despite good ownership of infrastructures by the communities, their actual engagement remains weak with a still widely recognised role of Government to ensure infrastructures sustainability, (iii) the lack of project communication strategy did not help stakeholders to get a good understanding of CR issues at stake and their negative impact on infrastructures, (iv) project's staff retention has been very low and this affected negatively the delivery of activities, (v) while taking advantage of all project resources, interviews showed that there is little if any appropriation at central level of the project's benefits (CR guidelines, changes in construction code, new policy on EbA).

#### **Recommendations and lessons learned:**

The *lessons learned* include:

- *for the design of the project:* the need for (i) a similar implementation mechanism amongst all stakeholders involved, (ii) a simpler delivery mechanism avoiding two-pronged implementation, (iii) a formal communication strategy, (iv) an institutional project component making sure that resources are devoted to ensuring benefit's appropriation at central level, (v) a comprehensive exit strategy (sustainability ensured through quality criteria, community ownership and income generation, and central Government empowerment, (vi) exploring complementarities between donors to involve different sectors to ensure high impact to communities, (vii) Governmental contribution for critical infrastructures and (viii) mainstreaming CRVAs in Government's activities and ensuring that resulting LUP are actually financed and implemented.
- *for the implementation and M&E of the project:* the need for (i) community engagement to be initiated right at the start of the project before infrastructure and EbA selection to ensure fuller commitment, (ii) an optimised implementation approach through a single infrastructure and EbA package, (iii) indicators that measure quality (not only quantity) of infrastructures and EbA measures, community and Government empowerment, (iv) enhanced M&E moving from activity to RBM monitoring, (v) an enhanced project information system within the State apparatus to ensure quality information sharing.

Several *actions are needed to follow-up and reinforce* project results including: action #1: the integration of CR guidelines into new generations of development projects, action #2: the integration of DDF CR guidelines into Government's routine plans and actions, action #3: sharing the benefits/added value of CRVA with relevant stakeholders, action #4: empowering beneficiary communities to ensure follow-up of EbA measures and maintenance of infrastructures, action #5: develop a district follow-up programme of infrastructures and

EbA measures as part as routine activities carried out by (provincial) district DONRE, action #6: formalisation of infrastructures rules and regulations into official by-laws.

*Proposals for future directions* underlying main objectives include the need for (i) integrating EbA measures into Government governance systems as these are still viewed as extra activities peripheral to infrastructures, (ii) Government co-financing of critical infrastructures (10-15%), (iii) mainstreaming economic aspects into project design in addition to climate proofing so as to take fuller advantage of infrastructures economic potential, (iv) financial provision to review the construction standards to make infrastructures climate proof, (v) considering new similar interventions' decentralisation to the provincial level, (vi) wider advocacy of CR at the highest level (ministries) to ensure construction standards changes and (vii) considering small scale infrastructures climate proofing from other sectors (ministries).

## List of Abbreviations

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ADB	Asian Development Bank
AMAT	Adaptation and Monitoring Tool
APR	Annual Progress Report
AWP	Annual Work Plan
CC	Climate Change
CCA	Climate Change Adaptation
CDR	Combined Delivery Report
CR	Climate Resilience
CRVA	Climate Resilience and Vulnerability Assessment
DAC	Development Assistance Committee
DDF	District Development Fund
DDF-BBG	District Development Fund Basic Block Grant
DDSC	District Development Support Committee
DLPD	Department of Land Planning and Development
DNDMCC	Department of National Disaster Management and Climate Change
DOHA	District Office of Home Affairs
DONRE	District Office of Natural Resources and Environment
DWR	Department of Water Resources
EbA	Ecosystem-based Adaptation
EU	European Union
GEF	Global Environment Fund
GIDP	Governance for Inclusive Development Programme
GPAR	Governance and Public Administration Reform
HR	Human Resources
ICEM	International Centre for Environmental Management
IFAD	International fund for Agricultural Development
IP	Implementing Partner
IRAS	Improving the Resilience of the Agriculture Sector in Lao PDR to Climate Change Impacts

IUCN	International Union for Conservation of Nature and Natural Resources
IWMR	Integrated Water Resources Management
LDCF	Least Developed Countries Fund
LDCF2	Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate
MAF	Ministry of Agriculture and Forestry
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MoHA	Ministry of Home Affairs
MoNRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MRC	Mekong River Commission
M&R	Maintenance and Repair(s)
MTR	Mid-Term Review
NA	National Assembly
NAFRI	National Agriculture and Forestry Research Institute
NGPES	National Growth and Poverty Eradication Strategy
NIM	National Implementation Modality
NPD	National Project Director
NSEDP	National Socio-Economic Development Plan
PIR	Project Implementation Review
POHA	Provincial Office for Home Affairs
PPSU	Provincial Project Support Unit
PDR	People's Democratic Republic
PPG	Project Preparation Grant
PONRE	Provincial Office of Natural Resources and Environment
PRODOC	Project Document
PSU	Project Support Unit
RBM	Results Based Management
SDC	Swiss Development Co-operation
SCSD	Strengthening Capacity and Service Delivery of Local Administrations
SGP	Small Grant Programme
SIDA	Swedish International Development Agency

SMART	Specific Measurable Accessible Relevant Time-bound
TE	Terminal Evaluation
ToR	Terms of Reference
TT	Tracking Tool
TRAC	Target for Resource Assignment from the Core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNEP	United Nations Environment Program
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNICEF	United Nations Children's Fund
UNHABITAT	United Nations Human Settlements Programme
US\$	United States Dollar
V&A	Vulnerability and Assessment
WB	World Bank
WUA	Water User Association
WUC	Water User Committee
WWF	World Wide Fund for Nature

## 1. Introduction

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This report presents the findings of the Mid-Term Review (MTR) of the UNDP-supported-GEF-LDCF-Financed-Government of Lao PDR Project “*Effective Governance for Small-scale Rural Infrastructure and Disaster Preparedness in a Changing Climate*”. This mid-term review was performed by an Independent Evaluation Team composed of Mr. Vincent Lefebvre and Mr. Singha Ounniyom on behalf of the UNDP.

The provinces of Sekong and Saravane in the South of Lao PDR are heavily affected by climate-related events. During recent years, changing rainfall and temperature patterns have caused regular storms leading to flash flooding and landslides, as well as more frequent and persistent dry periods and droughts. These climate threats have differing impacts on physical infrastructure and ecosystems, depending on location and topography. Amongst the most severe are the regular destruction of rural roads and small-scale irrigation schemes, as well as water scarcity for household and agricultural consumption. These climate-induced threats are further affected by the progressive disappearance of the protective and water storage functions of ecosystems, caused by drivers such as slash and burn agriculture, monoculture, mining and hydropower investments. The combination of climate change related pressures and these other drivers mean that village water supply systems dry out more often, and that baseline physical infrastructure, which is not protected from irregular and intense water flows, is degrading ever more rapidly.

The underlying causes contributing to this situation include basic geographical factors, poor application of infrastructure construction standards and maintenance practices, and a social and ethnic context that increases the vulnerability of certain groups to climate risks. In order to address these issues, there are critical barriers to remove. They include (i) weaknesses in climate change analysis and planning at sub-national level; (ii) financial constraints in resourcing the additional costs of building greater redundancy into rural infrastructure; (iii) a silo approach to local planning whereby ecosystem functions and services are not taken into account, and (iv) the limited incentives that exist to encourage local officials and decision makers to address climate related risks.

In order to remove these barriers, the government of Lao PDR through MoNRE with the support of UNDP and financial resources from the GEF-LDCF formulated this project to “*improve local administrative systems affecting the provision and maintenance of small scale rural infrastructure through participatory decision making that reflects the genuine needs of communities and natural systems vulnerable to climate risk*”. It sought to reflect the needs of communities vulnerable to climate variability in local planning and budget processes at district level, so that the development prospects of these communities are secured in face of increasing climate risks.

The objective of the project is to “*Improve local administrative systems affecting the provision and maintenance of small scale rural infrastructure through participatory decision making that reflects the genuine needs of communities and natural systems vulnerable to climate risk*”. This objective will be achieved through three outcomes (and 9 outputs):

- Capacities provided for local administrative institutions to integrate climate risks into participatory planning and financing of small scale rural water infrastructure provision;
- Incentives in place for small-scale rural infrastructure to be protected and diversified against climate change induced risks (droughts, floods, erosion and landslides) benefitting at least 50,000 people in 12 districts of Sekong and Saravane provinces;

- Natural assets (such as wetlands, forests and other ecosystems in sub-catchments) are managed to ensure maintenance of critical ecosystem services, especially water provisioning, flood control and protection under increasing climate change induced stresses, in Sekong and Saravane provinces.

The project is implemented in Sekong and Saravane provinces in southern Lao PDR; including all 12 districts in these 2 provinces. It is a project supported by UNDP, the GEF-LDCF, and the Government of Lao PDR. It is funded by a grant from the GEF-LDCF of USD 4,700,000, a cash contribution from UNDP-TRAC of USD 280,000 and an in-kind contribution of USD 375,000 from the Government of Lao PDR. It started in May 2013 and will end at the end of December 2017 (5 years), including an already approved one-year extension. The Ministry of Natural Resources and Environment (MoNRE) is the Implementing Partner and has overall responsibility for the management of the project. A national Project Support Unit was set-up at MoNRE housing a staff of 10. A Project Board oversees the implementation of the project.

## 1.1 Purpose of the evaluation

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As mentioned above, the project “Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate”, has started since May 2013. The Ministry of Natural Resources and Environment (MoNRE) in partnership with the Ministry of Home Affairs (MoHA) were the implementing agencies and the Global Environment Fund (GEF) as the main donor.

Pursuing the UNDP and GEF monitoring and evaluation (M&E) policies and procedures, all full and medium-sized UNDP supported and GEF-financed projects are required to undergo a terminal evaluation upon completion of implementation. Towards this end, UNDP has commissioned the terminal evaluation by contracting independent evaluators (international and national) and carried out in accordance with the UNDP-GEF Monitoring and Evaluation Policy and facilitated by the UNDP Country Office in Lao PDR.

The purpose of the terminal evaluation was to carry out a systematic and comprehensive evaluation of the performance of the project using the five DAC criteria assessing its design, processes of implementation, and achievements relative to project objectives. It was aimed to obtain and provide timely, precise and reliable information on how well the project was designed, implemented, progress towards project objectives, how well resources area used cost-effectively, project impacts, and potential ownership for future sustainability. This information is needed by key stakeholders; Government – MoNRE and provincial PONRE, MoHA, MPI, etc. as well as Development and Donors – UNDP, GEF, UN HABITAT, UNCDF, IFAD, etc. for decision-making and planning similar projects in the future.

The objectives of the terminal evaluation are to assess the achievement of project results and to draw lessons that can both improve the sustainability of benefits from this project and aid in the overall enhancement of UNDP programming. The specific objectives of the terminal evaluation are:

- To assess the design, implementation and monitoring and evaluation processes;
- To assess project achievements towards project goals, objectives and outcomes planned;
- Determine whether resources (finance, human and material) were used economically and wisely;
- Assess potential impact of EbA measures and climate proof infrastructures communities and environment (technical, economical, financial, and social and environmental);

- Assess management and potentials for program ownership, sustainability and any basis to make decision on future program design;
- Provide specific and practical recommendations and document lessons that can be utilized for improving sustainability future projects to be designed.

## 1.2 Scope and methodology

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### 1.2.1 Scope

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Regarding the scope, the evaluation focused primarily on assessing the performance of the project in light of the accomplished outcomes, objectives and effects using the evaluation criteria of relevance, effectiveness, efficiency, sustainability, and impact, as defined and explained in the UNDP Guidance for Conducting Terminal Evaluations of UNDP-supported and GEF-financed Projects.

*Relevance* assesses how the project relates to the development priorities at the local, regional and national levels for climate change and coherent with main objectives of GEF focal areas. It also assesses whether the project addressed the needs of targeted beneficiaries at local, regional and national level.

*Effectiveness* measures the extent to which the project achieved the expected outcomes and objectives. It assesses whether the project under evaluation has been effective in achieving expected outcomes and objectives; how risks and risk mitigation were being managed, and what lessons can be drawn for other similar projects in the future.

*Efficiency* is the measure of how economically resources (funds, expertise, time, etc.) are converted to results. It also examines how efficient were partnership arrangements (/linkages between institutions/organizations) for the project.

*Impact* examines the positive and negative, primary and secondary long-term effects produced by the development intervention, directly or indirectly, intended or unintended. It examines whether the project achieved the intended changes or improvements (technical, economic, social, cultural, political, and ecological). In GEF terms, impacts/results include direct project outputs, short to medium-term outcomes, and longer-term impact including global environmental benefits, replication effects and other local effects.

*Sustainability* is the ability of the project interventions to continue delivering benefits for an extended period of time after completion; it examines project’s sustainability in terms of finance, institutional, social and environment.

Employing the above explained evaluation criteria, the terminal evaluation covered all activities supported by UNDP/GEF and, where appropriate, activities supported by the host institution, MoNRE and MoHA as well as activities that other collaborating partners supported as part of the co-finance to the project. In terms of timing, the evaluation covered all interventions of the project from its inception, October 2013 to the planned closing date, December 2017. The evaluation has been conducted in a way it provides evidence-based information that is credible, reliable and useful.

### 1.2.2 Methodology

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The terminal evaluators adopted a participatory and consultative approach ensuring close engagement

with government counterparts, UNDP Country Office, project team, and key stakeholders based at national and provincial levels.

Several basic principles used to carry out the evaluation include:

- **Effective participation** of all stakeholders (government, agencies, donors, final beneficiaries)
- **Crosschecking** of gathered information
- Emphasis on **consensus and agreement** on the recommendations by the stakeholders.
- **Transparency** of debriefing

Overall, the evaluation tools employed during the evaluation were the following: review of key documents and literature, consultation and interview of stakeholders, and field missions to project sites. In this context, the data collection tools used included semi-structured questionnaires for key informants (checklists) and interview guides for focus group discussions by beneficiaries. The tools were developed by the evaluators focusing on evaluation criteria and major outcomes planned and agreed upon with UNDP before application. The interview guides and semi-structured questionnaires are presented in Annex 3.

The adopted methodology is detailed in Annex 2.

### ***1.2.3 Limitations***

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The limitation of this evaluation was the relatively short time given to conduct the field trip to project sites that are far apart. Given the very limited field trip duration at project sites, the evaluators were able to setup focal groups and interview of key informants in persons during the mission undertaken in Vientiane Capital and provinces of Sekong and Saravane from 23-31 October 2017 and through teleconference for few of them in early November 2017 in order to capture stakeholders’ viewpoints.

## ***1.3 Structure of the evaluation report***

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The present terminal evaluation report is presented in five sections. It initially presents an *executive summary* of the terminal evaluation, giving a brief background of the project and its design, a summary of its findings related to the activities, management, and important aspects such as partnership and sustainability, conclusions and recommendations for future action and programming.

It is followed by an *introduction*, which describes the context and background of the evaluation and gives a brief description of the purpose, scope and focus of the evaluation, and methodology used, and the structure of the report. The next section presents information on the project, including project description, development context, and strategy.

The *findings* section is dedicated to the results achieved towards the outcomes of the project, which is the core of the report, presented under three subheadings related to program design, implementation, and the evaluation criteria. The final section considers the *conclusions* of the evaluation and *recommendations* for future action.

## 2. Project description and development context

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### 2.1 Project start and duration

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The concept note on the project entitled “Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate” was initially prepared by UNDP as GEF Agency in partnership with Government of Lao PDR and submitted to GEF in June 2011. A fully sized project document was submitted by UNDP to GEF in June 2012. The consolidated project document was re-submitted in September 2012 and endorsed by Global Environmental Facility (GEF) in January 2013.

The endorsed project document indicates that implementation starts as of December 2012. However, project reports indicate that project implementation in actual started in June 2013 and will end at the end of December 2017 (five years) following a decision to extend the project (no additional cost) by one year (from December 2016 to December 2017). An inception workshop was conducted over 2 days on November 22-23, 2013: one day with the project team focusing on increasing the understanding of the project team on: (1) project rationale, (2) objective & project results, (3) outcomes & targets, (4) overview, (5) project progress update, (6) annual work plan for 2013, and (7) UNDP Monitoring and Evaluation requirements. The second day was with stakeholders. It was attended by over 80 key relevant stakeholders from the MoNRE, MAF, MPI, MRC, NAFRI, MoHA, GPAR, UNCDF, MoHA, UNDP CO, UNDP Regional, WWF, EU, NA, IRAS, representatives from the 12 target districts of Saravane (8) and Sekong (4) provinces. The focus of this second day was on: the *Project Results Framework*, the overview of the GEF-LDCF Project implementation and tracking requirements, the LDCF Finance delivery mechanism for strengthening institutional capacities and local adaptation and a general discussion on the project, areas for coordination and other important issues concluded this second day of the inception workshop.

### 2.2 Problems that the project sought to address

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Lao people are particularly vulnerable to the effects of climate change because more than 70% of livelihoods are associated with natural resources and the vast majority of Lao people are still poor. Several vulnerability and adaptation analyses indicate that in Lao PDR, there has been an increase in the number of climate hazard related events over the past 20 years as opposed to the preceding 30 years.

Changing rainfall and temperature patterns have caused regular storms leading to flash flooding and landslides, as well more frequent and persistent dry periods and droughts. These climate threats have differing impacts on physical infrastructure and ecosystems, depending on location and topography. Amongst the most severe is the regular destruction of rural roads and small-scale irrigation schemes, as well as water scarcity for household and agricultural consumption.

During the planning of LDCF2 project, Sekong and Saravane provinces have been selected as target project area because these provinces have been heavily affected by climate change. This area has the highest poverty rates in Lao PDR, thus communities in these provinces are especially vulnerable to floods and drought, as well as extreme climate events such as storms and flash floods. Important rural infrastructures such as irrigation channels, rainwater storage systems, check dams, roads, bridges and water supply are regularly damaged in storm events. The rationale of the project is to address weaknesses in climate change analysis and planning, financial constraints for climate proof rural infrastructures,

integrating ecosystem based adaptation measures and incentivize local officials and decision makers to address climate related risk, seeking to reflect the needs of communities vulnerable to climate variability in local planning and budget processes, so as to improve the development prospects of communities facing increasing climate risks. It will be done through a ‘three-pronged’ approach: (i) strengthening the national, provincial and district capacities for planning for rural infrastructure that incorporates climate considerations; (ii) direct financing for infrastructure projects to vulnerable districts through the existing District Development Fund (DDF) mechanism; and (iii) implementing ecosystem-based adaptation measures that provide additional climate resilience at the watershed level of project infrastructure intervention.

### **2.3 Immediate and development objectives of the project**

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The LDCF2 project was designed to increase climate resilience of rural small-scale infrastructure, and communities using them, through participatory planning processes that ensure full consideration of the genuine needs of communities vulnerable to climate variability and change.

The overall Project Objective is to “improve local administrative systems affecting the provision and maintenance of small scale rural infrastructure through participatory decision making that reflects the genuine needs of communities and natural systems vulnerable to climate risk”.

The objective of the project will be achieved through three expected outcomes (*see also Annex I*):

- **Outcome 1:** Capacities provided for local administrative institutions to integrate climate risks into participatory planning and financing of small scale rural water infrastructure provision;
- **Outcome 2:** Incentives in place for small-scale rural infrastructure to be protected and diversified against climate change induced risks (droughts, floods, erosion and landslides) benefitting at least 50,000 people in 12 districts of Sekong and Saravane provinces;
- **Outcome 3:** Natural assets (such as wetlands, forests and other ecosystems in sub-catchments) are managed to ensure maintenance of critical ecosystem services, especially water provisioning, flood control and protection under increasing climate change induced stresses, in Sekong and Saravane provinces

### **2.4 Baseline indicators established**

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During the PPG phase of a thorough baseline assessment of climate vulnerability and adaptation options within the two target Provinces (see Annex 8 of the project document). The approach taken for this baseline was based on a methodology developed by the International Centre for Environmental Management, which assessed geographical scope, baseline conditions, vulnerability, and proposed response measures in an eleven-step process.

Based on Project Document and quarterly/annual progress reports, a set of indicators presented in the *Project Results Framework* was reviewed during this review. It includes 10 indicators – each one with a baseline and a target by the end of the project - to monitor the performance of the project at the objective and outcome levels. As documented in the project document, these indicators rely largely on UNDP’s “*Monitoring and Evaluation Framework for Climate Change Adaptation*”, and are aligned also with the LDCF Adaptation and Monitoring Tool (AMAT). This set of 10 key indicators and their respective

targets did not change during the inception phase. However, some modifications have been made on targets to be achieved by the end of the project in order to reflect the actual capacity to deliver of the project implementing agencies. For example, target of 48 small-scale infrastructure projects (Output 2.2) was revised in December 2015 and reduced to 28 projects.

## 2.5 Main stakeholders

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According to the project implementation arrangement, the main stakeholders of the project were: UNDP, UNCDF, MoNRE, MoHA, MAF, MPI, PONRE, DONRE, POHA, DOHA, PST, DDSC, etc.

UNDP as the GEF implementing agency is responsible for the provision of resources as well as technical expertise to the project, drawing on its knowledge networks and pool of experts, and through external sourcing. It also supports project assurance, ensuring that the project is implemented in accordance with the rules and procedures for managing UNDP projects. The Ministry of Natural Resources and Environment (MoNRE), previously the Water Resources and Environment Administration (WREA), has acted as Implementing Partner (IP) with overall responsibility for the project and reporting to UNDP Lao PDR according to standard NIM procedures. MoNRE has assigned the “Department of National Disaster Management and Climate Change (DNDMCC)” to undertake day-to day implementation activities including responsibility for the implementation of all project components, in partnership with the Ministry of Home Affairs (Component 2).

The DNDMCC established a National Project Support Unit with a full time Assistant Project Manager and other core project staff, located in Vientiane. The National PSU liaised with the existing GPAR-SCSD Secretariat, located in MoHA, which will support the implementation of Component 2.

On the instruction of the IP (MoNRE), UNDP channelled LDCF resources in two ways. For Components 1, 3 and for the project management component, resources were channelled directly to MoNRE in line with standard UNDP budget implementation procedures. For Component 2, they were channelled through UNCDF at the request of the IP.

At Provincial level the National PSU and the GPAR Secretariat worked through the Provincial Support Teams chaired by the Provincial Cabinet Chief. The Heads of the Provincial Office of Home Affairs (POHA) and the Provincial Office of Natural Resources and Environment (PONRE) were the Vice-Chairs of the Provincial Support Teams, acting as focal points for their respective components. MoNRE also established Provincial Project Support Units (PPSUs) within the PONREs of Sekong and Saravane to support the administration and delivery of the project.

At the District level, the project worked through the “District Development Support Team” (DDST) which is headed by DPI and members from all district line offices. It plays an important technical role in terms of planning, budgeting, procuring, reporting and others. In addition, a District Development Support Committee, Chaired by the District Vice-Governor and previously established by MoHA brought together all key agencies to facilitate local planning, budgeting and budget execution. It played a central role in this process, identifying community needs and integrating their findings in annual and five year action plans, as further described below. As with the Provincial level, the District offices of Home Affairs (DOHA) and Natural Resources and Environment (DONRE) acted as project focal points at this level.

The project was expected to achieve three outcomes:

**Outcome 1:** Capacities provided for local administrative institutions to integrate climate risks into participatory planning and financing of small scale rural water infrastructure provision. By the end of the project, the project planned to achieve: 50% of sub-national officials and 10% of national officials that are able to analyse climate risks for their districts on a macro level (V&A analysis) and are able to identify specific vulnerabilities and adaptation options at village level (CRVA); all 12 target districts are applying a climate resilient planning mechanism including project identification, site assessment, approval, execution and M&E; and, all annual district investment plans include evidence of incremental CCA costings for water sector projects by year 4 and at least 4 provide this evidence by Year .

**Outcome 2:** Incentives in place for small scale rural infrastructure to be protected and diversified against climate change induced risks (droughts, floods, erosion and landslides) benefitting at least 50,000 people in 12 districts of Sekong and Saravane. The project intends to provide by the end of the project, all target districts at least 2 projects per year in village level climate resilient water harvesting, storage and distribution systems, which informed by CRVA; at least 50,000 people across 12 districts are benefitting from climate change resilient small-scale irrigation infrastructure, which has been informed by CRVA; and, at least 25% in additional CCA funds (annual average) expended over and above baseline; District Development Funding in at least 12 districts, based on a system that rewards districts that perform well against predetermined criteria.

**Outcome 3:** Natural assets (such as wetlands, forests and other ecosystems in sub-catchments) over at least 60,000 ha are managed to ensure maintenance of critical ecosystem services, especially water provisioning, flood control and protection under increasing climate change induced stresses, in Sekong and Saravane provinces. The project was planned to have at least 6 management and action plans covering over 48 climate resilience small-scale infrastructure investments under implementation across both Sekong and Saravane provinces and over 250 national, provincial and district planners have received knowledge and learning approaches and materials produced by the project on ecosystem based management linkages to infrastructure provision.