

# Kingdom of Cambodia

## Community-Based Rural Development Project in Khampong Thom and Kampot

### Project Performance Assessment

#### Executive Summary

- 1. Background.** This report presents the findings of the project performance assessment (PPA) of the Community-Based Rural Development Project in Kampong Thom and Kampot (CBRDP) in the Kingdom of Cambodia. The PPA builds on the project completion report validation, and adds findings from a mission to Cambodia, including interviews in the capital and in the field. The PPA's objectives are to:

  - Assess the results of the CBRDP.
  - Generate findings and recommendations for the implementation of ongoing operations in the country, as well as the design of future ones.
- 2.** The PPA placed a particular emphasis on agriculture, targeting, gender, and operation and maintenance. The agriculture component was chosen because it was the component that was ultimately going to increase food production and farm incomes and therefore merited special attention. Targeting, through its focus on the most vulnerable families, was identified in the project completion report as the most effective project tool to have the largest impact on the poor. Further research was required to assess the design assumptions and implementation modalities as well as the replication and scaling up potential for the most vulnerable families. Also, gender was not sufficiently covered in the project completion report. Finally, objectives related to operation and maintenance had only been partially achieved according to the project completion report. The reasons for this were further examined.
- 3.** The CBRDP started in 2001 and was completed in 2010. It was cofinanced by IFAD, the German Agency for Technical Cooperation (now the German Agency for International Cooperation), the Australian Agency for International Development (AusAid), the World Food Programme and, later, the United Nations Development Programme. The CBRDP was a broad-based rural development project aimed at reducing the poverty of some 77,400 households living in Kampot and Kampong Thom Provinces in Cambodia. It had four components: community development; agricultural development; infrastructure; and institutional development. Total costs at approval were US\$22.85 million of which the IFAD loan component was US\$10.00 million.
- 4. Relevance.** The CBRDP was in line with the Government's poverty reduction and decentralization agenda. The project was relevant to the poor, although the poverty focus initially received less attention, and the needs of the poorest were not always met. The project design included many components and involved a large number of international and national partners, which complicated coordination and the overall implementation of the project. It was mainly supply-oriented and there were weaknesses in the design of the irrigation component and monitoring and evaluation.
- 5. Effectiveness.** The project was successful in promoting the adoption of technologies. As a result production increased and food security was improved, but more follow up could have improved the quality of the extension activities.

The target set in terms of extension events was not achieved and farmers proved unwilling to pay for agricultural services. However, promoting farmer-to-farmer extension methods as a way of promoting adoption of new techniques appears to have created a diffusion effect within project areas. There was general satisfaction with government services.

6. **Efficiency.** Efficiency in terms of meeting most expenditure targets was adequate. Robust internal rates of return were achieved for wells and some irrigation systems. However, the internal rates of return for irrigation systems with low dry season to wet season cropping ratios, and for rural roads, were less satisfactory.
7. **Impact.** In target villages during the project period, household income and assets rose, and there was a modest decline in rural poverty. The project contributed to the general trend of rural poverty reduction throughout the country as a result of increased trade and investment. This was achieved through the establishment of an extension system, improved infrastructure and related access to services and markets. The impact on agricultural output was significant. The CBRDP contributed to increased productivity of rice by an average of 1.2658 tons per hectare, and of cattle by 50 per cent. The emphasis on capacity-building contributed to increased ability of some villagers to maintain infrastructure and group revolving funds, as well as articulate their own priorities. However, some of the poorest households did not benefit significantly from the project.
8. **Sustainability.** Of all the project activities, the ones relating to the agricultural and institutional processes (such as decentralization, and local institutional development and coordination) are likely to be the most sustainable. The rural infrastructure investments are only partially sustainable in that the current operation and maintenance arrangements can only cope with minor repairs.
9. **Innovations and scaling up.** The CBRDP was considered to be an innovative project because of the novel processes used for project implementation such as engagement of commune councils in mainstreaming rural livelihoods through specific funds and the introduction of village animal health workers and local technical committees. It paved the way for implementing the decentralization policy, and introduced new approaches to pro-poor service delivery. The CBRDP piloted a targeting approach ("most vulnerable families") that is now being scaled up at national level through the Ministry of Planning.
10. **Gender.** The CBRDP offered an innovative opportunity to mainstream gender issues throughout all project activities and processes. However, the project only partially reached its gender targets. The CBRDP invested in gender awareness training for staff and beneficiaries, but failed to follow this up. Women participated in various groups, and benefited from improved road access, water supply and access to financial services. However, in terms of decision-making, their role remained limited. They received some extension services, but targets in terms of adoption were not met.
11. **Monitoring and evaluation.** Efforts to generate quantitative data through the project impact assessment indicators were hampered by the lack of a baseline study and control groups.
12. **Performance of partners.** The mission identified some design weaknesses (e.g. irrigation component) for which mainly IFAD was responsible. However, appropriate follow up was undertaken subsequent to the mid-term review which helped resolve many implementation issues. The Government had to "learn by doing" in an environment where coordination and participation were unfamiliar concepts to relatively inexperienced project staff at both provincial and national level. Project ownership improved, even though the Ministry of Water Resources and Meteorology and the two Provincial Departments of Water Resources and

Meteorology continued to operate in a top down way, with little commitment and support to water users' committees.

13. **Conclusion.** The CBRDP's main purpose was to reduce poverty for the target population. It sought to do so by intensifying and diversifying food and livestock production, and increasing the capacity of the poor to use the services available from government and other sources for their social and economic development. The approach was intended to promote poverty reduction through a broad range of issues and to do so in a mainly supply-driven way. There were some design weaknesses in the irrigation component and in monitoring and evaluation. The project, however, contributed to increasing household income and there was a modest decline in rural poverty. The project was helped in this effort by external factors, which expanded the cash economy through trade with neighbouring countries, and provided new opportunities for many farmers across Cambodia. The CBRDP contributed to this trend by, among other activities, promoting farmer-to-farmer extension methods as a way of promoting adoption of new techniques. It appears that this created a diffusion effect within project areas. The fact that the poorest households may have derived few benefits prevented the agricultural component from being an unqualified success.
14. The project became a front-runner in terms of putting Cambodia's decentralization policy into practice. This was not an easy process, and caused some delays as well as a momentary loss of the more production-oriented objectives. Training and technical assistance played an important part, but capacity was also built through learning by doing.

#### **Recommendations**

15. **Support a demand pull strategy for agriculture.** In order for farmers to meet consumer preferences with higher returns and improved household incomes, future projects should be value chain anchored as well as production-oriented. By focusing on both production and consumption, it is possible to work for a "double win" scenario where the emerging global market is taken into consideration.
16. **Facilitate farmer promoters to become agricultural input suppliers and produce traders at the village level.** Future projects should promote a combination of contract farming-driven agricultural development, with farmer promoters becoming agricultural input suppliers and produce traders at the village level. In this way, farmer promoters would be able to earn service fees from input sales, while also delivering technological advice to their client farmers on input use for productivity gains.
17. **Improve irrigation system rehabilitation.** In order to achieve satisfactory impacts, irrigation planning should avoid a compartmentalized approach, and ensure that a number of critical points<sup>1</sup> (e.g. participatory crop irrigation and planning, water user empowerment and dry season hydrology) are taken into consideration. In addition, irrigation system areas should be kept small (100-200 hectares) as they tend to generate greater economic internal rates of return.
18. **Improve monitoring and evaluation system design and functionality.** To improve impact assessment monitoring, surveys of households before (baseline) and after projects need to be undertaken. In doing so, and where feasible, the use of control groups may be desirable. Making use of a limited carefully selected number of indicators may also improve the functionality of the monitoring and evaluation system.

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<sup>1</sup> See annex 8 for a list of all nine steps.