



1. Project Data

Project ID P150631	Project Name KH-LASED II (P150631)	
Country Cambodia	Practice Area(Lead) Agriculture and Food	
L/C/TF Number(s) IDA-58070	Closing Date (Original) 31-Dec-2021	Total Project Cost (USD) 23,270,211.74
Bank Approval Date 19-May-2016	Closing Date (Actual) 31-Dec-2021	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	25,060,000.00	0.00
Revised Commitment	23,032,485.33	0.00
Actual	23,270,211.74	0.00

Prepared by Richard Anson	Reviewed by J. W. van Holst Pellekaan	ICR Review Coordinator Christopher David Nelson	Group IEGSD (Unit 4)
-------------------------------------	--	---	--------------------------------

2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO), as stated in the Credit Agreement(IDA – 5807), and the Project Appraisal Document (PAD), was: “to help improve target beneficiaries' access to agriculture resources and selected infrastructure and social services in project communities”.

This Implementation Completion Results Review (ICRR) parses the original objective as follows:

- to help improve target beneficiaries' access to agriculture resources in project communities; and



- to help improve target beneficiaries' access to selected infrastructure and social services in project communities.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

20-Nov-2020

c. Will a split evaluation be undertaken?

No

d. Components

Component 1: Infrastructure and Livelihood Systems (Appraisal/Original allocation: US\$22.7 million; Actual Cost US\$20.9 million). This component was comprised of three complementary sub-components: Sub-component 1.1: Social Land Concession Investment Planning and Prioritization (Appraisal/Original allocation: US\$3.4 million; Actual Cost: US\$2.7 million). This sub-component supported planning and prioritization of investments through activities, including: (i) participatory preparation and updating of Social Land Concession (SLC) development plans and sites; (ii) identification, prioritization, and planning of appropriate agricultural technology and community infrastructure investments; (iii) processing of land titles for eligible land recipients; (iv) enhancement of the project management information system (MIS) to inform the planning and prioritization of activities in the SLC sites; (v) equipment support; and (vi) technical assistance.

Sub-component 1.2: Land Preparation and Infrastructure Development (Appraisal/Original Cost: US\$14.8 million; Actual Cost US\$15 million). This sub-component supported the provision of technical and funding assistance for beneficiary households and communities, including: (i) provision of settling-in assistance to new land recipients; (ii) provision of initial land preparation assistance, including a first cover crop; and (iii) provision of productive and social community infrastructure such as rural roads, small-scale irrigation systems, rural water supply and sanitation, education facilities, health posts, and community centers.

Sub-component 1.3: Agriculture and Livelihood Development (Appraisal/Original Cost: US\$4.5 million; Actual Cost US\$3.3 million). This sub-component supported the provision of technical assistance and community grants to beneficiaries to improve agricultural production systems, livelihoods, food security, and nutrition, including: (i) implementation of community organization and development activities; (ii) provision of agricultural service and extension support following a pluralistic service provider approach; (iii) establishment of farmer-managed demonstration plots and model farms; (iv) establishment and/or strengthening of farmers organizations, agriculture cooperatives, production and marketing groups, and other community groups; and (v) establishment of a community development fund and provision of community grants to strengthen successful local initiatives in the participating SLC sites.

Component 2: Project Management (Appraisal/Original Cost: US\$4.2 million; Actual Cost US\$2.3 million). This component supported the provision of technical and operational assistance for the overall project



administration and coordination, including: (i) social and environmental safeguards management; (ii) procurement planning and contracts management; (iii) financial management, disbursement, and audit; (iv) monitoring, evaluation and communication.

Component 3: Contingent Emergency Response (total estimated and actual cost US\$0.0 million). The component was part of IDA's support to an Immediate Response Mechanism (IRM) in Cambodia. The IRM allows reallocation of a portion of undisbursed balances of IDA-financed investment projects for recovery and reconstruction support following a formal Government request in the event of an eligible emergency or crisis. The IRM option was not utilized during the project period.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Costs: The total project cost at approval was US\$ 25.06 million (excluding in-kind Government contribution of US\$1.8 million). The actual project costs at closing was US\$23.27 million (or about 93% of the original project costs).

Financing: At approval, IDA Credit (No. 58070) was US\$ 25.06 million, with Government counterpart contribution of US\$1.8 million (in kind), for a total financing of US\$26.86 million. By closing, the total financing was US\$25.07 million (IDA: \$23.27 million; Government: US\$1.8 million, in-kind funds). There was no direct beneficiary contribution.

Borrower Contribution: Government contributed US\$1.8 million (in kind, helping to cover the costs of office space and staff salaries).

Dates: The Project was approved on May 19, 2016, became effective August 8, 2016. The original and actual closing date were the same, December 31, 2021.

Restructurings: Significant Changes During Implementation).

The project had one restructuring (approved November 20, 2020), resulting in relatively minor changes. The end target values for the four PDO indicators and the end target values for five intermediate outcome indicators were revised to reflect the correct number of anticipated beneficiaries (for details, see ICR, Annex 1). The revised targets were relatively minor, in number and scope of beneficiaries, mostly plus or minus 15% of the original target (e.g., out of a total of 11 beneficiary targets, 3 were decreased and 4 were increased; out of the 11 beneficiary revised targets, 4 targets were actually exceeded, and 3 targets had actual minor shortfalls, mostly within 15% of the revised target). The revisions made at restructuring intended to reflect more accurately the likely actual achievements, with a similar level of ambition, based on consultations with project staff. Accordingly, due to the relatively minor revisions made at restructuring and small variance between original/revised targets and actual achievements, and a similar level of level of ambition, this review has concluded that there is no need for a split rating of outcomes.

3. Relevance of Objectives

Rationale

Rationale

Country and Sector Context: The PDO was highly relevant to addressing key challenges identified during project design. At the time of project preparation, there was a sharp decline in agricultural production and resulting increased rural poverty (with rural population accounting for 80% of the total population and 90%



of the poor). This drop in agricultural growth and increased rural poverty was due to various factors, including low productivity and “lack of adequate access to land for cultivation, notably among the most vulnerable rural poor” (ICR, para. 2).

Relevance to Government Strategies: The Royal Government of Cambodia (RGC) formulated its Social Land Concession (SLC) policy in 2003 with the view to promote secured access to land for the landless or land poor rural households. The SLC policy aims to enhance equitable growth in and through the agriculture sector. The framework for the operationalization of the SLC policy was established in 2003 through the adoption of Sub-decree 19 of the Land Law, which defines the criteria and procedures for granting social land concessions (also referred to as SLC sites). The national development strategy (2006-2010) committed to “accord priority to the strengthening of land tenure rights of the people who need small lots for settlement and farm family production with the SLC framework, as a mechanism to assist poor households and vulnerable groups”. During 2008 to 2015, the government of Cambodia piloted a comprehensive implementation of locally initiated SLCs (funded by the World Bank and the Japan Social Development Fund (JSDF). The Bank-funded Land Allocation for Social and Economic Development (LASED) pilot project (P084787) covered eight locally-initiated sites, and the Bank-managed JSDF-funded SLC projects administered by NGOs covered five locally-initiated sites. Also, the LASED II is closely aligned with and supporting the RGC’s Rectangular Strategy (Phase 3, 2014-2018, and Phase 4, 2019-2023), which outlines a strategy to promote sustainable and inclusive development, with the SLC model viewed as a key component of its inclusive development strategy. The adverse impacts from COVID 19 have reinforced the relevance of the LASED II project. Accordingly, the RGC requested the Bank’s assistance to help prepare and fund the proposed LASED II project, building on and extending the results of the pilot project (LASED I).

Relevance to Bank Assistance Strategy: The project’s PDO was strongly aligned with the Bank’s Country Engagement Note for Cambodia (2015/16). It emphasized a priority “to generate opportunities for the poorest to build assets and develop income earning opportunities”, “to contain risks to vulnerable population while reducing poverty further”, and where “land tenure security and SLCs” were major themes. Accordingly, the Bank group included LASED II among the portfolio of new investment projects. Also, LASED II PDO continues to be highly relevant with the Bank’s Country Partnership Framework/CPF (2019-2023), which emphasizes the priorities of supporting increased agricultural productivity and diversification, and the vital role of the SLC approach “which continues to contribute to reducing rural poverty and enhancing equitable growth through land distribution to the landless and land-poor households.” (CPF). Accordingly, the CPF and LASED II are highly relevant with Government’s strategies as outlined above, while building on and expanding on the results of the LASED Phase I pilot project. As stated in Section 2, the project’s PDO and implied level of ambition, which was further updated at the mid-term review (2019), aims to provide “substantial” improvements in terms of provision of core infrastructure works (with a baseline of zero in most cases) and improved agricultural services (as reflected by high adoption rates of beneficiary farmers).

However, despite the PDO being highly relevant to government development and to World Bank assistance strategies for Cambodia the project’s objective “to help improve target beneficiaries’ access to agriculture resources and selected infrastructure and social services in project communities” was weak reflecting a very low level of ambition. Nevertheless, the PDO indicators defined in the project appraisal document suggest that substantial outcomes from the project were expected which shed a more positive light on the meaning of “to help improve” in the PDO statement. On that basis the relevance of objectives is rated substantial.



Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To help improve target beneficiaries' access to agriculture resources in project communities.

Rationale

The PAD did not include a theory of change (ToC) because it was not required when the PAD was written. The ICR reconstructed a ToC for the project, which was consistent with its overall objective, components and implementation strategy (ICR, Figure 1, para. 7).

Theory of Change: The ToC identifies clearly prioritized activities to help achieve the following key outputs and intermediate outcomes with respect to achieving objective 1: processing of individual SLC land titles; provision to new land recipients of initial land preparation, including cover crops; farmer adoption of improved agricultural technologies; establishment of agricultural marketing plans, including contract management; funding and implementation of small-income generating subprojects. Accordingly, these outputs/intermediate outcomes are expected to achieve the outcomes/impacts of increased household incomes and nutritional security, as evidenced by: documentation of ownership rights by land recipients; land in SLCs under productive use with SMP; improved agricultural productivity; generation of revenues from subprojects for land recipients. Together, these outcomes are expected to contribute to the longer-term impacts of reduced poverty and enhanced resilience of the rural population and communities.

The four critical assumptions for this ToC was that: (i) Government remained committed to awarding titles to all land recipients who meet eligibility; (ii) land recipients adopt improved extension services and profitable/sustainable technologies; (iii) farmers' group members will make profitable use of funding from their revolving fund groups; and (iv) there would be progress in promoting an expanded role for the private sector in input and output markets, and in expanding access to finance.

Strategic Outputs: (linked to achieving objective/outcome 1; ICR did not provide data on original/revised targets)

Sub-component 1: Social Land Concession Investment Planning and Prioritization

- i) 3,987 families at 13 sites received land titles;
- ii) 650 land recipients (100%) settled in the new Dong SLC;
- iii) Land use data for 14 sites updated in the Management Information System/MIS;
- iv) 14 villages registered under 12 SLC sites.

Sub-component 2: Land preparation and Infrastructure Development

- i) Settling-in assistance provided to 650 LRs, including agriculture, residential and housing packages;
- ii) Preparation of 2,565 has. at new and existing SLC sites;
- iii) Provision of 25,650 kg of mung bean seeds and 133,380 cashew tree seedlings.

Sub-component 3: Agriculture and Livelihood Development



- i) 930 training courses prepared/delivered;
- ii) 27,705 participants in training courses;
- iii) 600 demonstration plots implemented;
- iv) 64 Agriculture Production Groups established, with 1,087 members (599 female);
- v) 77,284 chickens vaccinated;
- vi) 101 Revolving Fund Groups established (2137 members, 1341 female), with 767 loans to members.

Outcomes/Intermediate Outcomes (based on ICR, Annex 1):

- (i) Percentage of eligible families that received support for land tenure security:
Baseline: 0%; Original target (OT): 100%; Actual Achieved (at completion): 100%; Actual as % of Target: 100%;
- (ii) Percentage of targeted clients satisfied with agricultural services: BL: 0; OT: 70%; Actual Achieved: 95%; Actual as % of Target: 136%;
- (iii) No. of targeted clients satisfied with agricultural services: male: OT: 1,911; Revised Target: 2,422; Actual Achieved: 1,259; Actual as % of Target: 52%;
- (iv) No. of targeted clients satisfied with agricultural services: female: OT: 637; Revised Target: 1,140; Actual Achieved: 1,795; Actual as % of Revised Target: 157%;
- (v) No. of Target population with use/ownership rights recorded as result of project: BL: 4441; OT: 5,141, Revised Target: 5,091; Actual Achieved: 5,091; Actual as % of Revised Target: 100%;
- (vi) Percentage of land prepared and planted with cover crop: BL: 25%; OT: 100%; Actual Achieved: 98%; Actual as % of Target: 98%;
- (vii) Percentage of land under productive agriculture: BL: 30%; OT: 80%; Actual Achieved: 91.1%; Actual as % of Target: 114%;
- (viii) Hectares of Land Area where sustainable land management practices were adopted: BL: 500; OT: 5,000; Actual Achieved: 4,209; Actual as % of Achieved: 84%;
- (ix) No. of clients who adopted an improved agricultural technology promoted by project: BL: 1,350; OT: 3,640; Actual Achieved: 5,455; Actual as % of Target: 150%;
- (x) No. of clients (females) who adopted an improved agricultural technology promoted by project: BL: 350; OT: 910; Actual Achieved: 2,788; Actual as % of Target: 306 %;
- (xi) Percentage of targeted clients who are members of an association: BL: 8; OT: 90%; Actual Achieved: 79%; Actual as % of Target: 88%;
- (xii) No. of targeted clients (male) who are members of an association: BL: 234; OT: 3,510; Revised Target: 3,115; Actual Achieved: 1,102; Actual as % of Revised Target: 35%;
- (xiii) Percentage of targeted clients (female) who are members of an association: BL: 121; OT: 1,170; Revised Target: 1,466; Actual Achieved: 1,667; Actual as % of Revised Target: 114%;
- (xiv) Household Food Insecurity Access Scale Index: BL: 100%; OT: 50%; Actual Achieved: 1%;
- (xv) Percentage of beneficiaries that feel project investments reflected their needs: BL: 0%; OT: 75; Actual Achieved: 88%; Actual as % of Target: 117%;
- (xvi) No. of beneficiaries (female) that feel project investments reflected their needs: BL: 0; OT: 731; Revised Target: 1,222; Actual Achieved: 1,413; Actual as % of Revised Target: 116%;
- (xvii) No. of beneficiaries (male) that feel project investments reflected their needs: BL: 0; OT: 2,925; Revised Target: 2,596; Actual Achieved: 2,479; Actual as % of Revised Target: 95 %;

These intermediate and outcome results, supported by the above-listed outputs, contributed to making substantial progress in achieving Objective 1 of helping to improve beneficiary access to agriculture resources in project communities, with many of the outcome/intermediate outcome targets being met or



exceeded (12 out of 17), and only a few achievements below the original or revised targets (5 out of 17). Therefore, the efficacy with which Objective 1 was achieved is rated substantial.

Rating

Substantial

OBJECTIVE 2

Objective

To help improve target beneficiaries' access to selected infrastructure and social services in project communities.

Rationale

The PAD did not include a theory of change (ToC) because it was not required when the PAD was written. The ICR reconstructed a ToC for the project, which was consistent with its overall objective, strategy and components (ICR, Figure 1, para. 7).

Theory of Change: The ToC identifies clearly prioritized activities to help achieve the following key outputs and intermediate outcomes with respect to achieving objective 2: social infrastructure facilities and roads constructed; productive/economic and social infrastructure provided. Accordingly, these outputs/intermediate outcomes are expected to contribute to outcomes/impacts of expanded access to infrastructure and social services, as evidenced by: effective delivery of social services involving health, education and potable water) and improved mobility within and from SLCs facilitated by built road infrastructure across SLC communities. These outcomes, in turn, would be expected to contribute to reduced poverty, enhanced resilience and sustainable communities.

Two critical assumptions for achieving these outcomes/impacts are: Government is committed to providing adequate and timely funds to help ensure the provision of improved social infrastructure and services; farmers' group members will take an active role in promoting, accessing and sustaining improved economic and social infrastructure.

Strategic Outputs:

- (i) Infrastructure needs identified and planned for all 14 sites;
- (ii) Completion of roads (kms.) (repaired, new, upgraded, new laterate): OT: 313; Revised Target: 341; Actual Achieved: 345: Actual as % of Revised Tgt:101%;
- (iii) Community buildings constructed (No.): primary schools, teacher and nurse houses, community centers, health posts, community markets); OT: 38; Revised Target: 39; Actual Achieved: 39: Actual as % of Revised Target:100%;
- (iv) Small-scale irrigation schemes installed; OT: 11; Revised Target: 8; Actual Achieved:7; Actual as % of Revised Target: 88%;
- (v) Afridev pumping wells installed (No.); OT: 60; Revised Target: 79; Actual Achieved: 79;; Actual as % of Revised Target: 100%;
- (vi) Box and Pipe Culverts (No.): OT: 129; Revised Target: 147; Actual Achieved: 147: Actual as % of Revised Target: 100%;
- (vii) 15 civil works contracts completed.



Intermediate Outcomes/Outcomes

- (i) Percentage of public infrastructure and other services provided as elaborated in AWPB: BL: 0; OT: 90 %; Actual Achieved: 100 %; Actual as % of Target:111%;
- (ii) No. of targeted clients (male): BL: 2,940; OT: 3,900, RT: 3,467; Actual Achieved: 3,467; Actual as % of RT: 100%;
- (iii) No. of targeted clients (female): BL: 1,500; OT: 1,300; RT: 1,624; Actual Achieved: 1,624; Actual as % of RT: 100%;
- (iv) Percentage of beneficiaries that feel project investments reflected their needs: BL: 0; OT: 75%; Actual Achieved: 88%; Actual as % of Target: 117%;
- (v) No. of beneficiaries (male) that feel project investments reflected their needs: BL: 0; OT: 2,925; Revised Target: 2,596; Actual Achieved: 2,479; Actual as % of Revised Target: 95%;
- (vi) No. of beneficiaries (female) that feel project investments reflected their needs: BL: 0; OT: 731; Revised Target: 1,222; Actual Achieved: 1,413; Actual as % of Revised Target: 116%;

The intermediate and final outcomes contributed to making substantial progress in achieving this objective of helping to improve target beneficiaries' access to selected infrastructure and social services in project communities. Most of the intermediate and final outcome targets were met or exceeded (5 out of 6), and only one target was below the original or revised targets (1 out of 6). Therefore, the efficacy with which Objective 2 was achieved is rated substantial.

Rating
Substantial

OVERALL EFFICACY

Rationale

The efficacy of the extent to which the two objectives and corresponding original and revised targets were achieved was Substantial. By project completion, the vast majority of the intermediate and final outcome targets were met or exceeded (17 out of 23). The targets for the two core PDO indicators were achieved 100% (i.e., percentage of eligible farmers receiving support for land tenure security and percentage of public infrastructure and other services provided). The project supported the building of a network of accessible productive and social infrastructure, which enabled land recipients to settle in the SLC sites, reach agricultural markets and traders, and develop other sources of livelihoods. Other complementary evidence provided in the ICR and various evidenced-based evaluation studies support and justify this overall conclusion and rating, notwithstanding the possibility that some outcomes may not be wholly attributable to this project as discussed above. At the same time, the ICR highlights a number of relatively minor shortfalls in the project's achievements, namely some male clients were not satisfied with agricultural services; land area with sustainable land management practices not adopted; males who are not members of a producer group).

Overall Efficacy Rating



Substantial

5. Efficiency

Overall, the project performance and results demonstrated an efficiency rating of Substantial, based on various evidenced-based tool applied and qualitative analyses presented in the ICR (paras. 45-54, and Annex 4, and also informed by various supporting and independent studies). The economic and financial analyses (EFA) benefit streams comprised two main categories/sources --- incremental agricultural benefits and non-agricultural benefits, coupled with the relevant incremental cost streams, comprised of project costs/investments, estimated costs of agricultural-related activities to sustain production, and O&M costs for completed irrigation and road infrastructure (covering a 10-year period, 2016-2025). The data sets and assumptions were based on LASED II's online MIS results, project monitoring and technical reports, project endline survey, and the Government's Project Completion Report (PCR, 2021).

The results of the EFA confirmed that the project investments yielded a substantial net positive impact from farm and non-farm gains, based on both the financial and economic analyses.

Financial Analyses: The main financial assessment was based on using financial prices to assess the farm/beneficiary level profitability of "representative" agricultural production models used by land recipients (as a proxy for farm income). The ex-post estimates of the annual profits of different cropping models ranged from US\$355 to US\$1,505 per ha for crops, and from US\$133 to US\$202 per household for chicken production and aquaculture. These results compare favorably with US\$268 to US\$815 per ha estimated at appraisal. In addition, households who have non-farm income sources reportedly earned an average of US\$1,238 per year from employment, such as work in factories, and US\$2,392 per year from family-owned small businesses (ICR, para. 47).

Economic Analyses: The economic analyses also was based on the representative farm models, using economic prices, for 2 scenarios. Under the "with irrigation" scenario, the ex-post EIRR was estimated at an attractive 32.2%, almost identical to the ex-ante estimated EIRR of 32.3%. The incremental benefit streams from both farm (mostly irrigated area of about only 500 has., which was a small portion of potential irrigable area, with irrigation distribution network; ICR, para. 49) and non-farm gains triggered by project investments, and accounted for all variable project costs. Under the "without irrigation" scenario (accounting for about 90% of the project's investments) the ex-post EIRR was estimated at 34.8%, also very close to the ex-ante EIRR of 35.7% (ICR, para. 47). The figures below show only the "without" irrigation development scenario. It is noted that to realize the full benefits of the irrigation investments requires further investment in water distribution infrastructure. The scale of the project's irrigation coverage was relatively small (only 395 has., a small proportion of potential irrigable area, once distribution network is established) and, thereby, has limited its economic impact on the project. This explains why the results of the EFA under the "without irrigation" scenario are more attractive than those under the "with irrigation" scenario. The ICR provides further results showing positive estimated Net Present Values and B/C ratios, consistent with the ex-ante estimates (ICR, para. 47).

A sensitivity analyses was carried out to simulate the impacts of LASED II under more challenging conditions, including: (a) increased costs; (b) reduced benefits; and (c) delayed benefits. The analyses was applied to the "with irrigation" scenario, and shows the project's robust viability, with the EIRR about 14% (e.g., with cost increases of 30%, or benefits decrease by 20%, or benefits delayed by one year (ICR, para. 48, Annex 4).

Also, the ICR provides evidence to support the conclusion that the implementation efficiency was Substantial, based on a disbursement rate of 93% of allocated funds, and other efficiency evidence regarding cost-



effectiveness of project activities). For example, the transparent procurement methods followed by the project resulted in cost savings which were used to finance other support services (ICR, para. 51).

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	34.80	90.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	35.70	90.00 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Based on the project's substantial relevance, efficacy and efficiency, this ICRR concludes that the project's achievements had only minor shortcomings and its overall outcome is therefore rated Satisfactory.

The basis for the three ratings that determined the project's overall outcome rating are as follows:

(1) **Substantial rating for relevance of PDO**, is based on the project's strong alignment with: the Royal Government of Cambodia's SLC policy, national development strategies (five-year periods, from 2006 onwards), which placed the project's SLC integrated model as a core component of its inclusive development strategy; and the Bank's Country Engagement Note and CPF for Cambodia (from 2015 onwards), which recognized the vital role of the integrated SLC approach to promote increased agricultural productivity, diversification and increased incomes of rural low income families, and building on the results/lessons from the IDA-financed LASED pilot project, and PDO indicators which suggested that substantial outcomes from the project were expected which shed a more positive light on the meaning of "to help improve" in the PDO statement.

(2) **Substantial rating for efficacy**, based on the evidence of the project's results in meeting the majority of the project's outcome/intermediate/output targets (17 out of 23), based on the provision of land tenure security, key public infrastructure (100% of targets for different types) and vital services to target beneficiaries.

(3) **Substantial rating for efficiency**, as reflected in the attractive financial returns to beneficiary farmers and economic returns/EIRR from the project's infrastructure investments, coupled with other efficiency (procurement-based) gains which enabled some costs savings, and increased investments.

a. Outcome Rating



Satisfactory

7. Risk to Development Outcome

There is **Substantial risk** to sustaining the project's outcomes and expected impacts, similar to the substantial risk highlighted at the project's appraisal. It is noteworthy that the Government and Bank project team developed an Exit and Sustainability Strategy one year before project closing date (ICR, para. 73), which endeavored to address all of these risks (as outlined below) in the project's annual work plan. The ICR highlights the 4 main risks, which involve 2 major risk categories --- financial and institutional, but provides limited specific information regarding the main risk-mitigating measures (ICR, paras. 103 - 106). Accordingly, it will be vital for the Bank's LASED II team to help ensure the relevant Government entities take the required appropriate actions and risk-mitigating measures, including the effective and timely implementation of the project's sound exit and sustainability strategy.

(1) **Financial Risks:** there are 2 financial risks, as follows, with their mitigating measures:

(a) **High Debt Ratio and Farmer Financial Fragility:** Even though household income of beneficiaries has increased, their financial status remains relatively insecure, given their baseline socioeconomic situation. Most households rely on more than one source of income, which is a good sign of resiliency. However, since 2019, 71 percent of surveyed farmers have taken out loans, and some farmers leveraged their prospective land titles as collateral, using the same collateral for multiple loans 27 percent of the time (source: Government's end-line assessment study, 2021). On average, the farmers surveyed had US\$1,255 in outstanding debt (average of 1.3 percent monthly interest). This high debt is compared to actual profit from on-farm activities ranging from US\$355 to US\$1,505 per ha. To mitigate the potential risk of undue indebtedness, government officials conducted a communication campaign to sensitize land recipients about the dangers of excessive debts. More specifically, the Bank's project team provided additional clarifications to IEG with respect to specific follow-up actions: (a) facilitating access to "fair" financing, including through information dissemination on various financing options and associated interest rates, awareness raising on the need to prioritize borrowings for financing profitable activities, including non-farm enterprises; and (b) continued support to established RFGs and to new ones, which will also be supported by the LASED III project.

(b) **Operation and maintenance of infrastructure.** LASED II investments in physical infrastructure will require adequate ongoing O&M funding/activities to provide full and ongoing benefits to land recipients and SLC communities. The endline survey conducted by the RGC revealed that some roads are already deteriorating, and the project's exit and sustainability strategy has not sufficiently addressed the capacity of commune resources and experiences to manage and operate infrastructure and facilities. The project is handing over community infrastructures to the relevant provincial departments, districts, communes, and communities in line with the Royal Government of Cambodia (RGC) decentralization policy. O&M budgets for local community infrastructure will be (or supposed to be) included in the O&M budgets of the respective communes, while O&M budgets for other infrastructure, such as access roads and small-scale irrigation schemes, will be included in the O&M budgets of the respective provincial departments. However, the overall annual O&M commune budgets are limited and there are competing priorities. The ICR did not specify a mitigating measure for this risk, although it was implied that the relevant Government entities, spurred by the Bank's LASED II agricultural team, will follow up to ensure the required level of O&M funding is allocated to the relevant government entities. Subsequently, the Bank project team confirmed to the IEG evaluator that



the Bank will be following up on these actions through the project's exit and sustainability strategy and implementation of the follow-up LASED III project.

(2) Institutional Risks: There are two components of these risks which were correctly highlighted in the ICR:
(a) Land title issuance. At the time of the ICR, the government had provided land titles to all eligible households and had a good record of the status of eligibility for land recipients from the new Dong site (who had not received land titles by the time of the closure of LASED II). The efficiency of title issuance has improved, and the RGC has demonstrated its commitment to ensuring that every eligible land recipient receives a title. The SLC process will continue into LASED III, which will support continuity in the process. Through LASED II, the Bank's follow-up with the relevant authorities will help ensure there is sufficient support to ensure that the titling process will be completed as planned for the land recipients in the Dong site.

(b) Access to services and technology. To maintain productivity, beneficiary land recipients will need continued access to services and technology. The project has been successful in setting up an effective extension delivery system, which provides a good framework to build on, including properly designed on-farm demonstrations of improved technologies and cultural practices. The Provincial Departments of Agriculture, Forestry, and Fisheries (PDAFFs) are responsible for the continuous delivery of extension services to land recipients and will, therefore, need dedicated resources and technical capacities to provide ongoing support to them. Similar to the above other risks, the Bank project team confirmed to the IEG that the Bank will be providing follow-up monitoring and support through the effective implementation of the project's Exit and Sustainability Strategy, the follow-up LASED III Project, and the Bank's periodic portfolio dialogue with Government.

8. Assessment of Bank Performance

a. Quality-at-Entry

The ICR (para. 96) provided evidence on the following positive aspects of the Bank's role at project entry:

- (i) During the design and appraisal stages, the project was strongly aligned with both the Bank's and Government's strategy agendas and programs, especially building on the lessons from LASED pilot phase;
- (ii) the PDO and key indicators, key indicators and targets were generally well-designed, measurable, mostly achievable, and indicative of the broader development outcomes/intermediate outcomes;
- (iii) LASED II was based on existing legal and operational frameworks, enabling through the pilot phase;
- (iv) The project design accounted for technical and cross-cutting elements comprehensively, from the outset, including gender aspects;
- (v) Fiduciary arrangements were sound and environmental and social issues were adequately assessed;
- (vi) Implementation arrangements were complex, but matched the agencies' respective roles, jurisdiction, capacities and decentralized nature of government in Cambodia;
- (vii) The project's M&E arrangements were somewhat complex, given the various levels of Government involved.



Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

a. Quality of supervision

The quality of supervision support was **Satisfactory**, based on the evidence provided in the ICR (paras. 97 - 100), and other supporting project documentation, especially Implementation Support Reports (ISRs). The positive aspects during supervision included the following evidence:

- (i) the Bank's project team focused on development impact and anticipated challenges to achieving the target outcomes, working closely with the counterparts, to agree on key agreed actions and their timeline. The Bank's task team conducted eight implementation support missions and addressed the client's concerns and requests in a timely manner. Aide Memoires and ISRs consistently reinforced the focus on development objectives, monitored compliance, highlighted key challenges and next steps, and followed-up to ensure issues were resolved;
- (ii) Supervision of fiduciary and safeguards performance was comprehensive and specialists in procurement, financial management, and environment and social (E&S) safeguards actively participated in missions. Fiduciary and safeguards issues were adequately addressed;
- (iii) Based on reporting discrepancies, the World Bank conducted extensive discussions and TA support to ensure consistency of data to track important metrics like the number of land recipients, their progress in meeting eligibility for titles, and those remaining to receive titles;
- (iv) While project staff capacity and turnover were challenges for the Government, the Bank team assisted in maintaining continuity (with a stable Cambodia-based task manager and technical team), foundational knowledge and skills for best practice in project management and implementation. Based on demand from counterparts, the Bank's technical staff conducted periodic trainings on financial management, procurement, M&E, communications, and safeguards. Accordingly, these communications/interactions enabled the Bank and Government counterparts to develop a high degree of trust and productive working relations.

At the same time, the ICR highlights several weaknesses/shortcomings, especially with respect to proper planning and coordination of diverse project activities could have been anticipated and addressed more effectively on the part of the Bank's project team, together with counterparts (ICR, para. 98). For example, the project was challenged by multiple factors in choreographing land use planning and preparation to encourage legal settlement of land recipients. The infrastructure construction to support beneficiary access to sites could have been earlier to better align with the start of the planting season, but not so early that informal settlers occupy the SLC sites. Similarly, settling-in assistance packages could have been procured and disbursed on a rolling basis to match the timing of land recipient occupation. The World Bank team could have performed more due diligence, drawing from the experience of the LASED pilot, to ensure that the planning and coordination mechanisms were in place to minimize delays in the settlement of land recipients.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating



Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The project's reconstructed Theory of Change and Results Framework (formulated at appraisal) provided a clear, consistent framework to monitor progress towards meeting the PDO and its targets. The PDO and key indicators/targets were defined and measurable, and their selection built on experience in measuring impact under LASED I. A comprehensive MIS was set up to capture, process and analyze large amounts of data. At the same time, this ICRR has noted that the PDO was formulated in general terms ("to improve access..."), therefore, warranting precise and measurable M&E indicators, and reflecting an appropriate level of "ambition" (ref. to the discussion in Section 3).

b. M&E Implementation

The ICR provided a candid assessment of the implementation of the M&E system, overall positive, with a slow start-up, addressing effectively some challenges during implementation. The key aspects included:

- i) the baseline survey was completed in 2018, followed by a transition in data management and systems (ICR, para. 78 provides further details);
- ii) The roles and responsibilities for data collection were made explicit and refined during implementation;
- iii) Some indicators are much more difficult to collect information for, and the implementing entity/CDAF needed to cover a lot of physical ground. Quality assurance of data was conducted at a subnational level, but according to the ICR was not always effective in eliminating inaccuracies;
- iv) The tools used to collect, store, and analyze the data evolved over the life of the project to incorporate digital solutions, also considering COVID conditions and technical capacities. The Bank team provided technical support and training; and
- v) a comprehensive data collection and evaluation exercise was conducted for the project's endline survey and completion report (involving surveys of 510 households, 14 key informant interviews, 7 focus group discussions, and semi-structured interviews were conducted with national and local level project officials and local authorities and/or representatives of communities and farmer groups to supplement information obtained from the beneficiary households).

c. M&E Utilization

Overall, the ICR shows that there was generally good utilization of the M&E information generated by the project, with respect to various aspects:

- (i) the M&E data were relevant for supporting title insurance. Land titles were provided based on a set of eligibility criteria. Close monitoring of land recipients' activities and proper documentation of eligibility was essential to ensure that the provision of land titles was efficient and accurate;
- (ii) For project management, the M&E data were used to assess and inform implementation progress through documents like the project progress reports, Implementation Status and Results Reports (ISRs), Interim Financial Reports (IFRs), and the mid-term review. Data were also utilized to identify issues and determine course corrections (e.g. monitoring the number or trend in grievances). If an area of the project was starting to underperform, it was flagged for both the project management and the World Bank to work collaboratively towards a solution;



- (iii) Data from the endline survey was translated into a Project Completion Report/PCR which provided core inputs for the Bank's ICR, including a summary of impact, operational performance, and lessons learned;
- (iv) the MIS infrastructure under LASED II is being used to store and manage data from LASED III; and
- (v) RGC has identified the potential role of this MIS as a database for the Ministry of Land Management, Urban Planning and Construction (MLMUPC's) entire portfolio. The RGC also noted that the same data should be collected in LASED III and analyzed to demonstrate impact over a longer time horizon in the project sites, which could help reinforce the sustainability strategies/actions for LASED II.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project is classified in Environmental Category B (partial assessment) because the typologies of project activities induced minimal, short-term environmental and social impacts. The project triggered six safeguard policies: Environmental Assessment-Environmental Management Plan (EA-EMP) (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), Safety of Dams (OP/BP 4.37), Physical Cultural Resources (OP/BP 4.11), and Involuntary Resettlement (OP/BP 4.12). A Resettlement Policy Framework (RPF) was prepared by the client to address potential impacts from land acquisition and asset loss. All safeguard instruments used on the project were prepared and disclosed (in 2016) at the project and World Bank websites. Overall, the project complied Satisfactorily with all triggered safeguard policies (ICR, paras. 85 and 86 provide evidence). The Bank provided technical assistance and capacity building for various entities in the design, implementation and compliance of the various safeguards (ICR, para. 87).

Project investments had minimal environmental and social impacts during implementation. The project complied with all environmental policies. The project complied with all social safeguard policies, although in the initial years documentation on voluntary land donations (for community infrastructure) were not properly carried out, and subsequently corrected.

The project included a Grievance Redress Mechanism (GRM) to address concerns of individuals and groups who may consider themselves adversely affected by the project.

During project implementation, 143 grievances were received and resolved properly by the GRM Committees at the local and provincial levels. The grievances related to land recipient selection, encroachment, especially in Dong, temporary use of public lands and land demarcation.

b. Fiduciary Compliance

(i) Financial Management (ICR, para. 94): The project exhibited an adequate financial management system, based on the following evidence:

(a) project implementation exhibited clear and sound institutional roles and arrangement in financial management, consistent with the Government's Standard Operating Procedures on FM;



- (b) FM was supported by a clear accounting system, software, financial policies and procedures and implementation manual, based on a decentralized FM model;
- (c) the implementing agency led a sound approach to preparing and monitoring the annual work plan and budget, in coordination with other relevant entities;
- (d) Interim (unaudited) financial reports submitted mostly on time; unqualified reports by an independent external auditor of the annual project financial reports, who identified several weaknesses in the FM system, to be addressed.

(ii) Procurement (ICR, para. 93). The project's overall procurement performance was satisfactory, based on the following evidence:

- (a) Applied clear responsibilities and accountabilities, consistent with the Government's Standard Operating Procedures and IDA guidelines;
- (b) Procurement staffing was adequate and competent (at national and commune levels), enabled by hands-on experience and training provided by the Bank's procurement specialist/team;
- (c) The annual procurement plan was well coordinated with the project's overall annual work plan.

c. Unintended impacts (Positive or Negative)

The project's unintended impacts extended beyond the target beneficiaries to the populations surrounding LASED II SLC sites. These other beneficiaries included other farm households who benefitted from the project's improved infrastructure and services (e.g., access to roads, schools, and health services), and improved access to markets. Non-targeted local traders and businesses also benefitted from the project's increased production and infrastructure. Roads connected populations to different livelihood/employment opportunities outside of the target communes. While the initial investment in irrigation systems and reservoirs helped farmers reduce costs and increase efficiency and crop yields, these investments also presented an unanticipated public health threat (i.e., a small number of land recipients initially drew the untreated reservoir water for household use). Accordingly, the project implemented a behavior change campaign to educate land recipients on avoiding these health risks (ICR, para. 50).

d. Other

The Bank's project team provided IEG with additional summary information regarding the project's other effects with respect to promoting private sector development. Private sector engagement in the LASED II beneficiary communities, including individual farmers and agricultural cooperatives (AC), increased during implementation through contract farming arrangements involving cooperation/partnership between farmers and traders, and also through the establishment of shops and service providers in and around the project villages. Facilitation of the initial business contacts between ACs and traders was made by development partners such as GIZ (German International Cooperation) and the PDAFF (Provincial Department of Agriculture, Forestry and Fisheries) extension services of the Ministry of Agriculture, Forestry and Fisheries. However, these developments came to a standstill with the pandemic-related restrictions and the economic downturn during COVID. In order to regain momentum in private sector interactions with project communities, these facilitators have been instrumental in the post COVID era, facilitating matches between farmers/ACs and traders, and promoting awareness and importance of quality of agricultural products and providing related training, all of which are now an integral part of LASED III.



11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

The ICR presents eight lessons (ICR, paras. 107 – 114). The section below consolidates key aspects of these lessons into four lessons which potentially have broader application than Cambodia.:

(a) **Lesson 1: Ensuring adequate political commitment and an enabling policy environment are vital for the successful implementation of a project:** This project was based on a clear and approved legal framework for land titling which was championed by the most senior Government official in the Ministry of Land Management, Urban Planning and Construction (MLMUPC), the main implementing entity). This enabling policy environment, supported by strong proactive leadership at a high level, were vital elements supporting this project’s successful implementation.

(b) **Lesson 2: Sound, responsive and flexible planning at various stages of the project cycle help ensure project success:** During this project’s design and implementation, the project exhibited the following positive traits, while addressing the relevant challenges: sound planning approaches, including clear criteria for selection of beneficiaries; participatory planning aspects and realistic timelines, although there were some challenges in setting realistic and “ambitious” targets: land use planning involved relevant community stakeholders and leaders; there was application of scenario planning approaches to identify interdependence of activities and determine the best sequence of delivery (e.g., especially with respect to start-up activities, such as settling-in assistance, provision of infrastructure and social services).

(c) **Lesson 3: Sound integrated, implementation, coordination and communication approaches and mechanisms help ensure efficient/effective implementation and results:** These features, which were exhibited by the project, will help avoid siloed implementation and leverage comparative strengths at various levels (e.g., access to quality extension services and capacity-building to enable smooth transition of agricultural workers into settled farmers; collaboration between communication and infrastructure experts on behavioral change campaigns; mitigation of unintended project effects involving irrigation reservoirs on drinking water).

(d) **Lesson 4: A Sound Exit and Sustainability Strategy Requires Timely Planning.** It is vital to carry out proactive planning for a project’s closure during the last year of implementation through formulating and implementing a sound Exit and Sustainability Strategy. Sound strategies, as in this project, included strong accountability mechanisms and engagement processes with relevant



stakeholders. The sustainability strategy may also support a follow-up phase and/or prioritized activities. In the case of this project, the Exit and Sustainability Strategy provided an effective bridge to LASED Phase III. Also, LASED III is monitoring and following up on the implementation of the Sustainability Strategy for LASED II, which is an added positive lesson for projects with follow-up phases.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was well written, consistent with ICR guidelines, analytical (and guided by a generally sound reconstructed theory of change), credible, sound, results-focused, generally supported by adequate evidence to justify the various assessments and proposed ratings. The main evidence integrated and included in the ICR were the: project's independent evaluation report; the Results Framework (Annex 1) with its corresponding components, indicators, targets (original and revised). The key lessons are well identified and articulated, supported by implementation evidence, with potential application to many other countries.

There were no major substantive and presentational shortcomings in the ICR, although there are four relatively minor presentational and content aspects (e.g., para. 24 of the ICR summarized the PDO, but also misstated it). Subsequently, the Bank's project team for this project provided IEG with useful clarifications on these points (also reflected in the previous sections in this review).

First, the ICR included limited discussion of the role and impact (with some indicators and/or analyses) of the project in contributing to promoting an expanded role of the private sector in the agricultural sector, especially given the project's integrated approach to resource development through increased productivity and promoting non-farm development. The additional clarifications provided by the Bank project team are reflected under Section 10 (Other Effects).

Second, the ICR highlighted one of the main sustainability risks was high financial indebtedness of beneficiary farmers to the banking system to adopt improved technologies, and assuming that a "communication campaign" would be sufficient to address this issue. Also, the project's original intention to support revolving funding groups (RFGs) to enhance access to finance was dropped during implementation for various reasons (ICR, para. 43, especially delays in the implementation arrangements). This was a missed opportunity, especially given the potential link to addressing the high debt issue cited above, and to promoting the expanded role of the private sector in the rural sector. This issue was not clearly included in the Exit/Sustainability Strategy. Subsequently the Bank team provided useful clarifications, namely that various project activities promoted the strengthening of RFGs and Cooperatives, and the Exit and Sustainability Strategy includes actions to promote the expanded role of a sustainable private sector and access to finance, especially through provision of "adapted financial products".

Third, it would have been useful for the ICR to include a brief summary of the main elements of the Exit/Sustainability Strategy, and links to addressing the sustainability issues (paras. 103-106). The Bank



project team provided IEG a copy of this Exit Strategy, which is well prepared, and as stated above, provides a useful roadmap for follow-up support (and which is being followed up through LASED III).

Fourth, it would have been useful if the Results Framework (RF) table had included a listing of the key outputs, especially with respect to showing the original/revised targets and actual achievement of key infrastructure works (e.g., roads, schools, health facilities). These have been provided by the TTL and have now been added above. (Section 4, objective 2).

a. Quality of ICR Rating

Substantial