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EVALUATION REPORT

USAID LAOS MICROENTERPRISE ACTIVITY

SEPTEMBER 2022

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ACRONYMS

ABS	Annual Beneficiary Survey
AOC	Agents of Change
BCEL	Banque Pour Le Commerce Exterieur Lao Public
BS	Baseline Survey
BSF	Businesses Supporting Farming
COVID-19	Coronavirus Disease 2019
DAEC	Department of Agricultural Extension and Cooperatives
DAFO	District Agricultural and Forestry Offices
DICO	District Industry and Commerce Office
EOI	Expression of Interest
EQ	Evaluation Question
ET	Evaluation Team
FAB	Farming as a Business
FGD	Focus Group Discussion
FI	Financial Institutions
FO	Field Officer
FY	Fiscal Year
GESI	Gender, Equality, and Social Inclusion
GOL	Government of Lao PDR
IP	Implementing Partner
IR	Intermediate Result
KII	Key Informant Interview
LAK	Lao Kip
LME	Laos Microenterprise
LNCCI	Lao National Chamber of Commerce and Industries
LOP	Life of Project
M&E	Monitoring and Evaluation
MAF	Ministry of Agriculture and Fisheries
ME	Microenterprises
MEL	Monitoring, Evaluation, and Learning
MOU	Memorandum of Understanding
MSME	Micro-and Small and Medium-Enterprises
MTE	Midterm Evaluation
PAFO	Provincial Agricultural and Forestry Offices
PDR	People's Democratic Republic
PFG	Partnership Fund Grant
PICO	Provincial Industry and Commerce Office
PWD	Persons with Disabilities
Q	Quarter
QPR	Quarterly Progress Report
RFA	Request for Applications
SAEDA	Sustainable Agriculture and Environment Development Association
SCU	Savings and Credit Unions
SI	Social Impact
SME	Small Microenterprises
SMFM	Sell More for More
TOC	Theory of Change
USAID	United States Agency for International Development

USD	United States Dollar
USG	United States Government
WOCCU	World Council of Credit Unions
XCCI	Xiengkhouang Chamber of Commerce and Industry
XFON	Xiengkhouang Farmers Organization Network

EXECUTIVE SUMMARY

The United States Agency for International Development's (USAID) Laos Microenterprise Activity (also called "the Activity") seeks to improve the competitiveness of microenterprises (MEs) in Lao People's Democratic Republic (PDR) and works primarily with farmers and other agriculture-based livelihoods. According to the Activity's original Request for Applications (RFA), the Theory of Change (TOC) for this 5-year activity (2018-2023) is:

If MEs have improved entrepreneurial skills, improved access to technology and capital, are able to reduce operation costs and create market linkages; and, if the government of Lao PDR gives more policy voice to these businesses; then Laos MEs will become more efficient, more effective, and thus more competitive.

ACDI/VOCA is the prime implementing partner (IP), working in partnership with Helvetas and World Council of Credit Unions (WOCCU) as sub-awardees. The Activity works in partnership with the Government of Lao PDR (GOL) Ministry of Agriculture and Forestry (MAF), Xiengkhouang Provincial Agriculture and Forestry Office, (PAFO), and District Agriculture and Forestry Offices (DAFO).

EVALUATION PURPOSE AND METHODS

USAID contracted Social Impact (SI) to conduct a midterm performance evaluation of the Activity to promote greater efficacy and targeted use of remaining resources to aid the Activity in meeting its targeted outcomes. The purpose of this evaluation is to provide USAID, the IPs, and GOL with evidence of what is working with the Activity, what is not, and why, to adapt the Activity for the remaining period of performance. USAID also seeks recommendations on whether the Activity should be granted a no-cost extension and how to focus future agricultural and ME activities beyond the Activity. This evaluation was undertaken by a five-person evaluation team (ET) using a mixed methods approach, including a desk review, qualitative data collected through field-based key informant interviews (KIIs), group interviews and focus group discussions (FGDs), and an analysis of the IP's quantitative data.

KEY FINDINGS AND CONCLUSIONS

The following section provides a summary of all key findings and conclusions organized by evaluation question (EQ). EQ 1 is further broken down by the Activity's Intermediate Results (IRs) and Sub IRs.

EQ 1: TO WHAT EXTENT HAVE THE IRS AND SUB IRS OF THE ACTIVITY BEEN SUCCESSFULLY AND/OR UNSUCCESSFULLY IMPLEMENTED ACCORDING TO THE ANTICIPATED TARGETS AND RESULTS DESCRIBED IN THE IRS/SUB IRS AND TO WHAT EXTENT DO THESE IRS/SUB IRS SUPPORT THE TOC?

IR 1: ME'S ABILITY TO RESPOND TO MARKET IMPROVED

Sub IR 1.1: Entrepreneurial knowledge and skills improved. Sub IR 1.1 includes the two-phase training, Farming as a Business (FAB). Phase I covers calculating a commodity budget and profit, household expenses, marketing, comparing profit and planning farm activities, and division of labor around household and caring tasks. Phase I has reached 9,881 trainees and expects to reach more before the Activity ends.¹ Respondents in KIIs and FGDs demonstrated strong knowledge of the Phase I concepts, which indicates that the training was effective. The ET compared sales figures in the Baseline Survey (BS – 2019) and Annual Beneficiary Survey (ABS – 2021) between the two crops reported in each (maize and rice) and adding the two main livestock (cattle and buffalos): United States Dollars

¹ ACDI/VOCA. (2021). Quarterly Progress Report Q3 FY22, p. 32.

(USD) 1,480 per household for the BS and USD 2,160 for ABS. These comparable values indicate that firms sold more of these agricultural products between 2019 and 2021 after participating in the Activity, which is supported by other evidence including findings from the ABS 2021² of households increasing farm-based revenue after participating in Phase 1 training.

The Phase 2 training, Businesses Supporting Farming, aims “to help farmers realize new opportunities”³ and covers: a recap of Phase 1 unit pricing of commodities; strengths, weaknesses, opportunities, and threats analysis; resource needs; costing a service around a machine; cash flow; marketing; planning; and redistributing tasks carried out by different genders to increase family income. The Phase 2 training has reached 1,515 trainees out of 3,000 targeted.⁴ Respondents were not as readily able to demonstrate mastery of Phase 2 concepts. Phase 2 faced delays due to the COVID-19 pandemic, and there were concerns mentioned by GOL respondents and discussed in Activity reports that the material is too challenging for beneficiaries with limited literacy and numeracy skills.⁵ The IP adjusted the Phase 2 curriculum in January 2022, but those interviewed for this evaluation had not taken the updated course.

Sub IR 1.2: Access to improved technology and innovation increased. The Activity made strong progress on the number of technologies introduced on farms, reaching 27 of the life of project (LOP) target of 33, but the number of individuals with improved knowledge of these technologies in the FY21 Annual Report (representing Year 3) was marked as zero.⁶ Most beneficiaries who saw technology demonstrations felt they were a positive experience and appreciated the technology’s potential to make their work more efficient. However, other respondents were less enthusiastic as the equipment shown was not relevant to their needs or they found it cheaper elsewhere.

Sub IR 1.3: Value chain infrastructure improved. For Sub IR 1.3, the Activity seeks to develop and support distribution models with MEs. The indicators for Sub IR 1.3 include the USD 1.3 million cost share. Sub IR 1.3 also includes the number of firms receiving technical assistance to export their products. The Activity did not report any progress on this indicator in Year 3.

IR 1.3 also includes the Partnership Fund Grants (PFG), a USD 800,000 fund to co-invest in MEs through awarding 350 small grants of less than USD 3,000 and 20-25 large grants of between USD 30,000 and USD 100,000. At the time of the evaluation, the Activity had awarded 40 grants in total from more than 500 expressions of interest (EOIs) received and has another 85 applications in the co-creation stage. PFG began operations in April 2021 and the outcomes under this indicator are dependent on the development of MEs that is fostered in earlier stages of the Activity’s implementation, so this is expected to accelerate as the Activity moves toward the latter stages of its lifecycle. In addition, some IP staff did not demonstrate good understanding of grant operations, which limited application quality. The IP has taken steps to address this issue, including the creation of the performance-based small grants to reach applicants to purchase small agricultural machines, but it is too soon to determine the success of this effort.

² ACDI/VOCA. (2021). 2021 Annual ME Beneficiary Survey Report, p. 7.

³ ACDI/VOCA. (2021). Annual Progress Report: FY21, p. 14.

⁴ ACDI/VOCA. (2022). Quarterly Progress Report Q3 FY22, p. 9.

⁵ ACDI/VOCA. (2021). Quarterly Progress Report Q1 FY22, p. 9.

⁶ ACDI/VOCA. (2021). Annual Progress Report: FY21, p. 70.

IR 1 Conclusions

Sub IR 1.1. Phase 1 (FAB) training has been successfully implemented thus far and is positioned to continue reaching its targets. Calculations confirm that farmers are earning up to 50 percent more using the Phase 1 methods. Phase 2 has been less extensively implemented and the phased delivery approach, also delayed due to COVID-19, is not an optimal learning environment. The IP has made changes to the training content, but it is too early to determine the success of these adjustments.

Sub IR 1.2. The Activity has made good progress in demonstrating technology and raising MEs' awareness of the benefits of innovation. However, not all equipment is relevant for remote farm contexts and the Activity does not always have the equipment to demonstrate for all business types. While this is understandable, the IP can work to make these demonstrations as relevant as possible for the local contexts and specific beneficiaries.

Sub IR 1.3. The IP has struggled to reach its targets for Sub IR 1.3, with 40 grants issued as of Quarter (Q) 3 Fiscal Year (FY) 2022, including 28 PFG. If Phase 2 training had been more extensively implemented before soliciting the grant applications, the application quality could have been improved and the granting process could have been more efficient.

IR 2: ME'S ACCESS TO FINANCIAL RESOURCES INCREASED

The Activity's efforts to increase MEs' access to financial resources has achieved limited success. Respondents expressed doubts about how much potential there is to achieve big changes given the current economic climate and financial institutions' (FIs) hesitancy to take on additional risk. The Activity's efforts have focused on providing training and capacity support to Savings and Credit Unions (SCUs) and other FIs to promote awareness about the challenges farmers face in securing business loans, which has resulted in limited changes to lending practices to make products more accessible for farmers. There is some evidence that FIs are considering more farm-friendly loan options, but these are not yet widespread. SCUs offered their first farm loans in Q3 FY22.

IR 2 Conclusions

Planned outputs and outcomes have shown limited success thus far, but there are signs that financial access is starting to improve, despite the challenges of COVID-19 and the economic downturn.

IR 3: ME'S BUSINESS OPERATION COSTS REDUCED

No progress was reported in Year 3 for IR 3. The original assumptions behind IR 3 proved invalid, as operating costs were already very low or zero for most ME farmers. The existing MEs were of lower capacity than the IP anticipated and the Activity has not been able to meet its goal to help farmers negotiate better prices, obtain bulk discounts on goods and services, and pool resources to operate more effectively as quickly as anticipated or to the scope originally envisioned.⁷ Thus, the Activity has evolved how it counts these cost reductions by utilizing Agents of Change (AOCs) to offer technology and spread it around the community. AOCs purchase equipment that they rent to other farmers, which makes production more efficient by reducing costs for equipment and labor and improves the value chain infrastructure while also subsidizing the AOCs' purchases by recouping some of the original cost. The overall outcome of this work is in line with the original intent, but the approach to reaching the beneficiaries was refined and the rate at which outcomes are achieved has been slower than expected.

⁷ ACDI/VOCA. (2020). Monitoring, Evaluation and Learning Plan, p. 6.

IR 3 Conclusions

IR 3 continues to struggle to define itself and its intended outcomes due to the challenges it has faced related to initial farmer capacity. Stakeholders feel that IR 3 is still worth investing in but it needs creative strategies to succeed. Access to technology has been improved through demonstrations and the creation of AOCs.

IR 4: MES' ACCESS TO MARKET IMPROVED

The Activity made good progress towards IR 4; 7,243 beneficiary MEs have changed their income sources to better access markets, out of a target of 8,352. In addition, the Activity reported that 60 percent of supported MEs, traders, processors, agricultural service providers, and FIs are able to discuss the business enabling environment in public meetings. However, they did not report significant progress towards targets for the number of business environment issues agreed upon in public meetings and the number of MEs linked to other businesses under this indicator in the FY21 Annual Report, although other indicators contribute ME linkages, including the PFG. Efforts to develop the Xiengkhouang Chamber of Commerce and Industry (XCCI) did not report significant changes in FY21, although efforts have continued into FY22.

IR 4 Conclusions

IR 4 is especially challenging in the current implementing context, which includes COVID-19 and accompanying economic challenges and limits on movement, which made going to market and meeting publicly to discuss enhancing the business enabling environment difficult. This situation has made the IP's effort to increase MEs' access to markets particularly difficult.

EQ 1A. WHAT ARE KEY INTERNAL AND EXTERNAL FACTORS CONTRIBUTING TO THE SUCCESS AND/OR INHIBITING PROGRESS OF THOSE IRS AND SUB IRS THAT LACK PROGRESS?

The Activity's partnership with the GOL has contributed to its successes in supporting implementation, but its bureaucratic processes have also inhibited its progress and delayed implementation significantly, with a one-year delay in issuing the memorandum of understanding (MOU) to start training in Xiengkhouang. The GOL at all levels, including ministry, provincial, and district-level offices, stated directly that they feel they can achieve a better understanding of project aims if they were more engaged and that this would also support sustainability.

Two key external factors have impacted the Activity: COVID-19 and the economic challenges that have emanated from the pandemic. The economic situation in Lao PDR has deteriorated considerably since 2019; the Lao Kip (LAK) has been significantly devalued and is currently worth 40 percent of its 2019 value. These economic issues have created huge challenges for the Activity in meeting cost share requirements. COVID-19 also impacted the Activity's ability to implement trainings, increased the time between Phases 1 and 2, and limited in-person demonstrations and the ability to host international trainers and in-person mentors, as well as facilitate meetings with private sector partners.

EQ 1A Conclusions. The Activity's partnership with the GOL brings both positive and negative aspects. The GOL is an eager partner and wishes to be more engaged in implementation and budget management. The primary external challenges have been COVID-19 and the ensuing economic recession. These challenges are still present and must be factored into strategic planning and budgeting to limit their negative influence on the Activity's ability to meet its targeted outcomes and impacts. Despite their limitations, the GOL is a necessary and eager partner in the Activity's implementation and

could be more hands-on in helping farmers find marketing and funding opportunities and identifying promising products that could generate more revenue and would be appropriate for local contexts.

EQ 1B. WHAT ADDITIONAL INTERVENTIONS MAY BE NECESSARY (GAPS IN THE TOC) IN ORDER FOR THE ACTIVITY TO ACHIEVE THE GOAL OF “INCREASING THE ABILITY OF LAO PDR MES TO OFFER PRODUCTS AND SERVICES THAT MEET THE QUALITY STANDARDS AND NEEDS OF DOMESTIC AND INTERNATIONAL MARKETS AT COMPETITIVE PRICE POINTS.”

IP respondents indicated that the key missing element to fully achieve the TOC is the existence of ME groups of sufficient capacity to achieve the results desired by the Activity. Cooperative ME groups are not happening; gains are realized and expressed at the individual or family level. While establishing MEs groups is not part of the Activity’s mandate, many stakeholder groups shared specific ways in which an organized ME group has greater access to resources and support than does an individual ME, including easier access to finance and more development opportunities with and beyond the Activity. Supporting these groups to achieve more formal business status can open doors to achieve the goal of making Lao MEs more efficient, effective, and competitive, but the Activity does not offer this support as part of their training effort. IP respondents indicate that the groups that exist are small, family-focused, and not developed to the extent needed to reach the next level, so they are aware that more support is needed. Some respondents suggested that focusing on a specific sector like cattle or maize would make service provision more efficient. Respondents felt that shifting into production would be counter-productive at this stage.

Another challenge with the TOC is the Activity’s capacity to achieve an implementing environment in which “the government of Lao PDR gives more policy voice to these businesses...” While this goal is a part of the equation to develop more effective private enterprises in Laos, it is an overly-ambitious target for this Activity to achieve within the remaining lifecycle of this project. Given the challenges faced with COVID and economic decline, coupled with the limited capacity of existing MEs at this time (which requires the Activity to focus more of their efforts on this development, as described above), the potential scope of this goal is limited in the next two to three years.

EQ 1B Conclusions. Cooperative ME groups are not happening; MEs are forming simply to become eligible to receive funds but are functioning as individuals or family units, and the Activity is providing limited support to transition to the level of being a formally recognized business entity, which is not included in the Phase 2 training at this time. As the Activity has only shown limited progress in promoting more policy voice to MEs that are not as developed as expected, this goal is unlikely to produce significant outcomes in the remaining project lifecycle.

EQ 1C. WHAT EXISTING INTERVENTIONS MAY NOT BE NECESSARY (PARTS OF THE TOC THAT ARE IRRELEVANT) AND ARE DISTRACTING THE ACTIVITY FROM ACHIEVING THIS GOAL?

The Activity has experienced significant challenges to its TOC and implementation strategy. The Activity has struggled in internal FI reform although efforts to promote FIs’ willingness to offer diversified loan products to farmers have started to make some progress in the most recent quarter with three SCUs issuing loans to farmers. However, this process has achieved minimal success overall. Some banks suggested that it would be more strategic to lend small amounts to farmers and to offer group loans that do not require collateral. The work with the XCCI carries concerns about commitment and capacity to achieve results given the current governance structure and organizational structure.

EQ 1C Conclusions. The original TOC is not workable in the current implementing context of COVID-19 and economic recession. Although FI and Chamber of Commerce and Industry reform are important elements, this element needs long-term support to make progress and may be beyond the range of this Activity, though they have started to see progress in the most recent period. The Activity has seen more success in other areas and could limit the work with XCCI to existing interventions.

EQ 2: GIVEN THE SCOPE AND NATURE OF THE ACTIVITY'S CURRENT INTERVENTIONS, HOW CAN THE ACTIVITY INCREASE ITS ENGAGEMENT WITH COMPANIES IN VIENTIANE CAPITAL AND WHAT ARE THE CHALLENGES THAT LIMIT THIS INCREASE?

The ET met MEs who are trading successfully to Vientiane, and to other locations outside Laos, including Thailand and Vietnam, but they did not attribute this success to the Activity (they credited it to other support they received prior to the Activity). Some beneficiary Mes expressed interest in expanding to markets outside Xiengkhouang but cited COVID-19 lockdowns, lack of information about markets, and transportation of goods before spoilage as challenges. There was little evidence of progress by the Activity in partnering with companies in Vientiane and Activity partners in Vientiane felt the MEs in Xiengkhouang were not strong enough to reach external markets

EQ 2 Conclusions. There is evidence among Activity beneficiaries that they have expanded into new markets, including Vientiane, although this has not been directly due to the Activity's support. The Activity has not yet succeeded in giving a grant to a Vientiane business directly to expand their reach into that market. This type of market expansion is making slow progress; it is unclear what the objective is, given pandemic-related closures and a lack of guidance on why Vientiane is considered a target market for MEs. In addition, many of the MEs are not strong enough to expand to this level at this time.

EQ 3: WHAT SHOULD USAID CONSIDER FOR POTENTIAL MODIFICATION OF THE ACTIVITY, INCLUDING BUT NOT LIMITED TO: (A) A POTENTIAL TIME EXTENSION, STAFFING AND MOU IMPLICATION? AND (B) THE GRANT SIZE I.E. IS THE PARTNERSHIP GRANT TOO BIG AND IF SO, WHAT SIZE SHOULD IT BE?

Granting the Activity a no cost extension would allow the use of remaining funds to implement outstanding elements of the workplan. The IP has a strong plan to continue for one additional year without requiring a new MOU, although a MOU modification is needed, which might take some time). USAID would like to see the IP set up a plan to promote sustainability of the progress made thus far and promote a stronger implementing environment for future activities.

A PFG of USD 800,000 was established by ACDI/VOCA to support technology purchases by AOCs and engagement in market activities by individuals and firms. While this was an appropriate level of funding to meet the USD 1.2 million cost share, COVID-19 and the economic downturn have made this goal challenging to reach. In addition, respondents feel the size of the grants should be reduced to LAK 4–5 million (USD 263-328), rather than the current LAK 10 million (USD 657) minimum. Making the grants smaller would enable awarding smaller grants to a larger number of people and help to alleviate fear around the risk of taking a loan to purchase equipment or make upgrades to their systems. A new funding window is being rolled out for purchasing small agricultural machines.

EQ 3 Conclusions. A no cost extension is welcome and needed to make up the time lost for MOUs delays and COVID-19 lockdowns. All stakeholders are willing to cooperate in a no cost extension, but the approach and timing should be carefully planned to mitigate any delays for a new MOU.

The current USD 800,000 PFG size is appropriate and the IP feels it can still be achieved. The most recent quarterly progress report (QPR) indicates that some success is being achieved in the recent months and there are more potential grants to be awarded, but the process needs to advance more efficiently. Grants are too large and cost-prohibitive for small farmers and individuals to participate in. Reducing their size would make them more accessible to smaller MEs, especially with the devaluation of the LAK making equipment purchases prohibitively expensive; plans are currently in place to do so through the performance-based small grants. Other efforts to promote more awareness of grants and who is eligible for them, as well as more assistance in developing a successful application, would also increase the pipeline of potential beneficiaries.

EQ 4: TO WHAT EXTENT HAS THE ACTIVITY SUCCESSFULLY ENSURED INCLUSION OF WOMEN, YOUTH, PERSONS WITH DISABILITIES, THOSE FROM UNDERSERVED/UNDERREPRESENTED ETHNIC GROUPS, AND OTHER MARGINALIZED GROUPS? HAVE THERE BEEN ANY UNINTENDED CONSEQUENCES OF THIS EFFORT THAT NEED TO BE ADDRESSED?

Women. The 2021 Annual Report states female participation rates are slightly higher than their target of 50 percent, at 53 percent. The Phase I training promotes equality between the sexes in household tasks; 52 percent of trainees observed improved involvement of men in household tasks.

Youth. Despite making up nearly 40 percent of the Activity's beneficiaries, youth are seldom mentioned in QPRs and annual reports beyond consideration of their capacity for using technology. There is no evidence found in the Activity's documentation or in the qualitative data from this evaluation that the needs of young entrepreneurs are being considered in the Activity's development or implementation.

Persons with Disabilities (PWDs). One percent of Activity beneficiaries self-identify as PWDs. The inclusion of PWDs is not a focus of the Activity, beyond stating a commitment to raise awareness and promote their participation and interests in Activity implementation.

Ethnic Groups. There is also good representation of Hmong trainees in the Activity. According to the FY21 Annual Report, the Phase I beneficiaries include 45 percent Lao Loum, 40 percent Hmong, nine percent Khmu, and six percent other ethnic groups.⁸ There is evidence of consideration for needs of Hmong beneficiaries in the training, such as language of instruction and adaptation of methods.

Data in the BS and ABS are seldom disaggregated by sex, age, or ethnicity. Without the expansion of analysis into these demographic markers, the IP does not explore for possible demographic-based inequities in the Activity's outcomes that need to be addressed in their strategic plan.

EQ 4 Conclusions. The Activity has succeeded in reaching its targets for the percentage of female training beneficiaries, and in the inclusion of ethnic minorities in training. While a large proportion of their beneficiaries are youth, there is minimal evidence of the Activity considering their specific needs. Engagement of PWD has been minimal, with one percent of beneficiaries identified as PWD. Disaggregated results are rarely included in the BS report and sporadically for the ABS. The data is in the raw data results, but they have not been reported, including females, youth, and ethnicity.

KEY RECOMMENDATIONS

⁸ ACDI/VOCA FY21 Annual Report, p. 16.

RECOMMENDATIONS BY IR

- IR 1. The IP should maximize the success of the Phase 1 training by expanding to additional locations and streamlining the content so that it is not delivered in two phases. The IP should monitor the success of the Phase 2 revised curriculum as planned and work with beneficiaries to make it as relevant to local business needs as possible, including technology demonstrations. USAID and the IP should expand support offered to MEs that want to register for formal business status and/or form collective groups to promote their capacity to formally organize. The IP should clear their current backlog of PFG applications, inform all current applicants of their status, and ensure sufficient staffing and capacity to support the applicants they take on.
- IR 2. While the SCUs are starting to show willingness to extend credit to farm MEs, the level of investment made thus far does not match the return. The IP should limit further investment of resources into sustaining established relationships rather than expanding to new partners. The IP should continue to roll out of the partnership effort with Banque Pour Le Commerce Exterieur Lao (BCEL) Public Cash One effort to assist MEs to transition to electronic payment systems.
- IR 3. The IP should monitor the success of the AOC strategy as planned as more grants are awarded to see if it will be successful or if it needs to be recast in the TOC for future activities. The IP and GOL should explore potential for more group lending arrangements to enable group equipment purchases. The IP and USAID should rework this indicator to better match how the IR is operationalized.
- IR 4. The IP should limit investment in the work with XCCI and redirect resources to fostering a more hospitable implementation environment for future projects. This can be done in part by investing in further development of the MEs to develop their capacity to achieve the level of operations necessary to foster their own policy voice. This can also be supported by providing more capacity building and relationship development with the GOL, to help them to build these relationships with the MEs and recognize their potential contribution to policy advocacy.

RECOMMENDATIONS BY EQ

- *EQ 1a.* The IP should explore opportunities to engage the GOL more deeply in project management, especially at the provincial and district levels, by encouraging their participation in supporting the MEs. USAID and the IP should seek out more champions within the GOL who have greater capacity to support the project and to promote its sustainability.
- *EQ 1b.* The IP needs to support nascent ME groups. The IP should ensure that the MEs are receiving specific support targeted to their businesses through video demonstrations and by supporting MEs who strive to achieve formal business status with additional training and mentoring.
- *EQ 1c.* The IP should focus on getting funds to MEs and creating a more enabling environment by leveraging and expanding the success of programs the Activity does well, including expanding entrepreneurial and ME development as demonstrated through the documented efficacy of their training portfolio; expanding the profitability of MEs through the work of AOCs; promoting ME groups and formalizing businesses to help them grow; and promoting desirable partners who support MEs and AOCs.

- *EQ 2.* The IP should work with stakeholders to support MEs more extensively and effectively to identify expanding markets and find strategies to access them directly and with assistance from local government, as well as through IP mentoring of MEs as part of the co-creation process to identify markets that are suitable for their products and create strategies to reach them, taking into account the current implementing context (e.g., if mobility is limited due to COVID-19). Given the lack of success in giving grants to Vientiane businesses, the IP should focus on enabling Xiengkhouang MEs to expand their capacity to reach promising markets through the requested training and support for building connections with purchasers outside of Xiengkhouang, and transporting their products efficiently to maintain maximum quality.
- *EQ 3.* USAID should grant the Activity a one-year, no-cost extension, which will avoid some of the time-intensive process of establishing a new MOU and provide more time for implementing the original plan with greater focus on developing the ME groups. The Activity should focus on what is most likely to achieve measurable impact over the next two years, including expanding the capacity of the GOL to support implementation more closely and creating new market linkages and value chains by investing in business development upstream.
- *EQ 3.* USAID and the IP should reduce the size of the grants and increase the number of recipients planned while also making the matching portion of the grants more affordable and relevant to MEs.
- *EQ 4.* The IP's current data quality practices should be improved with consistent methodologies and analyses of demographic markers to track, learn from, and address any inequities that exist in the outcomes achieved.
- *EQ 4.* The IP should create feedback mechanisms for targeted marginalized groups to capture their differing needs, expectations, and experiences, and develop strategies to address these points, including better alignment between the BS and ABS so that these data are comparable.

EVALUATION PURPOSE

The United States Agency for International Development's (USAID) Laos Microenterprise Activity (also called "the Activity") seeks to improve the competitiveness of microenterprises (MEs) in Lao People's Democratic Republic (PDR) and works primarily with farmers and other agriculture-based livelihoods. According to the original Activity Request for Applications (RFA), the Theory of Change (TOC) is:

If MEs have improved entrepreneurial skills, improved access to technology and capital, are able to reduce operation costs and create market linkages; and, if the government of Lao PDR gives more policy voice to these businesses; then Laos MEs will become more efficient, more effective, and thus more competitive.

ACDI/VOCA is the prime implementing partner (IP), working in partnership with Helvetas and World Council of Credit Unions (WOCCU) as sub-awardees. Within Lao PDR, the Activity works in partnership with relevant Government of Lao PDR (GOL) ministries at the national and sub-national levels, including the Ministry of Agriculture and Forestry (MAF), Provincial Agriculture and Forestry Offices (PAFOs), and District Agriculture and Forestry Offices (DAFOs).

USAID has contracted Social Impact (SI) through the Laos Monitoring, Evaluation, and Learning (MEL) Support mechanism to conduct this midterm performance evaluation of the Activity. The purpose of this evaluation is to provide USAID, ACDI/VOCA and its partners, and the GOL with evidence of what is working with the Activity, what is not, and why, so that they can adapt the Activity for the remaining period of performance. USAID also seeks to understand whether this period of performance should be extended through a no-cost extension, given delays in the Activity start-up due to the GOL's memorandum of understanding (MOU) requirements for all development organizations working in the country, the lockdowns and limited capacity for mobility and face-to-face meetings that has occurred during the COVID-19 pandemic, and other resulting challenges. Finally, USAID seeks to understand how to focus future agricultural and development activities for micro-, small- and medium-sized enterprises (MSMEs) beyond the Activity.

BACKGROUND

Lao PDR is a small, nascent market where the GOL increasingly is engaging with the private sector after decades of a centrally-planned economy and a focus on state-owned enterprises. Growth has been strong recently, averaging 7.8 percent during 2005-2015, in part due to the small starting point and exploitation of natural resources; Lao PDR hopes to graduate from Least Developed Country status by 2024.⁹

Lao MSMEs are a development focus for GOL; they recently launched a drive to support small microenterprises (SME) with the SMEs Promotion Law, the SMEs Development Plan, the Prime Minister's Decree on SMEs Classification, and other policies and procedures to facilitate SMEs development. Currently, 99 percent of registered businesses are small- or micro-enterprises.¹⁰ However, this statistic does not include unregistered, informal SMEs, which play a substantial role in the economy.¹¹ The most recent data available from the International Labor Organization (2017) report that up to 83 percent of businesses in Lao PDR are informal MEs.¹² These businesses face numerous challenges, including insufficient access to:

- 1) **Training and skill-building services:** most MEs lack basic financial literacy and business skills, and their predominantly rural locations are far from the few urban skill centers.
- 2) **Effective technology:** access to and investment in technology for efficiency or growth is extremely low.
- 3) **Appropriate capital:** current interest rates are between nine and 12.5 percent and collateral requirements are 284 percent on average, which are stifling growth.¹³ Only 11 percent of Lao micro- and small- enterprises have a loan or line of credit.¹⁴ According to USAID's 2022 Gender Analysis report, this is "especially problematic for women who tend to lack collateral and have lower levels of financial literacy."¹⁵ This can be especially challenging for young and female entrepreneurs.
- 4) **Competitive prices for goods (inputs/raw materials) and services:** the costs of inputs, such as seeds and fuel, can make the costs of doing business challenging or insurmountable for some aspiring micro-entrepreneurs.

⁹ Refugees, United Nations High Commissioner for. n.d. "Refworld | Laos Set to Graduate from Least Developed Country Status by 2024." [Refworld](#). Accessed May 13, 2022.

¹⁰ Micro-enterprises are defined as enterprises with ten or fewer workers, including the owner and any unpaid family workers

¹¹ USAID. (2018). Request for Application (RFA) Number: 72048618RFA00006. USAID: Thailand.

¹² Daniel F. Runde, Romania Bandura, and Shannon McKeown. (2022). Post COVID-19 Economic and Health Recovery in Laos. Washington D.C.: Center for Strategic and International Studies.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ USAID/Laos Country-level Gender Analysis Report, 2022. p. 22.

EVALUATION QUESTIONS

Considering these challenges, USAID has tasked SI with conducting a midterm evaluation (MTE) of the Activity to promote greater efficacy and targeted use of remaining resources to aid the Activity in meeting its outcomes. This MTE addresses the following Evaluation Questions (EQ):

- 1) To what extent have the Intermediate Results (IRs) and Sub IRs of the Activity been successfully and/or unsuccessfully implemented according to the anticipated targets and results described in the IRs and Sub IRs and to what extent to these IRs/Sub IRs support the TOC?
 - a. What are key internal and external factors contributing to the success and/or inhibiting progress of those IRs and Sub IRs that lack progress?
 - b. What additional interventions may be necessary (gaps in the TOC) in order for the Activity to achieve the goal of “increasing the ability of Lao PDR MEs to offer products and services that meet the quality standards and needs of domestic and international markets at competitive price points.”
 - c. What existing interventions may not be necessary (parts of the TOC that are irrelevant) and are distracting the Activity from achieving this goal?
- 2) Given the scope and nature of the Activity’s current interventions, how can the Activity increase its engagement with companies in Vientiane capital and what are the challenges that limit this increase?
- 3) What should USAID consider for potential modification of the Activity, including but not limited to:
 - (a) A potential time extension, staffing, and MOU implication;
 - (b) The grant size i.e., is the partnership grant too big and if so, what size should it be?
- 4) To what extent has the Activity successfully ensured inclusion of women, youth, persons with disabilities, those from underserved/underrepresented ethnic groups, and other marginalized groups? Have there been any unintended consequences of this effort that need to be addressed?

EVALUATION METHODS AND LIMITATIONS

This MTE was undertaken using a mixed methods approach to the research with strong emphasis on qualitative data collected through field-based key informant interviews (KIIs), group interviews, and focus group discussions (FGDs) with key stakeholders. These data were complemented by a desk review of project documents and an analysis of available quantitative data collected and reported by the IP. A summary of each stage of this methodology is provided below.

BACKGROUND DOCUMENT REVIEW

The MTE kicked off with a review of all background documents that were produced by or are related to the Activity. This included all quarterly progress reports (QPRs) and annual reports produced by the IP, as well as the Activity's Annual Workplans, the MEL and Communications plans, various market analyses and contracting documents, and several studies to promote gender equality within the Activity, including the Gender, Equality, and Social Inclusion (GESI) analysis, the Gender and Inclusive Development Action Plan, and the Time Use Gender Study, which explored gender-based dynamics within Lao PDR households.

The key findings of this desk review were captured by the evaluation team (ET) in a Desk Review Findings, Conclusions, and Recommendations Matrix and used by the ET to inform development of an Inception Report that included the study's planned methodology, detailed schedule, and draft instruments for the qualitative data collection. The Inception Report was shared with USAID and the IP for feedback, was revised and approved; the data collection instruments were then shared with GOL representatives for final review before being operationalized in the field.

DATA COLLECTION

Data collection was primarily conducted in person by three Lao researchers between June 6-20, 2022, with a few interviews that were conducted on a virtual platform by the Team Leader. Data were collected from four districts in Xiengkhouang province: Pek, Phoukoud, Khoune, and Mokmay, as well as from respondents in the national capital, Vientiane. Respondents were chosen by purposive sampling conducted by the ET from a list of beneficiaries and other stakeholders provided by the IP. Targeted respondent categories were defined by the ET in advance and potential respondents were chosen at random from within that category and invited to participate. For any potential respondent who declined to participate, an alternate was chosen at random to replace them and this process repeated until the targeted number of respondents was reached; this method was primarily used in the case of the Activity beneficiaries (i.e., trainees) and other external partners and value-added traders. For the other stakeholder groups (i.e., GOL, IPs, financial institutions [FIs], and other non-profits engaged in implementation), most respondents were eager to participate and made themselves readily available for interviews.

Overall, the ET conducted 60 KIIs and group interviews, meeting a total of 83 individuals, including 51 men and 32 women. The ET met or exceeded its targets for all stakeholder groups except for the Partnership Fund Grant (PFG) grantees; many of these individuals were included in FGDs rather than met with as single individuals. The ET conducted KIIs with seven individuals who were direct project beneficiaries (trainees), as well as three other individuals who had received PFGs, and 16 representatives of the GOL, including four provincial-level representatives from the PAFO and the Provincial Industry and Commerce Office (PICO), three district-level Vice Governors, and six other district-level

representatives from DAFOs and District Industry and Commerce Office (DICO) representatives. Other KIIs included representatives of ACDI/VOCA and their sub-partners, FIs (e.g., savings and credit unions [SCUs], banks, and ACLEDA), partner businesses, and input and value added traders who were engaged by the Activity. Table I below shows the distribution of KIIs and group interviews by stakeholder group and disaggregates group totals by sex.

Table I: KIIs and group interviews (combined) by stakeholder group and sex

STAKEHOLDER GROUP	MEETINGS TARGETED	TOTAL MEETINGS	TOTAL RESPONDENTS	MALES	FEMALES
USAID	1	2	2	0	2
IPs	10	15	23	12	11
GOL	13	16	24	18	6
Beneficiaries	3	7	7	5	2
FIs	4	6	9	7	2
Partner Businesses	6	5	6	2	4
Input/Value Added Traders	3	4	5	4	1
Partnership Fund Grantees	11	3	3	1	2
Lao Non-Profit Associations	3	4	4	2	2
TOTAL	54	60	83	51	32

The ET also conducted 17 FGDs with 82 people, including nine FGDs with a total of 50 individuals from the Lao Loum community. Two FGDs were mixed gender for some of the discussion and then split into men’s and women’s groups; the other seven groups were gender segregated for the entire FGD. In addition, the ET conducted five FGDs with 17 respondents from Hmong communities in Khoune and Mokmay, all of which were gender segregated groups. These groups were facilitated by Hmong interpreters who translated the data back for the ET in real time and the data collector took notes on the interpretation. As written documents in Hmong are illegal in Lao PDR, the ET worked with the interpreters in advance to review the questionnaires and clarify any ambiguous terms. Finally, the ET conducted three FGDs with Sell More for More (SMFM) trainee groups; these were originally conceptualized as group interviews but, with an average group size of five individuals per group, were redefined as FGDs. Table 2 below shows the FGDs, and respondents reached by category and disaggregated by sex.

Table 2: FGDs facilitated by type of group and sex

STAKEHOLDER GROUP	FGDS TARGETED	FGDS COMPLETED	TOTAL RESPONDENTS	MALES	FEMALES
Lao beneficiaries	8	9	50	22	28
Hmong beneficiaries	6	5	17	10	7
SMFM beneficiaries	(KII)	3	15	4	11
TOTAL	14	17	82	36	46

DATA ANALYSIS

Qualitative Data. The qualitative data collected during the data collection phase was analyzed using Dedoose, an industry-standard qualitative data analysis software. The ET developed a codebook that identified and defined the primary codes, or key topic phrases, that the coding team used for the coding process. These codes were based on the EQs and included a code for each of the IRs and their sub-topics, as well as a variety of other themes under discussion in the EQs.

The codebook was an especially important component in this study to enhance inter-rater reliability because the data analysis was conducted by a team of three researchers. Thus, the codebook provided a guide for the ET to communicate the coding definitions for the qualitative analysts to analyze the interview and FGD transcripts, and secondly, for the analysts to communicate and agree upon definitions for the codes being operationalized throughout the coding process. It served as a living document to which all analysts contributed to share enhanced definitions that were applied during the coding process so that the other coders also included this definition in their analyses.

As there were three analysts coding the qualitative data, the Team Leader started the coding process by facilitating an exercise with the coders to compare their application of the codes and identify any potential differences between coders. This step also served to increase the inter-rater reliability by checking the coders' application of the codes and correcting any misunderstandings or misinterpretations that would adversely affect the quality of the qualitative data. Ultimately, the transcripts were coded, and the resulting coded segments were analyzed by the ET and the results are included in this MTE report.

Quantitative Data. This MTE also included analysis of secondary quantitative data collected by the IP in two large evaluative surveys to track benefits for beneficiaries and progress toward Activity objectives. The first of these was the Baseline Survey (BS), carried out in April 2019, and the second was the first Annual Beneficiary Survey (ABS), carried out two years later in April 2021. A second ABS was conducted in April 2022, but the data were not available at the time of this MTE report. The Activity plans to continue to conduct an ABS each year until the end of its intervention in 2023. Ideally, the BS and the ABSs would track the same measures of impact and progress, but this has not been the case.

The raw data from the two surveys were shared by the IP and analyzed by the ET using Excel to validate the findings in the IP's ABS report and to conduct a new analysis exploring additional demographic correlations and disaggregations. The results of this analysis are included throughout this report, including a comprehensive analysis of progress towards IR and Sub IR targets, as well as discussions of how these data demonstrate the Activity's success in achieving its overall goals.

REPORTING AND DISSEMINATION

The ET facilitated a series of interactive workshops to share results with USAID and IPs, including an outbrief presentation for USAID to report on the results of data collection and two Findings and Recommendations workshops for USAID and the IP to present and discuss the initial findings and recommendations prior to the drafting of this MTE report. Once the final MTE report is approved by USAID, the executive summary will be translated into Lao for further dissemination to local stakeholders, as required by USAID.

LIMITATIONS

All social research projects have some limitations to the validity of the data. While no instances of invalid data were specifically observed or documented, Table 3 below identifies some of the potential factors that may influence this MTE'S findings and the measures the ET took to mitigate their impact on the quality of the data collected and reported for this MTE.

Table 3: MTE limitations

LIMITATION OR BIAS	DESCRIPTION	MITIGATION MEASURES
Contribution rather than Attribution	As this study is a performance evaluation, it does not have a rigorously defined comparison group and outcomes cannot be attributed directly to the Activity. Instead, findings will demonstrate contribution of the Activity to results identified.	The qualitative instruments for beneficiaries specifically ask if outcomes can be attributed to the Activity. While this is self-reported, it provides some indication if outcomes can be attributed to the intervention.
Selection Bias	Since both the BS and ABS were conducted by the IPs, these data are subject to selection and response bias. It is also possible that participants responded more positively about the project and the outcomes they have experienced as a result of the project than they would have had independent evaluators been collecting the data.	The qualitative instruments for beneficiaries include questions that seek to triangulate and validate survey results and offer an opportunity to follow up on interesting findings from the annual surveys to gather more insight into the findings through open-ended discussion questions.
Limited Sample Size	Due to the resource limitations of the MTE, the sample includes only a small portion of the Activity's implementation districts, beneficiaries, and local partners, so findings may not be representative of all beneficiaries' and partners' opinions and experiences.	The ET selected the districts for data collection to focus where the Activity is doing the most work, while also including different socioeconomic levels, geographic variety, and ethnic diversity. The ET also used group interviews and FGDs to reach as many stakeholders as efficiently as possible.
Response Bias	GOL rules require that they travel with the ET in Xiengkhouang, and USAID also wished to observe some of the data collection. This could have influenced participant responses as they may have responded more favorably to issues important to GOL when their representatives were present during data collection.	The ET encouraged GOL and USAID to limit their presence to only those interviews and discussions where it was absolutely needed and to act as escorts, but not be present when the questions were asked where possible.

LIMITATION OR BIAS	DESCRIPTION	MITIGATION MEASURES
Delays in data collection	<p>Data collection was delayed for several months seeking GOL approval for data collection. Ultimately, the time required to get GOL approval delayed data collection by several months, which resulted in the ET collecting data concurrently with the IP's ABS, which required some coordination between the two groups and required the ET to change some data collection locations to accommodate their plans. It also means that progress has been made on some indicators since the ET conducted its initial research that are not considered in this report's analysis but are available in the Activity's periodic reports.</p>	<p>The ET tried to plan sufficient buffer time to allow for slight delays in the timeline and to work with the IP to avoid overlapping with their data collection efforts, while still working within other contracting and budgeting parameters.</p>

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

The following section provides a full analysis of all key findings, conclusions, and recommendations for this MTE, organized by EQ.

EQ I

TO WHAT EXTENT HAVE THE IRS AND SUB IRS OF THE ACTIVITY BEEN SUCCESSFULLY AND/OR UNSUCCESSFULLY IMPLEMENTED ACCORDING TO THE ANTICIPATED TARGETS AND RESULTS DESCRIBED IN THE IRS AND SUB IRS AND TO WHAT EXTENT TO THESE IRS/SUB IRS SUPPORT THE TOC?

EQ I FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

The Activity is organized into four IRs and seven Sub IRs. Each of these are defined and analyzed in the following section. The full results framework is available in [Annex I](#).

IR I FINDINGS: MES' ABILITY TO RESPOND TO MARKET IMPROVED

SUB IR 1.1: ENTREPRENEURIAL KNOWLEDGE AND SKILLS IMPROVED

Sub IR 1.1 focuses on developing MEs' ability to respond to the market by increasing entrepreneurs' knowledge and skills. The base training package, Farming as a Business (FAB), is facilitated in two phases: Phase I covers "budgeting per commodity, calculating income and profit per commodity, household expenses, division of labor around tasks, marketing, comparing profit and planning farm activities." By the end of Quarter (Q) 3 Fiscal Year (FY) 2022, Phase I training had already exceeded its original life of project (LOP) target of 9,500, reaching 9,881 trainees and expects to reach even more beneficiaries before the Activity ends.¹⁶

Table 4. Progress towards indicator targets for Goal Level indicators, IR I and Sub IR 1.1

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
Goal: (1) USD sales of assisted firms		USD 27,341,026	USD 36,456,605	USD 61,500,000	↑ to USD 107,253,785
Goal: (2): Percentage of average increase of value of household assets by beneficiary MEs		20%	8%	15%	↑ to 40%
Goal: (3) Percentage of direct beneficiary MEs reporting increased income		72%	35%	60%	↓ to 56%
IR I: Number of MEs applying improved management practices or technologies with United States Government (USG) assistance	Carried over to 2021	8,081	8,950	3,000	↑ to 8,950

¹⁶ ACDI/VOCA. (2021). Quarterly Progress Report Q3 FY22, p. 32.

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
Sub IR 1.1: (1) Number of individuals receiving USG-supported short-term agricultural sector productivity or food security training	4,716	8,701	9,600	8,000	↑ to 9,600
Sub IR 1.1: (2) Number of individuals who have improved entrepreneurial knowledge and skills through USG assistance	Carried over to 2021	8,614	9,500	4,000	↑ to 9,500

As shown in Table 4 above, the Activity has made good progress towards its targets for the Goal Level indicators and the IR 1 target. Five of the six LOP targets have been significantly revised upwards to achieve even stronger outcomes than originally planned.

The 2021 ABS reported that respondents are using multiple tools learned from the Phase I training, including: small business, animal, and crops budgeting; profit calculation; household expenses; making a plan; and marketing training. Respondents in KIIs and FGDs could demonstrate knowledge, and even mastery, of the Phase I concepts such as, how to select crops to make a profit, which indicates that this training was effective and beneficiaries’ knowledge was enhanced by the Activity. As one Hmong male respondent from Khoun expressed it: “We have a better life after we join this program, because we know how to evaluate cost, revenue, and profit.” Another respondent, a Lao Loum female from Pek, shared the following observation:

I applied what I learned, and I found that sometimes, I lost money for some of my cultivation. Before, I didn’t know which farming makes money and which one didn’t. I just thought I made money all the time. Now I know I was wrong... I know to be more selective in choosing vegetables to grow. I look for those that are easy to grow and have low investment cost.

In addition to demonstrating their mastery of Phase I training concepts, comparing sales figures in the BS and ABS between the two crops that were reported in each survey, maize and rice types, and adding in the two main livestock earners, cattle and buffalos, a value of USD 1,480 for the BS and USD 2,160 for the ABS can be calculated. While the BS reports prices per commodity, the ABS does not offer the same breakdown of costs. Thus, some of the increase may be attributed to rising prices, although the period in consideration did not account for current inflation. These comparable values indicate that firms sold more main agricultural produce between 2019 and 2021 after participating in the Activity, which is supported by additionally evidence that participating households are increasing their farm-based revenue after participating in the Phase I training.

Phase 2 of the training, called Businesses Supporting Farming (BSF), aims “to help farmers realize new opportunities ... to stimulate the Agent of Change [AOC] mentality.”¹⁷ By the end of Q3 FY22, 1,515 trainees had received the Phase 2 training out of the total LOP target of 3,000.¹⁸

¹⁷ ACDI/VOCA. (2021). Annual Progress Report: FY21, p. 14.

¹⁸ ACDI/VOCA. (2022). Quarterly Progress Report Q3 FY22, p. 9.

Both male and female respondents from KIIs and FGDs were not as readily able to demonstrate their mastery of the Phase 2 concepts and more often used generalities to describe what they learned and how they applied it. As one respondent described it, “Phase 2 similar content to Phase 1 but more detailed, [we] learned to calculate profit monthly and weekly.” There were also fewer respondents who indicated that they could directly apply the knowledge they learned in Phase 2.

As it is a rice farming season, we implement this knowledge from training into these areas, such as how much fuel needed for a small tractor to prepare land, how much we paid for labor. However, we can't project our revenue, we can only record our capital (money we invested). – Lao Loum Male Beneficiary, FGD Khoun

As stated in the QI FY22 QPR, Phase 2's implementation faced delays due to COVID-19, but there are also concerns among a variety of stakeholders that the material in Phase 2 is too challenging for the beneficiaries.¹⁹ One GOL respondent shared the following observation, expressing reservations about the appropriateness of Phase 2 training concepts for the trainees' existing capacity, as well as for the trainers' capacity to master the concepts themselves, and recommending simplifying it for trainees:

Training in Phase 2 with five lessons is very comprehensive and it is difficult. She [trainer] is not sure how to simplify it to make farmers understand easily. For example, lesson one is about cost-benefit analysis (not sure what it is about, but it is very difficult), lesson two, lesson three short- and long-term plan, lessons four and five [are] about cash flow which is very difficult, cash in and out in each quarter and balance sheets. District trainers are thinking about how to simplify lesson with constructive approach by providing more practical example happened in the village during a training at village. Our two staff trainers also felt difficulty in understanding the Phase 2 training and how to teach farmers. – GOL Representative Khoun

This original Phase 2 training content was more challenging for those who may have limited literacy, numeracy, and exposure to formal education systems and therefore limited skills and capacity for this style of learning environment. The Activity's QI FY22 QPR discusses concerns about the level of Phase 2 training being too challenging for trainees and for the Field Officer (FO) trainers:

To determine if the Phase 2 [BSF] training material is understandable and relevant to Activity MEs ... [an] analysis ... compared the understanding of MEs based on the FO trained to identify weakness in training delivery. The analysis found two weaknesses in the training material (the training on resources and how to use them was too long and too complex, and the FOs misunderstood one topic specifically the aspects of opportunities and threats in the [strengths, weaknesses, opportunities, and threats] analysis), two FOs were found to have specific weaknesses, all material was found to be relevant (most relevant was the cash flow training). The training material was then revised, and all FOs were provided additional training, along with specific training for those with additional needs.²⁰

As these adjustments to the Phase 2 curriculum were reported at the end of January 2022, none of the beneficiaries who were interviewed for this MTE would have received the updated curriculum and service delivery, so the feedback gathered for this MTE is based on the original Phase 2 model.

Another challenge to the efficacy of the Activity's training is also a long delay between training Phase 1 and Phase 2, because the IP's strategy is to implement Phase 1 training, then return for Phase 2 training some four to seven months later. This break between phases results in a long wait for beneficiaries, which was further exacerbated by COVID-19 shutdowns. As one Hmong female beneficiary stated in a FGD in Khoun, “During the pandemic, trainers do not teach us, and we forgot what we learned in the

¹⁹ ACDI/VOCA. (2022). Quarterly Progress Report QI FY22, p. 9.

²⁰ Ibid, p. 25.

training.” Respondents also reported there is limited follow-up and mentoring to apply the training concepts.

The Activity also has a marketing package, SMFM that is facilitated under IR 3: Reduced ME Operating Costs, and is discussed more in that section.

SUB IR 1.1 CONCLUSIONS: Phase I of the training has been successfully implemented thus far, has had its targets revised upward to reflect this success, and is positioned to continue to be successful in reaching its targets. Despite concerns about data quality, even adjusted methods of calculation indicate that firms are earning up to 50 percent more profit in their farming business using the methods taught in the Phase I training.

Phase 2 has not been as extensively implemented and the phased delivery approach is not optimal learning environment for adult learners whose need for timely repetition of new concepts and opportunities to apply them directly in the field to reinforce theoretical instruction is not met by the long break between training phases. Respondents demonstrated less recall about the training concepts and felt more disconnected from training process with the long break between phases, which has been influenced to some degree by COVID-19 limitations. The IP has made some changes to the training content as a result to address some issues and to improve the learning opportunity, but these have been rolled out recently and it is still too early to determine the success of these adjustments at the time of this MTE.

SUB IR 1.2: ACCESS TO IMPROVED TECHNOLOGY AND INNOVATION INCREASED

As shown in Table 5 below, the Activity made good progress in its outputs for Sub IR 1.2, achieving 27 technologies or practices introduced by the Activity through Year 3, compared to the LOP target of 33. However, the number of individuals who have improved knowledge of these technologies was marked in Year 3 as TBD. Given the investment the Activity has made in making virtual access to technology demonstrations available, it seems likely this indicator will have progress to report in Year 4 towards the LOP target of 3,450 individuals, which was revised upwards from 2,000. The Q3 FY22 QPR reports that 957 individuals received demonstrations in that quarter; 54 percent of beneficiaries were female.

Table 5: Progress towards indicator targets for Sub IR 1.2

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
Sub IR 1.2: (1) Number of technologies or practices introduced by the Activity	4	27	31	30	↑ to 33
Sub IR 1.2: (2) Number of individuals who have improved knowledge of technologies and innovations through USG assistance	0	TBD by annual survey in 2022	1,725	2,000	↑ to 3,450

Some of the beneficiaries who participated in KIIs and FGDs had participated in the technology demonstrations and were able to share feedback about their experiences. Most felt they were a positive experience and expressed appreciation for the potential of technology to make their work easier, faster, and thus more efficient. As one Hmong male FGD respondent from Khoun shared, “After joining the

program, I know how to assess equipment that will be used for my business and how to use it properly.” Another Hmong female respondent from Khoune said: “We know using machines in business is better than using humans, but we have no money to buy machines.”

However, a few respondents were less enthusiastic about the experience, as one female FGD respondent from Pek stated, “We just watched the video, nothing changed to our farming as result of the demonstrations. We know using machines will reduce our time and cost.” Another respondent, a Hmong male beneficiary from Mokmay, stated he had not benefitted from an equipment demonstration: “the LME [Laos Microenterprise Activity] did not demonstrate these machines. If we want it, we just need to go and buy it.”

One male from Phoukoud shared that they learned about the technology from the Activity’s demonstration, but chose to buy a different machine that would accomplish the same task: “After the demonstration, no one bought it. We bought a similar and smaller one from China, but it is very easy to use, easy to fix compared to the one given by LME ... we applied the information we learned with another machine.”

Finally, a few respondents shared that the technology demonstrated was not relevant for their business, as one female FGD respondent from Pek shared: “People have different businesses. Some people farm ... they showed a hatching cage and feed making machine ... some things didn’t fit, for example, my business. They didn’t have equipment for me. But we were able to learn how a machine works.” Another female FGD in Khoune stated that the rice planting machine demonstrated by the Activity will not work for their farm because, as she said, “our paddies are on the hillside.”

SUB IR 1.2 CONCLUSIONS: The Activity has made good progress in demonstrating technology and raising MEs’ awareness of how innovation can reduce costs and promote a more profitable and efficient business. The only challenge identified is that not all equipment is relevant for remote farm contexts and the Activity does not have the equipment to demonstrate for every type of business. While this is understandable, the IP can work to make these demonstrations as relevant as possible for the local contexts and specific beneficiaries.

SUB IR 1.3: VALUE CHAIN INFRASTRUCTURE IMPROVED

For Sub IR 1.3, the Activity seeks to develop and support distribution models with MEs and SMEs.

Table 6: Progress towards indicator targets for Sub IR 1.3

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
Sub IRI.3: (1) Value of new USG commitments and private sector investment leveraged by USG	USD 0	USD 0 Rolled into 2022	TBD (revised) USD 436,375 = Approved	1,300,000	TBD
Sub IRI.3: (2) Number of firms receiving USG-funded technical assistance to export		0	2	3	3

As shown in Table 6 above, this indicator did not report progress in Year 3. It also includes the number of firms receiving technical assistance for exporting. The Activity also did not report any progress on

this indicator in Year 3. Additional discussion of work done under the PFG is discussed under Sub IR 2.1 below, and in the section discussing exporting products under EQ 2, increasing engagement with companies in Vientiane.

PFGs. IR 1.3 includes the PFG, an USD 800,000 fund to co-invest in MEs and larger businesses to decrease investment risk by offering a partial reimbursement to farmers who purchase equipment. As efforts to expand access to finance through traditional bank loans have faced challenges, the Activity has focused on promoting financial assistance to MEs through the PFG grants and using AOCs as purchasers of equipment and lenders to community. The Cooperative Agreement between USAID and ACDI/VOCA states that the IP will invest in approximately 350 small grants of less than USD 3,000 and 20-25 large grants of USD 30,000-100,000, which include beneficiary contributions.

During data collection, IP representatives shared the most recent figures for grant expressions of interest (EOI) and award status, shown in Table 7 below.²¹ These figures are based on the initial EOI type; however, some grants are converted to other types during the grant-making process. The count of awards awarded by the Activity at the time of the MTE included eight AOC grants, 28 partnership grants (including nine tractor grants,) and four economic recovery grants, for a total of 40 grants awarded, as shown in Table 8 below.

Table 7: Status of grant EOIs by type of grant, as of June 2022

EOI STATUS	AOC	GROUP	PARTNERSHIP	TRACTOR	ECONOMIC RECOVERY	GRAND TOTAL
Recently Received	19	0	20	0	0	39
Reviewing	43	1	15	0	29	88
Rejected	126	20	39	1	12	198
Co-Creation	27	3	31	1	78	140
Total	234	25	112	11	121	503

Table 8: Total Grants Awarded According to Type as of Q3 FY22²²

EOI STATUS	AOC	GROUP	PARTNERSHIP	ECONOMIC RECOVERY	GRAND TOTAL
Awarded	8	0	28	4	40

According to the IP, most of the approved grant proposals come from two districts, Phoukoud and Mokmay, and are related to maize cultivation, trading, and machines. In Mokmay, some grants have been awarded related to rice cultivation and production, and a few tractor applications have been approved from Kham and Phoukoud districts. Grants were also awarded to weavers in Khoun and Phoukoud. The interviewees indicate that some districts have more grant EOIs or actual grantees than others because these Activity district coordinators are more active in sharing grant information with entrepreneurs than their counterparts in other districts. There has also been high turnover in district

²¹ Note: the Q3 FY22 Draft QPR provides a table of EOIs received during that quarter (61) but does not update the total number of EOIs that are still outstanding as of this time, though the Q3 FY22 Draft QPR reports that 85 applications (previously received) are in the co-creation stage.

²² ACIDI/VOCA. (2022) Quarterly Progress Report Q3 FY22, p. 13.

coordinators and district implementation management committees, and new appointees require time to grasp the concepts and operations inherent to the Activity.

The PFG only began operations in April 2021 and FOs and some other staff still do not have a good understanding of grant operations and grantee qualifications. In the opinion of the Partnership Advisor and grants team, it will take about three years from the start of implementation in 2021 to demonstrate how Activity grantees benefit a wider group of poorer farmers, which means that the actual impact needed to impress the GOL and other believers in poverty reduction would not occur until the end of the Activity if it is granted a one-year extension.

Respondents also said trainees do not have enough support to complete successful applications. The FY21 Annual Report discusses the challenges of soliciting PFG applications of sufficient quality, stating: “The AOC [PFG] applications were meant to be a result of the Phase 2 training: [BSF]. However, due to the delay in rolling this training out, GOL representatives have encouraged farmers to just apply.”²³ This discussion points to the issue that Phase 2 training had been implemented on a limited scale by the time that 192 grant applications had been received at the end of FY21. As the report states:

This group of [PFG] applications have a high rejection rate by the technical team since most of the applications are for working capital rather than for investment in service provision businesses. The roll out of the second phase of training has resulted in higher quality AOC applications and more applications linked to services that could be offered to the community.

IP representatives also spoke to the lack of large businesses in the grant portfolio, which runs counter to the original project design. They admit to failing to find qualified larger businesses, because those that do exist are run unprofessionally as family businesses; further saying, “it is difficult for us to link to them a value chain and to ensure sustainability.” Moreover, businesses that do appear to be professional lack funding. IP representatives indicate that the Activity might move to strengthen business professionalism Xiengkhouang, but that would lead to a serious delay in grants and generating a cost-share contributions.

The concept of grant-giving to farmer groups is also handicapped by the lack of real groups, according to PFG interviewees. Farmer groups are groups in name only, do not act as cooperatives, do not have boards, and are run by individuals. A weaving group received a grant, but, according to the IP, it is an operation run by an individual. Consequently, no grants to real farmer groups have been given and it does not appear that they will be given in the near future. Furthermore, working with women’s networks cannot yet be realized in the absence of such networks, another Activity expectation that has not materialized.

SUB IR 1.3 CONCLUSIONS: The IP has struggled to reach its targets for Sub IR 1.3, with zero progress reported on the number of firms receiving USG-funded technical assistance to export, and minimal progress reported towards leveraging USG commitments and private sector investments, due to a variety of circumstances beyond the IP’s direct control, including COVID-19 and accompanying economic challenges such as including the devaluing of the Lao Kip (LAK), as well as challenges finding larger businesses with more capital to invest in equipment and other leveraged investments.

The Activity has taken steps to address this issue, including following up with applicants to correct problems and hosting clinics to help potential applicants refine their ideas before applying. However, at the time of MTE’s data collection, there were many respondents who reported they were still waiting to

²³ ACDI/VOCA. (2021). Annual Progress Report: FY21, p. 53.

receive an answer on their application, and some reported waiting for many months. In the meantime, the LAK continues to lose value and some of the older applications are likely no longer valid or need significant revisions for MEs to be able to meet the 50 percent cost-share match. Applicants need more support and better communication about the process and application delays.

While not all Phase 1 trainees were supposed to receive Phase 2 training, only 10 percent of Phase 1 trainees received the Phase 2 training; this was also only 35 percent of the targeted number of Phase 2 beneficiaries. As discussed above, Phase 2 was implemented in limited scope and was planned to be the feeder for developing the AOC mentality. As documented in the QPRs, the quality of PFG applications and AOCs' EOIs fell short expectations, which could reflect the limited implementation of Phase 2 training. The more-limited training also required the Activity to offer clinics at the district centers to discuss ideas with potential applicants to support more-fundable applications. If the Phase 2 training had been implemented to a greater proportion of the Phase 1 trainees before soliciting the grant applications, the quality of the applications could have been improved and the overall process could have been more efficient.

IR 1 RECOMMENDATIONS

- The IP should maximize the success of the Phase 1 training by expanding training to additional locations and streamlining the training content so that it is not delivered in two phases.
- For Phase 2's revised curriculum and enhanced service delivery, the IP should closely monitor the outcomes of these updates and continue to work with beneficiaries to make the content as relevant and applicable as possible, including technology demonstrations that are relevant to local contexts and targeted to local beneficiaries' business needs.
- The IP should clear their current backlog of grant applications; inform all current applicants of their grant status, including declining those who are not getting funding; and ensure sufficient staffing and capacity to support the applicants they take on. Going forward, decisions should be made and communicated in a timely fashion to all applicants, with a clear path to inquire about their status

IR 2 FINDINGS: MES' ACCESS TO FINANCIAL RESOURCES INCREASED

SUB IR 2.1: INCLUSION OF ME NEEDS IN FINANCIAL TOOLS AND REGULATIONS INCREASED

IR 2 promotes increased access to financial resources for MEs and encourages FIs to include the needs of MEs in their financial tools and regulations. The activities that fall under IR 2 include training to SCUs to raise awareness about farmers' loan needs and other banking products and promoting the use of digital payments and tools.

The Activity's efforts to increase MEs' access to financial resources has achieved limited success. Respondents expressed doubts about how much potential there is to achieve big changes given the current economic climate and FIs' hesitancy to take on additional risk in this implementing environment. As shown in Table 9 below, the Activity has not yet reported any progress towards IR 2 and Sub IR 2.1 targets as of the end of Year 3; however, the LOP target for the number of MEs benefitting from financial services provided as a result of the Activity was doubled despite no significant progress reported to date on this indicator.

Table 9: Progress towards indicator targets for IR 2 and Sub IR 2.1

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
IR 2: (1) Value of agriculture-related financing accessed as a result of USG assistance	0	USD 0 Rolled into 2022	USD 586,500	USD 1,260,000	USD 1,260,000
IR 2: (2) Number of MEs benefitting from financial services provided as a result of the Activity	0	0 Rolled into 2022	950	1,000	↑ to 2,000
Sub IR 2.1: Number of FIs offering new and/or improved financial services	0	0 Rolled into 2022	3	3	3

The Activity’s efforts on Sub IR 2.1 have focused on providing training and capacity development support to three SCUs (Phoukoud, Khoun, and Phaxay) and other FIs to promote awareness about the challenges farmers face in securing business loans, which has resulted in limited changes to lending practices to make products more accessible for farmers. However, in Q3 FY22, the Activity reported its first achievements in this IR, with all three SCUs approving loans for 114 MEs worth approximately USD 128,000. Thus, there is some evidence that these FIs are considering more farm-friendly loan options, but the offering of these products is not widespread and FIs are still determining how to meet the needs of farm MEs.

We haven’t achieved massive yields yet but we’re beginning to turn things around. Its challenging because our job is not to just think of farmers but also to think of finances of the bank, the SCU ... They are running based on their mandate to try and reach farmers but with very low capacity. Without doing this we wouldn’t have impacted access to finance at all. – IP Representative

In Q2 FY21, the Activity signed an MOU with ACLEDA Bank to increase MEs’ financial inclusion in Xiengkhouang and created an action plan to expand lending to MEs by tailoring their loan products to meet ME demand. Agriculture businesses from Kham district “who had never accessed financial services from formal FIs” presented their capital needs to ACLEDA but they “concluded that ACLEDA’s current lending terms are not a viable option for rural agriculture businesses due to their rigid repayment requirements.”²⁴ Thus, the relationship with ACLEDA is not expected to progress any further.

As of Q3 FY22, the Activity reports that their Access to Finance team is in the process of finalizing an agreement with Banque Pour Le Commerce Exterieur Lao Public (BCEL) as part of their video demonstration efforts. This service would enable MEs to send and receive cash from their phones with the BCEL One Cash application; this enables remote payment and purchase options for farmers and MEs.

²⁴ ACIDI/VOCA. (2021) Q2 FY21 Quarterly Progress Report, p. 12.

IR 2 CONCLUSIONS

Planned outputs and outcomes for IR 2 have shown limited success thus far, although there are signs that progress is coming. This Activity area has been deeply affected by COVID-19's implementation delays and economic downturns, so it is also struggling to achieve its programmatic goals.

IR 2 RECOMMENDATIONS

- While progress on this IR has been slow, SCUs are starting to show some willingness to extend credit to agricultural MEs. However, given the challenges of achieving even this minimal success, the Activity should limit investing resources into sustaining these established relationships, rather than expanding SCU capacity-building efforts to new partners.
- Support the rollout of the BCEL One Cash program to assist MEs in transitioning to cashless, electronic payment systems as appropriate and relevant.

IR 3 FINDINGS: MES' BUSINESS OPERATION COSTS REDUCED

SUB IR 3.1: MES' NEGOTIATION POWER THROUGH EFFECTIVE ORGANIZATION AMONG MES ENHANCED

IR 3 focuses on reducing MEs operating costs and enhancing their negotiating power through effective organization of their business groups. Examples listed in the Activity's Logic Model for this IR include building farmer groups/community AOC and developing support networks for MEs. As shown in Table 10 above, no progress was reported for Year 3 of the Activity in IR 3 or Sub IR 3.1. The Q3 FY22 QPR reports eight AOC grants issued to date, with another 61 EOIs received. An estimated 115 ME received agricultural related services valued at about USD 1,700.²⁵

Table 10: Progress towards indicator targets for IR 3 and Sub IR 3.1

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
IR 3: Number of MEs with reduced operation costs due to Activity assistance	0	0 Rolled into 2022	1,140	875	2,355
Sub IR 3.1: Number of MEs, AOCs, and ME groups improving sales through negotiation skills provided by the Activity	0	0 Rolled into 2022	680	2,000	2,000

The original intent behind IR 3, as defined in the original MEL plan was “empower community groups to pursue market opportunities... to help farmers negotiate better prices, obtain bulk discounts on goods and services, and pool resources to operate more effectively in the marketplace, even without formal organizations.”²⁶ The IP representatives stated that USAID's original intention behind creation of IR 3 proved not to be valid as operating costs were already very low or zero for most ME farmers before the Activity, so it is difficult to reduce beyond that point.

²⁵ ACIDI/VOCA. (2022) Q3 FY22 Draft Quarterly Progress Report, p. 19.

²⁶ ACIDI/VOCA. (2020). Monitoring, Evaluation and Learning Plan, p. 6.

Thus, to meet their targets for this indicator, the Activity has evolved how it counts these cost reductions by utilizing AOCs to offer technology and spread it around the community. Through this, the Activity is “reducing the cost of doing business for MEs” by making technology available at a reduced rate because it is shared between community MEs so one more enterprising individual purchases the equipment and subsidizes the cost by renting it out to others in the community.

Sub IR 3.1 includes the AOCs who are defined by the project as “more entrepreneurial individuals with close ties to the community who are willing to offer paid services to other farmers.”²⁷ The theory behind the AOCs is that more enterprising individuals or MEs would purchase equipment that they rent out to other farmers in their area, making production more efficient and reducing all of the participating farmers’ theoretical production costs for equipment and labor (due to increased efficiency of the equipment). This strategy is intended to improve the overall value chain infrastructure, (SIRI.3) as machines move from farm to farm, and equipment is made more accessible to all participating MEs at a theoretical lower rate per ME.

The AOCs are primarily engaged through the PFG grants-making process discussed in more detail under IR 1.3 above. As shown in Table 8 and Table 9 above, 234 AOCs submitted grant applications; of these, eight have been funded. Of these eight, only one had been funded prior to the start of 2022, to an AOC in Phoukoud who provides “motor and agricultural machine servicing ... to upgrade equipment used to service larger agricultural machinery.”²⁸

One respondent shared that communities are using group savings approaches, or village funds, to raise funds for equipment purchases. This approach takes the AOC concept to the next level – instead of one AOC owning the equipment and renting it, several MEs with smaller amounts of cash can purchase together and use on a communal basis, which also circumvents the Activity’s issue of the amount of effort involved in administering to a larger number of grants for smaller values as one grant can be issued to the group.

The SMFM training (organized under Sub IR 3.1) is a group training activity that focuses on building farmer-based ME groups’ skills in marketing. The SMFM training started in Q3 FY21 and has trained three groups (totaling 133 members, including 17 females). According to the FY21 Annual Report, “the Pek group (with 95 members) focuses on organic vegetables, the Kham group (with 12 members) focuses on maize, and the Khoun group (with 26 members) focuses on vegetables.”²⁹ Another group was trained in Phoukoud that was not mentioned in the FY21 Annual Report.

The ET interviewed each of these training groups and found that beneficiaries could share specific examples of what they learned, including the following observations:

What we have applied is going to the market every day: some people buying once will buy at a higher price and those buying a lot must be for mid-price, but they buy regularly. Traders that pass by on the road buy at a higher price, but they are selective on when to buy, so we have to select the mid-price consumers. We do apply this. – SMFM Trainee FGD Khoun

The project is good and very useful because we have learned important knowledge and skills from this project but in terms of practice, we have not done yet or we could not practice because of labor shortage and our strength as we are old. Another thing is that we lacked fund, we do not have enough fund. Another good thing is that we

²⁷ ACDI/VOCA. (2021) FY21 Annual Progress Report, p. 25.

²⁸ ACDI/VOCA. (2022) Q1 FY22 Quarterly Progress Report, p. 16.

²⁹ ACDI/VOCA. (2021). Annual Progress Report: FY21, p. 25.

know how to make a plan, we know how to estimate or calculate the cost and profit ... before that we did not know... -- SMFM Trainee FGD Phoukoud

Before we would produce and sell as we wanted. We didn't know how to distinguish the needs of our customers. Once we have the knowledge ... we are able to identify the grade that our customers prefer so our members have to adjust. This is something new that the project has trained us. This has been fitting for use because we are able to sell at a higher price because we now understand the different types of grades. -- SMFM Trainee FGD Pek

IR 3 CONCLUSIONS

IR 3 continues to struggle to define itself and its intended outcomes due to the challenges it has faced. Stakeholders feel it is still worth investing in but needs creative strategies to succeed. Improved access to technology has been achieved through flow of technology demonstrations and creation of AOCs.

Participants are naturally organizing themselves into more localized funding units. This could be leveraged into a group AOC model in which traditional village lending schemes become communal ownership of a piece of equipment, rather than single ownership and rental to others. This topic is discussed in more detail under EQ 1B below.

IR 3 RECOMMENDATIONS

- The IP should monitor the success of the AOC strategy as more grants are awarded and this method has more beneficiaries, to see if it will be successful or if it needs to be recast in TOC for future activities.
- The IP and GOL should explore potential for more group lending arrangements to enable purchase of equipment as a group, which would expand the AOC concept to the next level in which MEs would all contribute to the purchase of a piece of equipment.
- The IP and USAID should rework the indicators for this IR to better match how this IR is being operationalized, as the MEs operate on such a low budget, the costs cannot be reduced further.

IR 4 FINDINGS: MES' ACCESS TO MARKET IMPROVED

SUB IR 4.IA: COORDINATION WITH THE PUBLIC SECTOR ON POLICY ADVOCACY AND REFORM IMPROVED & SUB IR 4.IB: COORDINATION WITH PRIVATE SECTOR ON PARTNERSHIP IMPROVED

IR 4 supports improved access to markets for MEs. This includes coordinating with both the public sector on policy advocacy and reform, as well as the private sector through enhanced partnership coordination. As shown in Table 11 below, the Activity made good progress towards IR 4, the number of MEs which have changed their income sources to better access markets, reporting 7,243 beneficiaries in Year 3, which is close to the Activity's revised target of 8,352. They also made good progress on the percent of supported ME representatives, traders, processors, agricultural service providers, and FIs able to discuss the business enabling constraints in public discussion, reaching their LOP goal of 60 percent.

However, progress towards targets for the number of business environment enabling issues agreed upon in public meetings, and the number of MEs linked to other businesses through partnerships, did not make significant progress and are far from the LOP goal. Notably, Sub IR 4.Ib's LOP target was also revised upwards by more than double, even though the Activity did not report any data at the end of Year 3.

Table 11: Progress towards indicator targets for IR 4 and Sub IR 4.1

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
IR 4: Number of MEs which have changed their sources of income in order to better access markets	0	7,243	8,352	4,740	↑ to 8,352
Sub IR 4.1a: (1) Number of business environment enabling issues agreed on in public meetings which impact MEs' competitiveness	1	4	13	32	32
Sub IR 4.1a: (2) CUSTOM: Percentage of supported ME representatives, traders, processors, agricultural service providers, and FIs able to discuss the business enabling constraints in public discussion	0	60%	No data	50%	↑ to 60%
Sub IR 4.1b: Number of MEs linked to other businesses through partnerships	0	0	3,460	2,000	↑ to 5,095

The Activity has focused current efforts on boosting the Xiengkhouang Chamber of Commerce and Industry (XCCI) and encourage its organizational development, as well as networking with the national Chamber and other key stakeholders. Overall, the Chambers of Commerce and Industry are supported by the Lao National Chamber of Commerce and Industry (LNCCI). As stated by one Chamber of Commerce representative: “One of the key responsibilities of LNCCI is to identify their own direction for leading the Lao private sector ... provincial [Chambers] have to translate and adapt LNCCI direction to their respective provincial [Chambers],” but they have limited capacity to do so, including in Xiengkhouang. The XCCI has faced operational challenges and has not been a strong partner for the Activity. As described in the Q3 FY22 QPR, “the XCCI is newly reformed, and there are significant problems with leadership which result in an inability to make progress on facilitating membership services and growth of the membership.”³⁰

While this IR has faced challenges in achieving its targets and desired impact, IPs and GOL respondents see IR 4 as a key element in helping farmers by enhancing the overall business environment:

IR 4...which [is] related to policy and provides opportunities to public sector and private sector and farmers communities to address issues that may affect the sector and farming activities ... bring districts together, for example district governor office, DAFO, DICO, with farmer groups or representatives of farmers to discuss certain issues like cattle trade or aspects of production ... my understanding is that this needs to continue, facilitating that process. – IP Representative

Several GOL representatives expressed support for this IR and cited it as the most important piece of the Activity. As one GOL representative from Mokmay stated: “IR 4 provides opportunities for consultation,

³⁰ ACDI/VOCA. (2022). Q3 FY22 Quarterly Progress Report, p. 22.

discussion, and exchange of ideas between businessmen, middlemen, producers, and government agencies to change the policy and ensure compliance with government laws and regulations.” Another GOL representative called for more extensive reach for the IR activities: “the project should organize more consultation meetings among entrepreneurs, traders, and producers to collect more information and views, this consultation forum should be organized in other provinces, not only within Xiengkhouang.”

IR 4 CONCLUSIONS

Successfully implementing IR 4 would be a significant challenge under ideal circumstances; however, the current environment makes increasing MEs’ access to markets even more difficult. Efforts to develop the XCCI have been limited and respondents do not indicate significant improvement in the forthcoming period.

IR 4 RECOMMENDATIONS

- The IP should limit investment in the work with XCCI and redirect resources to fostering a more hospitable implementation environment for future projects. This can be done in part by investing in further development of the MEs to develop their capacity to achieve the level of operations necessary to foster their own policy voice. This can also be supported by providing more capacity building and relationship development with the GOL, to help them to build these relationships with the MEs and recognize their potential contribution to policy advocacy.

EQ IA

WHAT ARE KEY INTERNAL AND EXTERNAL FACTORS CONTRIBUTING TO THE SUCCESS AND/OR INHIBITING PROGRESS OF THOSE IRS AND SUB IRS THAT LACK PROGRESS?

EQ IA FINDINGS

INTERNAL FACTORS

Partnership with GOL. The Activity-GOL relationship is complex and has both contributed to the Activity’s current successes and inhibited its progress due to time-consuming and politically complex bureaucratic processes that have significantly delayed the Activity’s implementation.

The Activity’s QPRs and Annual Progress Reports thoroughly documented the challenging process of securing the necessary MOU from the GOL to work in Xiengkhouang, which ultimately delayed the start of implementation by a full year.³¹ Every aspect of the Activity’s implementation has been delayed by this, since Phase 1 training could not start until the MOU was secured in October 2019. As a result, the Phase 2 training start and the grant processes were both delayed and the Activity has never “made up” the lost time, as many of the components of the ME development process are meant to be implemented in succession to build upon one another.

Despite their limitations, the GOL is a necessary and eager partner in the Activity’s implementation. The ET interviewed 16 GOL points of contact, including representatives of the national office of the Department of Agricultural Extension and Cooperatives (DAEC) in Vientiane, as well as PAFO and PICO representatives in Pek and DAFO and DICO representatives in Phoukoud, Khoun, and Mokmay. These representatives expressed a desire to be more engaged in budget management for the Activity

³¹ ACDI/VOCA. (2022) Q1 FY22 Quarterly Progress Report, p. 21.

and to have their own expense budget to manage, so they do not have to go through the project finance team to get reimbursed for costs associated with the work. They also wanted more updates on the financial status of project, including how much has been spent and how much is remaining. They want to audit the project spending and remaining balances and have fewer reporting requirements to IPs.

Both GOL and beneficiaries expressed the belief that GOL partners could be more hands-on in helping farmers find marketing and funding opportunities, identifying promising products that could generate more revenue and would be appropriate for local contexts. Through the process of being more engaged in project implementation and oversight, the GOL feels they can have a better understanding of project aims, which would also support sustainability.

However, one of the main challenges that the Activity faces is building the capacity of the GOL to understand the TOC and how it relates to the various IRs and Sub IRs. The Activity works with government stakeholders who struggle to appreciate why grants are deliberately given to nascent MEs that are already well off and thus have the capacity to expand their operations and develop stronger value chains. As one GOL official expressed it: “*Most people do not understand the funding process and keep asking why LME grantees are rich people.*” The IP has found strategies to work around this limitation, although it has led to a complex application of the IRs and Sub IRs in some cases.

Survey Data. Another internal factor that may not directly inhibit achievement of targets, but does affect the quality of data collected and reported, are limitations of the BS and ABS. The latter is the key tool for measuring the Activity’s progress towards its stated goal and IRs according to 25 indicators. Results from the ABS are very favorable for the Activity, but there are documented concerns about conflicts of interest as the FOs collect data and respondents may be more inclined to respond favorably to please them. Overall, there is concern about data quality and inconsistencies in how the data are presented, such as disaggregations and extrapolation to the whole. Thirteen of the Activity’s indicator values are tracked by the ABS. However, only eight indicators were measured in the first ABS (March-April 2021), and many measures are self-reported.

Two goal-level indicators, on sales and household and productive assets, are reported in both surveys but do not compare the same items. Goal Indicator 3 measures respondents’ sense of increased income since the Activity training, however, no calculation of household income is included in either the BS or the ABS. Indicators on sales and assets are used as proxies for changes in household incomes. The other two goal-level indicators are not aligned to the baseline indicator and are thus are not comparable. The ABS relies on self-reported outcomes for these measures.

EXTERNAL FACTORS

There are two key external factors that have impacted, and continue to impact, the Activity’s ability to achieve its targets: economic challenges and COVID-19.

Economic Challenges. The economic situation since COVID-19’s onset has deteriorated considerably. Interviewees claimed that 30 percent of businesses in Xiengkhouang have closed since COVID-19, and there are thus simply fewer businesses for the Activity to partner with. In addition, the LAK has been significantly devalued since the start of the Activity and is currently worth about 40 percent of its 2019 value. The weak currency has created an immense challenge for the Activity in promoting the use of technology by purchasing equipment, because it is much more expensive, and in meeting their cost-share requirements.

COVID-19. Restrictions put in place to mitigate the spread of COVID-19 also impacted the Activity in its ability to implement trainings. Respondents mentioned that COVID-19 limited the number of people reached by the end of Year 3 and made the length of time between Phase 1 and Phase 2 training longer. COVID-19 also limited the Activity’s ability to provide international trainers and in-person mentors for nascent MEs, due to limited ability to travel and host in-person meetings, including meetings with potential partners and investors.

EQ IA CONCLUSIONS

Internally, the biggest factor impacting the Activity is the partnership with the GOL, which brings both positive aspects, in providing the Activity access to beneficiaries, and negative aspects, in bringing bureaucracy that has caused significant implementation delays. Nonetheless, the GOL is an eager partner and wishes to be more engaged in project implementation and budget management, especially for their own Activity-related expenses. However, the GOL would also like to have less financial accountability to IPs. Additionally, the GOL is still struggling to conceptualize the TOC, needs more ownership and mentoring to accept and understand it, and requires continued commitment from the IP to promote a more sustainable Activity in which the gains achieved will be evident for future economic growth and agricultural entrepreneurship efforts, including more effective MEs.

The BS of April 2019 does not effectively establish baseline indicator values for later comparison with ABS indicators. Monitoring data are also not always reported consistently and may not accurately reflect the knowledge gains the Activity has achieved thus far. Unfortunately, since the Activity has invested significant effort into their current methodology, it will be difficult to change this now because data will not be comparable.

EQ IA RECOMMENDATIONS

- The IP should explore opportunities to engage the GOL more deeply in project management, which would offer them a chance to feel a sense of ownership over the effort and institutionalize the principles the Activity champions. IPs should also seek out more champions within the GOL to build support and buy-in and to promote the investment’s sustainability.
- The IP should continue to work with the GOL to promote the idea that support for MEs benefits all, and to help local stakeholders understand the project concept, which is that it is not giving money to poor people, but fostering economic development and promoting stronger value chains.
- If the Activity is expanded and given a costed extension, the IP should consider collecting another round of baseline data that commits to how indicators will be measured going forward, so outcomes can be independently measured rather than relying on self-reported measures.

EQ IB

WHAT ADDITIONAL INTERVENTIONS MAY BE NECESSARY (GAPS IN THE TOC) IN ORDER FOR THE ACTIVITY TO ACHIEVE THE GOAL OF “INCREASING THE ABILITY OF LAO PDR MES TO OFFER PRODUCTS AND SERVICES THAT MEET THE QUALITY STANDARDS AND NEEDS OF DOMESTIC AND INTERNATIONAL MARKETS AT COMPETITIVE PRICE POINTS?”

EQ 1B FINDINGS

The Activity's TOC aims to achieve the goal that "Laos MEs will become more efficient, more effective, and thus more competitive." What is missing from this equation is the sense of transition between one element of the Activity and another (i.e., trainings, promoting access to finance), and how the elements generates more competitive MEs, as well as a clear definition of what constitutes an ME. In the case of training, an ME is counted as an individual person, but this person is representing a family farm unit of fewer than ten people to meet the USAID definition for being a "microenterprise." However, the more sophisticated trainings, such as SMFM, and larger loans are reserved for larger businesses, so there is no intent that the MEs trained in Phase I become entities that evolve into larger, more formalized businesses. Yet, as the family farm unit develops, those who wish to become more formalized face challenges to become a more formalized unit; this process merits some guidance and resources to promote their efforts. While this is a time-consuming and arduous process, it can enable the smaller MEs to access the upper echelons of business development, including formal government registration.

Currently, Phase 2 training (BSF) does not cover topics related to becoming a formal business. According to the IP, this is due in part to the MEs' and the IP management's concerns about negotiating the difficult tax requirements that go along with becoming a formal business and the limited numbers of larger businesses that are available to work with, which has also limited the Activity's capacity to raise the targeted amount of cost-sharing funds through partnering with these types of businesses. Some of the IP representatives shared their perspectives and experiences on the status of their beneficiaries and their efforts to form groups:

Many of the groups do not have proper record of their members; they only have the name of the members, groups do not have detailed information of the members, for example, their production capacity (how much rice each member produces per year). There is no clear communications to group members on the group goal and objective. – IP Representative

To be honest ... group management or operation is still an issue. They are established as a group only by name, but they didn't follow group or cooperatives principles. The groups in Xiengkhouang are still far from the concept of cooperatives, they don't have board and they're run by an individual. With these circumstances we do not have approved any grant for a group yet. – IP Representative

Thus, cooperative ME groups are not happening; gains are realized and expressed at the individual or family level. Even the SMFM groups, which were supposed to be a group activity by design, have found that MEs register as groups but then do not operate in a cooperative concept. The benefit of MEs being effective, formally-registered business entities is that they are eligible for many more benefits, including greater access to financing through FIs, as well as larger grants from the Activity that are intended to be disbursed to larger businesses, although some smaller MEs are considered if they have sufficient reach to justify the investment.

Originally, we have two types of funds: medium and large size for companies, we call Partnership Grants. Small size for MEs at community level or we call AOCs. AOC funding size is below USD 5,000. However, Partnership Grants are not always for the big company; the object of [the] partnership grant is to support entrepreneurs that provide services to farmers in different areas, even if their proposed funding is not big, but if they provide services to big number of farmers, in many villages, or districts, we will consider them for Partnership Grant. – IP Representative

The small-size business might create profit to an individual but to support others, it might be difficult and take time. If we give the grant to [a] farmer group, members could access to group credit and

interests will be administered in the group and contribute three percent of each five million LAK grant credit to the village administrative office. – GOL representative, Mokmay

Microentrepreneurs also recognized the benefits of organizing into groups to promote growth and access opportunity and expressed interest in developing their businesses.

We are [a] cattle raising group, we only gather as a group but have not worked on it properly. It was a trial during the training course. We had many groups such as fruit growing, cattle raising, rice farming, we learned where to trade our products. We are not a proper group, we just called it... It is just a name we called it, we have not organized it properly. – Male FGD respondent, Khoune

We did not apply for funding as individuals; in our village we applied as groups, and we have two groups. Group 1 applied for purchase tractor; Group 2 for purchasing seeds. – Female FGD respondent, Pek

Our sale of products is done in group after we have set up our group, not like before as we sell separately not in group like this. It is convenient for our customers when they buy our products. The advantage or the good point of selling in group is that the prices of our products which the middle customer cannot take advantage of our price, and another is that the suitability in ways that we do not have to take our products to the market. Setting up our group has the advantage in facilities or comfortability because when we have less product, we can still sell in our group. In an opposite way, we cannot go to the market if we have few products. – SMFM FGD respondent, Phoukoud

GOL representatives from all levels of government also requested this support be extended to help the small farmers grow into the larger entities.

The LME should continue to strengthen those agricultural production groups. By supporting more funds to those small businesses, for example, the farmers already have a piece of land, so the program should support vehicles, equipment, or cash to them.– GOL representative, Khoune

We need to change [the] approach for implementation such as reaching out [to] more farmers especially grants, as the farmers have low capacity to move up to the small-size business, however, it is possible for farmer group. From good experience from Helvetas, the project[s] support to farmers is considered sustainable. – GOL representative, Mokmay

Focus on ... modeling groups for small businesses, which enable others to learn the lesson. – GOL representative, Pek

FIs also recognize the benefits of applying for financial support as a group, rather than as an individual.

Group loan is a popular one among farmers, because in some cases for good grade customers we do not need collateral, but a guarantor is fine. – FI representative

Most of farmers lent group modality, accounting for about 60 percent of total loan of our branch. They set up a group of five to six people for example, our bank does not have any intervention on group setting. Then the village authority certifies the group, then our bank and the group will discuss the loan term and condition. – FI representative

However, it is worth noting that profits are mostly being realized on the individual household level, and respondents most often expressed revenues and increased profits at the individual or family unit level, unless they were working specifically with organizations that spoke in terms of the group. Additionally, one FI in Pek shared that loans are easier to get for groups than for individual borrowers: “For group loan, the loan application process is more simple than individual loan process, for example there are five

supporting documents for individual loan, but for group loan you only need two supporting documents; and no need to go to court to certify the relevant document.”

While creating ME groups is not necessarily part of the Activity’s mandate, many respondents feel that this is one of the missing elements that would be necessary to fully achieve the TOC at a level desired by the Activity. While the ET analyzed the data for any demographic patterns that would indicate that one group (e.g., females, ethnic minorities) demonstrated consistently lower performance than another, there were no clear patterns discernable in the qualitative dataset gathered for this MTE that might give an indication of certain groups requiring more capacity and support than others. The MEs that do wish to expand into a formal business structure need more support, mentoring, and assistance from the IP to do so. If this remains a gap in the support provided, then the Activity will be limited in how much they can achieve with the MEs within their current approach.

Some respondents suggested that focusing on a specific sector like cattle or maize would make service provision more efficient. As reported in the Q3 FY21 QPR, “*The two highest source of income are maize and cows, which contribute, respectively, four and 3.5 times more than the income from rice, the next highest source of income.*” Respondents felt that shifting into production at this point in the Activity would be counterproductive to achieving targeted outcomes because it is too late in the process to take on a new element of this significance, especially when the implementing context is not primed to achieve significant progress in a short period of time. Respondents suggested the Activity should continue to focus on building the implementing environment for this work to start in the future.

The lessons introduced to farmers are new, but the farmers have started to learn and understand production for business and how to do. If the project is not continued, those investment in capacity will be wasted. – GOL Representative, Khoune

EQ IB CONCLUSIONS

Cooperative ME groups are not happening; MEs groups are forming simply to become eligible to receive funds, but are still functioning as individuals or family units. MEs of this scale are challenging to develop; however, there is still an opportunity to promote a more hospitable implementing environment for future work by encouraging the development of more communal MEs that have the potential to grow into economies of scale. If the Activity chose to focus more on a single sector, this may bring more efficiency to the MEs’ support.

EQ IB RECOMMENDATIONS

- The IP needs to work actively to organize and support the nascent MEs. Just promoting their development in the short term and leaving them to thrive does not go far enough to promote the level of development necessary to achieve the level of impact desired for farm MEs. The IP should ensure that the MEs are receiving specific support, targeted to their businesses.

EQ IC

WHAT EXISTING INTERVENTIONS MAY NOT BE NECESSARY (PARTS OF THE TOC THAT ARE IRRELEVANT) AND ARE DISTRACTING THE ACTIVITY FROM ACHIEVING THIS GOAL?

EQ 1C FINDINGS

As documented in the Q1 FY22 QPR, the Activity has experienced significant challenges to its TOC and implementation strategy. Internal FI product reform has faced significant challenges in diversifying loan products for farmers. Some banks suggested that it would be more strategic to lend small amounts to farmers and to offer group loans that would not require collateral, but would instead have some mechanism to spread the risk among members. ACLEDA Bank signed an MOU to expand their services to remote areas and work with SCUs; if the SCUs could lend to the ME, they would refer them to ACLEDA.

In my view, the future collaboration with banks should not focus on loan[s], as we already know banks' constraints to release loan[s]. For BCEL, they also have [a] loan project, but the project doesn't focus the collaboration with BCEL on loan product[s], but in the area of digital finance services, e.g. mobile banking, saving mobilization. We already had two discussions with them, we received positive feedbacks from them. They would like to cooperate with us. – IP Representative

The Activity has an MOU with the XCCI to expand their capacity; the XCCI requested support from the Activity for staff, equipment, and technology. However, the Activity's work with the provincial Chambers of Commerce has concerns about ongoing commitments and existing capacity to achieve results. This element needs long-term support to make progress and may be beyond the range of this Activity. Another USAID project has an advisor embedded in a Chamber of Commerce and Industry in the south to build capacity, which may be able to be leveraged to make progress in Xiengkhouang.

EQ 1C CONCLUSIONS

The original TOC is not workable in the current implementation context because it is impossible to test due to COVID-19 and an economic recession. However, in most cases, the development has been at the individual level have not yet evolved into larger and more sophisticated farm enterprise groups and other organized units. Although banking and Chamber of Commerce and Industry reform are important elements in Lao PDR's economic growth, given the current challenges, many respondents feel that there is little potential to make significant change in these areas. The Activity should limit investments to promoting a more favorable enabling environment for future activities.

EQ 1C RECOMMENDATIONS

- The IP should focus in the remaining project period on strategies to get funding to MEs through innovative ideas and creating a better enabling environment for future projects. This should include a focus on the elements that the Activity does well, such as entrepreneurial development, expanding the profitability of MEs, promoting a desirable enabling environment for long term policy shifts, and changing entrepreneurial mindsets and financial situations.

EQ 2

GIVEN THE SCOPE AND NATURE OF THE ACTIVITY'S CURRENT INTERVENTIONS, HOW CAN THE ACTIVITY INCREASE ITS ENGAGEMENT WITH COMPANIES IN VIENTIANE CAPITAL AND WHAT ARE THE CHALLENGES THAT LIMIT THIS INCREASE?

EQ 2 FINDINGS

The ET met with MEs who are trading successfully to Vientiane, but they do not credit this to the Activity.

After we know how to operate a business properly, we can negotiate with our buyers, however it depends on the market demands, therefore, we do not have much choice but to sell them as a veggie and will be spoiled within one week. Most of the wholesales are from Vientiane. They buy around six tons from us. We know them via our connections as those who are in this kind of business before, sometimes get their contact via acquaintance – Hmong Male Beneficiary, FGD Khoune

I have five to six partners, three in Vientiane, three in Xiengkhouang. Sometimes I have to ask other farmers to provide crops to them, there are two partners in Khoune district and one in Pek, not much amount around 0.5 tons of buying each time. – Hmong Male Beneficiary, FGD Khoune

Respondents also indicated they were exporting to other provinces around Xiengkhouang:

My business started with people knowing each other, then we were able to get into the market ... when they had temporary markets or meetings, they would invite people from many provinces. That is one way for us to display our product to get more customers. Secondly, is social media, at first, I didn't know how to use it, but my children showed me how. Now I know how to advertise my product on Facebook. This allowed people from other provinces to know my product. – Lao Loum Female Beneficiary, FGD Pek

Beyond this evidence, the Activity has had minimal success partnering with or giving grants to companies to expand their reach to Vientiane, despite reasonable efforts. Respondents for the MTE were selected from a list of four or five companies the IP had engaged with in Vientiane Capital. However, they said they either had no activities in Xiengkhouang or their activities did not have strong links to farmers in that province. As of now, the Activity has not worked with any companies based in the capital, nor does it have any grants pending there.

There are four or five EOIs from Vientiane, but after we reviewed the EOIs, we found they do not have concrete activities in Xiengkhouang or their activities do not have [a] strong link to farmers in Xiengkhouang; therefore, as of now we have not worked with any companies or businesses outside Xiengkhouang. – IP Representative

The ET met with one individual from Vientiane who had applied for a grant but had not fully understood the terms of the grant, and so they did not pursue it.

I have not worked with any farms or business in Xiengkhouang, because myself and my company/factory are based in Vientiane; with our current capacity, the work in Vientiane capital is enough for us. I met their consultant ... she visited my farm with her friends. She approached and told me about the partnership fund... I decided to work with the consultant on the application. The consultant helped me a lot on developing the application. After submitting the application, the project team get back to me with some questions; I met with the consultant again and learned about fund ... that I have to pay for everything in advance; then the project would pay me later. If I knew this from the beginning, I would not have applied for the fund, as I had bad experience with the cassava contract farming where I have to invest everything. – PFG Applicant, KII Vientiane

Despite these challenges, MEs remain interested in expanding to new markets, not just in Vientiane, but also to other locations within Lao PDR or abroad, such as to like Thailand and Vietnam. The main challenges identified by the farmer MEs in expanding to new markets included making connections and transporting products to market efficiently so they are still fresh and appealing to the wholesaler and the

consumer. Some beneficiary MEs also noted that COVID-19 lockdowns, lack of movement, and a lack of information about finding good markets are other challenges to entering new markets. While the Activity offers some relevant support, trainees seek more assistance beyond what is being offered currently.

For us to find a market we need funding ... This cannot be possible without funds. We have never received cash from the project. We have only received knowledge. This is why I would like to project to possibly help find a market in Vientiane. We would be happy to know of a place that requires a certain amount of tons to be delivered. That you be helping us find a market not that we have to go to the market. – SMFM Beneficiary, FGD Pek

One of the challenges to expanding trade to Vientiane is the relatively low capacity of the MEs, which the IP said was not anticipated in the original design of this activity and a potential trader partner in Vientiane said was a barrier to their partnership.

Based on the information that have from the project ... I think some of the supports of the LME project do not suit with Lao local context. For example, there only focus their support to entrepreneurs in XK province, but many of entrepreneurs in XK are not very strong or capable; and they don't have willingness to improve their businesses. If I were a farmer's leader, I would suggest them to set up clusters. For example, if there were 100 farmers in XK, I would have suggested 25 farmers to work together and all grow potato only, and another 25 farmers grow cucumbers, and so on. – Partner Business, Vientiane

However, given the success of the Activity's FAB training, discussed in Sub IR 1.1 above, the IP has been working to provide this training to as many beneficiaries as possible with the existing financial and human resources. This effort will enable the Activity to reach MEs who want to work in Vientiane and other strategic locations outside of the current workplan. Most GOL, USAID, and IP representatives were open to expanding the training to new areas. However, any move outside Xiengkhouang would require a new MOU, so any expansion should consider the length of the MOU process so the Activity works smoothly and any administrative delays are accounted for in timeframes and budgeting.

EQ 2 CONCLUSIONS

There is some evidence among Activity beneficiaries, both male and female, Hmong and Lao Loum, that they have expanded into new markets, including Vientiane. Some beneficiaries have been able to overcome the significant barriers to market entry, including market research and transportation, while others would like more support. The Activity has not yet succeeded in giving a grant to a Vientiane business to expand their reach into that market directly. Overall, market expansion is not yet a strong reality for most beneficiary MEs and there is minimal evidence of the Activity directly developing MEs in Vientiane.

EQ 2 RECOMMENDATIONS

- The IP should work with stakeholders to support MEs to identify expanding markets and to find strategies to access them directly and with assistance from local government, as well as through IP mentoring of MEs as part of the co-creation process to identify markets that are suitable for their products and create strategies to reach them in the current implementation context (e.g., if mobility is limited due to COVID-19).

- Given the lack of success in giving grants to Vientiane businesses, the IP should focus on enabling Xiengkhouang MEs to expand into promising markets via the training requested by the MEs to research and identify these markets, support for building connections with purchasers outside of Xiengkhouang, and efficient transportation for their products to maintain maximum quality.

EQ 3

WHAT SHOULD USAID CONSIDER FOR POTENTIAL MODIFICATION OF THE ACTIVITY, INCLUDING BUT NOT LIMITED TO: (A) A POTENTIAL TIME EXTENSION, STAFFING AND MOU IMPLICATION? AND (B) THE GRANT SIZE I.E. IS THE PARTNERSHIP GRANT TOO BIG AND IF SO, WHAT SIZE SHOULD IT BE?

EQ 3A FINDINGS

Based on the delays to implementation due to the signing of the MOU with the GOL before training could begin and the challenges in travel and in-person meetings that were brought on by COVID-19, granting the Activity a no-cost extension would allow for more time to use the funds the IP have remaining to implement the outstanding elements of the workplan. While this one-year extension may not allow enough time to do everything and see the results of this effort, it can offer a good start.

The IP has a strong plan to continue implementation for one additional year without requiring a new MOU and a workplan that moves them towards a neat conclusion to their current activities. As stated by USAID, the Agency would like to see the IP set up a plan to promote the sustainability of the progress made thus far and promote a stronger implementing environment for future activities: *“For expansion, we would like them to focus more on setting up systems, processes to expand markets, and making this accessible/sustainable after the project ends”* – USAID Representative.

According to some respondents, the IP has struggled with staffing, especially in bringing technical expertise into Xiengkhouang during COVID-19. This potential challenge must be planned for in any extension in the period of performance, which will also carry staffing implications of extending contracts.

EQ 3B FINDINGS

As discussed above under IR 1.3, an USD 800,000 Partnership Fund was established by ACDI/VOCA to support access to technology-linked services by AOCs and to support individuals and firms who have wider engagement in market activities and broader linkages to help to raise the additional USD 500,000 in cost share funds required by this Activity’s Cooperative Agreement. While this was an appropriate level of funding support at the time this Activity was launched, COVID-19 and economic challenges have made it very challenging for the IP to reach.

Thus, USAID and the IP are in discussions to reduce the cost share amount, although it is not clear from the latest (Q3 FY22) QPR that this reduction has been finalized. The IP feels that the current level is attainable, contingent upon implementing the rest of the project according to schedule without significant bureaucratic delays.

Another point that has challenged the IP’s ability to meet its cost share targets is the difficulty beneficiaries face in purchasing large-scale farm equipment with an up to a 50 percent cost match from the ME. Some beneficiary respondents felt the size of the grants are too big for the beneficiaries to reach because they do not have sufficient funds to purchase the equipment on their own and then

request a cost-match, which makes participation in these grants out of reach for potential grantees. They felt that LAK 4–5-million (USD 263-328) is more appropriate and manageable for grants, rather than the LAK 10 million (USD 657) minimum currently required. Decreasing the cost match would enable the fund to award smaller grants to a larger number of people. There is also a lot of hesitancy and fear among MEs around the risk of taking a loan and not being able to pay it back. Making the loans smaller could help to alleviate this challenge from the beneficiaries' perspective:

“Yes, we want a small machine for example, a feed crushing machine, it costs around LAK 4-5 million. The project coordinator mentioned that if the price is less than LAK 10 million, they cannot support us ... If the price is in this [cheaper] range, we are able to afford it, but the problem is that we don't know where to get [additional funds]” – Lao Loum Beneficiaries FGD Khoun

The main reason is because we don't have enough money. We are scared to borrow money. The moment we can gather enough funds, this project will be over already. . – Lao Loum Beneficiaries FGD Khoun

I am actually interested in a big rice mill (LAK 100 million), when I evaluate my financial situation, I do not have such a big amount of money. Now I want a grass grinder machine, they won't support a fund as the amount is less than LAK 10 million. . – Lao Loum Beneficiaries FGD Khoun

I want a tractor, its price is around LAK 70 million, project will support us LAK 45 million but I don't have another LAK 45 million. It is so hard to find money. – Lao Loum Beneficiaries FGD Khoun

At the time of this MTE, the IP was in the process of rolling out a new funding window called performance-based small grants. In addition to the existing grants for medium and large companies, the AOC grants for less than USD 5,000, and the economic recovery grants to individuals for USD 1,000 or less without a match, a fourth opportunity will be opened for applications for less than USD 2,000 to purchase small agricultural machines. Applicants for these performance-based small grants must make the purchase first and reach other service-related targets in their contract before receiving a one-time payment. It appears likely from statements made that the required match for these grants will still be 50 percent; additionally, any reduction in the minimum size of the grants will likely make it more challenging for the IP to meet their cost match targets.

EQ 3 CONCLUSIONS

A no-cost extension is welcome and needed to make up the time lost for MOUs' delays and COVID-19 lockdowns. All stakeholder groups are willing to cooperate in a no-cost extension, but the approach and timing should be carefully planned to mitigate any delays for a MOU extension. The MOU and COVID-19 challenges still exist and must be mitigated in any extension.

In sum, the Activity has been too ambitious and has been beset by the unforeseen twin challenges of COVID-19 and the resulting recession. Grants are too large and cost-prohibitive for small farmers and individuals. Reducing their size would make them more accessible to smaller MEs with less capital, especially with the devaluation of the LAK, which makes equipment purchases prohibitively expensive.

EQ 3 RECOMMENDATIONS

- USAID should grant the Activity a one-year no cost extension, which will minimize some of the time-intensive processes of establishing a new MOU and provide more time for implementation of

the original plan. However, the Activity should be simplified to focus on what is most likely to achieve a measurable impact in the next two years.

- USAID and the IP should reduce the size of the grants and increase the number of recipients planned to a manageable level for the IP to implement, while also making the matching portion of the grants more affordable and relevant to MEs.
- If expansion to new locations is desired, a longer period and possibly additional financial support will be required, but may be better pursued with a follow-on Activity that adopts the lessons learned from this experience and redefines the TOC, including IRs and Sub IRs.
- In a no cost extension, focus on activities to educate the GOL and private sector partners to improve the enabling environment as a recasting of IR 4: promote a better enabling environment, and create new market linkages, whether through training and educating farmers or developing various value chains by investing upstream. The original idea of giving a policy voice to small farmers and opening markets and ease of business through governmental policy reforms now appears overly ambitious and unrealistic in the current implementation context.

EQ 4

TO WHAT EXTENT HAS THE ACTIVITY SUCCESSFULLY ENSURED INCLUSION OF WOMEN, YOUTH, PERSONS WITH DISABILITIES, THOSE FROM UNDERSERVED/UNDERREPRESENTED ETHNIC GROUPS, AND OTHER MARGINALIZED GROUPS? HAVE THERE BEEN ANY UNINTENDED CONSEQUENCES OF THIS EFFORT THAT NEED TO BE ADDRESSED?

EQ 4 FINDINGS

In the RFA, USAID specifies that: “To ensure that the interventions do not perpetuate gender disparities and social exclusions, Applicant must also propose approaches and strategies for gender integration and social inclusion.” This would involve conducting a full GESI analysis “to identify key gender and social inclusion-related issues and constraints and to specify how proposed interventions will affect women, men, youth, disabled, and marginalized social groups differently.” All individual-level data collected through the Activity were to be sex and age-disaggregated. Performance and context indicators would be developed to track changes in key GESI gaps from baseline to the end-of-activity.

A GESI analysis was carried out to identify key GESI-related issues and constraints that might affect MEs and a report was delivered to USAID in January 2020. The report identified challenges faced by women, men, youth, persons with disabilities (PWDs), minority ethnic groups, and other marginalized groups when accessing and benefiting from project interventions. The data from the analysis was used to complete a Gender and Inclusive Development Action Plan, which was submitted in December 2019.

The Cooperative Agreement between ACDI/VOCA and USAID specifies that its targeted beneficiaries will be “women and disadvantaged owned businesses” who will be “actively engaged.” The FAB training claims to be “gender sensitive.” The Agreement also states, “we will collaborate with USAID’s Okard project to provide enterprise opportunities for disabled people.” However, the MOU with the GOL does not mention attention to gender or social inclusion issues or studies, so that priority is not clearly spelled out to the GOL. In spite of this, the Activity has reached a high proportion of female participants, reaching 67 percent females in USG assisted programs designed to increase access to

productive economic resources as of Q3 FY22.³² As documented in various QPR and Annual Reports, the Activity encourages men, women, and ethnic minorities to join trainings. Each of these groups will be considered separately in the section below.

WOMEN

The 2021 Annual Report states that female participation rates in Activity programs are slightly higher than the target of 50 percent, at 53 percent for the FY. The GESI analysis report found gender-based stereotypes around labor delegation:

“In terms of gender stereotypes around agricultural activities, both male and female FGDs reported that it is more common for women to raise smaller animals, e.g., chickens...pigs, etc., and for men to raise larger animals, e.g., cattle and buffaloes. In terms of crop production, there was not a strong indication that gender norms and beliefs were influencing the distribution of seasonal tasks and, other than spraying being slightly more likely to be applied by men and weeding to be strongly more likely to be undertaken by women, males and females were both working on similar tasks.”³³

The GESI report also included the following findings related to gender equity and training needs:

1. To determine whether there were cultural behaviors which inhibit certain genders or PWDs from attending trainings, respondents were asked about the appropriateness of being trained in crop production and livestock raising techniques, and possible conditions or barriers for both women and men. Several themes emerged as possible challenges for either men or women to fully participate in such trainings, including literacy, childcare responsibilities, financial and time burdens, transportation, age, and other concerns. These themes are also covered in other sections.
2. Throughout the districts, even in remote ethnic communities, FGD respondents of either gender mostly thought it was appropriate and beneficial for women and men to receive training in all types of agricultural production and business practices. The two exceptions were in female FGDs in Nadee village, Pek district (Lao Loum respondents), where participants expressed that men should only be trained in raising large animals, and in Somboun village, Phoukoud district (Hmong respondents), where participants indicated “some men don’t want to take care of small animals.” When probed for the reasons why men may not want to take care of small animals, it was explained that taking care of small animals would hurt some men’s sense of masculinity, as it is traditionally a woman’s role.
3. In contrast, all 27 FGDs indicated that it was appropriate for women to be trained in all types of farming and livestock raising techniques. One participant from a male FGD in the Hmong village of Phavaen in Nonghed district said, “these days, women are more involved in farming and livestock raising, so they need to know about all the related skills,” to the firm agreement of his neighbors.
4. Only one female FGD (the Hmong village of Somboun in Phoukoud district) indicated that they would prefer to be trained by a woman, if possible. All other male and female FGDs indicated that the gender of the person to facilitate a training in farming or livestock raising techniques is

³² ACDI/VOCA. (2022) Q3 FY22 Quarterly Progress Report, p. 34.

³³ ACDI/VOCA. (2020) Gender, Equality, and Social Inclusion Analysis, p. 31.

immaterial, provided they are skilled and a good teacher. The female FGD in Somboun was also the only group to indicate that gender is relevant to passing training on within the family, saying that “usually only women take care of small animals, and men large animals,” meaning it could be a challenge for women to train men in caring for either small or large animals. While all other FGDs indicated that whoever was trained in the family regardless of gender or age would be able to pass this training on to the family without any cultural issues related to age hierarchy or gender.

5. Four male and two female FGDs cited illiteracy and lack of spoken Lao skills among women as a possible challenge for them to join trainings. These were all in Hmong communities in Morkmay, Phaxay, Phoukoud, Khoune, and Pek districts. By contrast, no FGDs identified literacy or Lao language skills as a barrier for men to join trainings. The female FGD in Somboun village indicated that women could only attend if the training were conducted in Hmong. Several of these groups also indicated that many women are also not literate in the written Hmong language, so they would not benefit from any reading or writing aspects of training, even if it conducted in Hmong.³⁴
6. To ensure successful and barrier-free training, several considerations must be taken into account. The themes and approaches must be tailored to the targeted communities, as socio-economic status appears to highlight needs discrepancies among participants more than gender or ethnicity. Women’s ability to participate equally hinges on domestic responsibilities, as well as community perceptions of gender roles and safety. Additionally, the timing and methodology of these trainings will range based on community demographic, i.e., the adaption of training materials to ethnic languages versus image-based modules, as not all dialects have a written form.³⁵

The GESI analysis report also included the following findings related to household and childcare responsibilities:

1. Women are primarily accountable for domestic responsibilities, such as child-rearing, taking care of the sick and/or elderly and household duties, including food preparation and collection of water and wood. Responsibilities to take care of children were only cited as a barrier for women to join trainings, not men.
2. Only eight FGD groups of 27 agreed that both men and women could travel to another village for training, by day or overnight, regardless of childcare responsibilities. Six female and five male FGDs, the majority of which were from Hmong communities, indicated it would not be convenient or appropriate for women who are breastfeeding or had young children to travel to another village overnight. This was a particular concern among remote ethnic communities. However, of the FGDs who raised this as an issue, most indicated that women who were breastfeeding or had young children could attend trainings conducted in their community.³⁶

The FAB training includes some content promoting greater equality between the sexes in household tasks; the Year 3 Annual Report states that 52 percent of trainees have observed improved involvement of men in household tasks. This was verified by respondents in FGDs and KIIs, many of whom shared

³⁴ Ibid, p. 31-32.

³⁵ Ibid, p. 35.

³⁶ Ibid, p. 33.

that the men had been taking a more active role in the household, including this respondent from a mixed gender FGD in Phoukoud, who stated: “They even included gender equality for men and women to work equally. Whatever women can do, men can do, for the men to help women so that the burden is not too much on her. Because, in actuality, the women have more work than the men.”

As shown in Table 12 below, Cross-cutting Indicator 3 has shown good results and the target was revised up from the original goal of 15 percent. The last cross-cutting indicator, percent of women who consider themselves as own account workers rather than unpaid family labor, also reported good progress towards its targets, reaching 84 percent of the targeted 90 percent LOP target.

Table 12: Progress towards indicator targets for Cross-cutting Indicators

INDICATOR	YEAR 2 FY20 ACHIEVED	YEAR 3 FY21 ACHIEVED	YEAR 4 TARGET	ORIGINAL LOP TARGET	CURRENT LOP TARGET
Cross-cutting 1: Percent of female participants in USG-assisted programs to increase access to productive economic resources	54%	53%	50%	50%	50%
Cross-cutting 2: Number of MEs supported by USG assistance	5,340	4,107	2,405	11,843	↑ to 13,803
Cross-cutting 3: Percent of women and men reporting improvement in men’s involvement in caretaking or household tasks	0	52%	58%	15%	↑ to 58%
Cross-cutting 4: Percent of women who consider themselves as own account workers rather than unpaid family labor	0	84%	No data	90%	90%

YOUTH

Review of the BS reveals little mention of youth as a beneficiary group beyond a single reference to youth being more comfortable using social media and technology products in general, although analysis of the BS data reveals that 16.8 percent of the BS respondents were between the ages of 20-30 and another 13.5 percent were between the ages of 31-35, for a total of 30 percent under the age of 35.³⁷ In the first ABS, 24.4 percent of respondents were under 30 and another 20 percent were 30-35, for a total of 40 percent of respondents under the age of 35, almost half. However, there is no consideration of the needs of, nor disaggregation by youth age cohorts, in the ABS report, except for a single reference to the youth cohort in Indicator 6, improved entrepreneurial knowledge. Aside from this, there is no discussion of youth entrepreneurs as a beneficiary group in the ABS.

Despite their large proportion of the Activity’s beneficiaries, youth are seldom mentioned in data analysis in QPRs and annual reports beyond the consideration of their capacity for using technology. The

³⁷ ACIDI/VOCA Baseline Study, p. 37.

needs of young entrepreneurs are not discussed or indicated as a target beneficiary group. The FY21 Annual Report claimed that there was no significant difference between the below 30 age group and the 30 and over age group. Other than this unsubstantiated statement, youth are not broken out in training participation against all participants, by sex or ethnic composition.

Young entrepreneurs have distinct needs that are not always met by traditional entrepreneurial development projects. There is no evidence found in the Activity's documentation or in the qualitative data gathered for this MTE that these needs are being considered in the development or implementation of the Activity.

PWDS

As reported in the 2021 Annual Report, PWDs are marginalized and ACDI/VOCA pledges to promote their participation and interests in the Activity's implementation:

The [GESI] analysis found that there is a social tendency to keep [PWDs] hidden away, which is a contributing factor for PWDs to have lower access to resources including education. Therefore, the Activity will promote shifts in attitude regarding the capability and social acceptance of PWDs through messaging. The Activity will also partner with local organizations and community leaders to identify PWDs in the local communities to promote their inclusion in Activity interventions.

The Activity reported that one percent of its beneficiaries self-identify as PWDs. According to the FY21 Annual Report, seven women and 24 men with disabilities are reported as registering for a training, and six women and 19 men with disabilities were trained in more than one session, without ethnic specification. The inclusion of PWDs has not been a strong area of focus for the Activity in its reporting, with minimal discussion beyond echoing the Activity's commitment to raise awareness. There was no reported feedback from these individuals in the documents reviewed. Two of the respondents from FIs in Pek and Khoun said they do not have PWDs as customers; one said they do not give loans to "individuals who have limited productivity capacity, for example those who are completely blind or who have no legs, but we try to help PWD[s] by adding their other family members to the contract." While PWDs developing MEs face great challenges in securing financing for business development, this has not been an area of significant focus for the Activity.

ETHNIC MINORITIES

Hmong trainees are well-represented in the Activity. According to the FY21 Annual Report, the FAB beneficiaries were 45 percent Lao Loum, 40 percent Hmong, nine percent Khmu, and six percent other ethnic groups.³⁸ There is also evidence of consideration for specific needs of Hmong beneficiaries in the training implementation, including mother tongue language of instruction and some methods adaptation. However, one Hmong respondent in a FGD indicated that they are illiterate but were still issued a textbook by the training that they could not use. This same report indicates that five female and eight male Lao Loum, two female and 15 male Hmong, and one male from another unspecified ethnic group attended the FAB training. Since there are six topics, plus marketing training, in the curriculum, it is not clear how many completed the full training.

The 2021 Annual Report and 2021 ABS state that the men and women of all ethnicities had almost the same levels of adoption of the tools introduced in the FAB training. However, the actual data that inform these reports show that two percent of Hmong MEs and five percent of Lao Loum MEs claimed

³⁸ ACDI/VOCA FY21 Annual Report, p. 16.

to use all seven tools from the training. In comparison, 19 percent of Khmu MEs, seven percent of the Hmong, and five percent of the Lao Loum trainees said they did not use any of the tools. The report includes a chart that breaks out the proportion of tool use tool by tool and ethnic group, but neither the discussion of tool adoption or use of marketing training presents any disaggregation by sex or age group.

Similarly, the Activity's QPRs, annual reports, ABS, and BS analysis lack analyses and discussions of how the Activity will address any identified inequities between ethnic groups. The latest QPR, from Q3 FY22, reported strong rates of females trained in that quarter: 53 percent of BSF trainees,³⁹ 54 percent of video demonstration trainees,⁴⁰ and 72 percent of the GOL capacity-building trainees.⁴¹ However, these statistics are largely output-level data that focus on training rather than funding or other direct support offered to farmers. When looking at such types of outcome-related measures, female participation rates drop significantly; only 29 percent of respondents who accessed agriculture-related financing were female.⁴² Of the 305 farmers whose fields were plowed that quarter, only five percent were female, and of the 39 farmers who were provided weed-cutting services in the quarter, none were female.⁴³

Despite these low gender ratios, the QPR's GESI section states, "The project continues to monitor the male to female and ethnic ratio in trainings and other activities and continues to be on track with targets."⁴⁴ However, no further discussion or analysis is offered of areas in which female participation is low. The recent data quality assessment found that the MEL team had strong capacity, which suggests the staff capacity is there. However, the report also stated that the current staff supervision system on data collection and management is insufficient, so the MEL team's practices in this area could be strengthened.

The ET did not find any specific instances of unintended consequences related to the training or other support offered by the Activity in the qualitative data collected for this MTE.

EQ 4 CONCLUSIONS

The Activity has succeeded in reaching its targets for the percentage of female beneficiaries trained, and in the inclusion of ethnic minorities in training. While a large proportion of their beneficiaries are between the ages of 15-29, there is minimal evidence of the Activity considering their needs as young entrepreneurs in the reporting documents available to this ET. Engagement of PWDs has been minimal and there is insufficient data, based on small reported population size and limited disaggregations of indicators, to fully understand whether the needs of PWD microentrepreneurs are being met. While the Activity collects and reports disaggregated data, the analysis is not comprehensive and areas in which marginalized groups are underperforming are rarely analyzed or addressed in reporting documents.

³⁹ ACIDI/VOCA (2022) Q3 FY22 Draft Quarterly Progress Report, p.9.

⁴⁰ Ibid, p. 13.

⁴¹ Ibid, p. 12.

⁴² Ibid, p. 33.

⁴³ Ibid, p. 16-17.

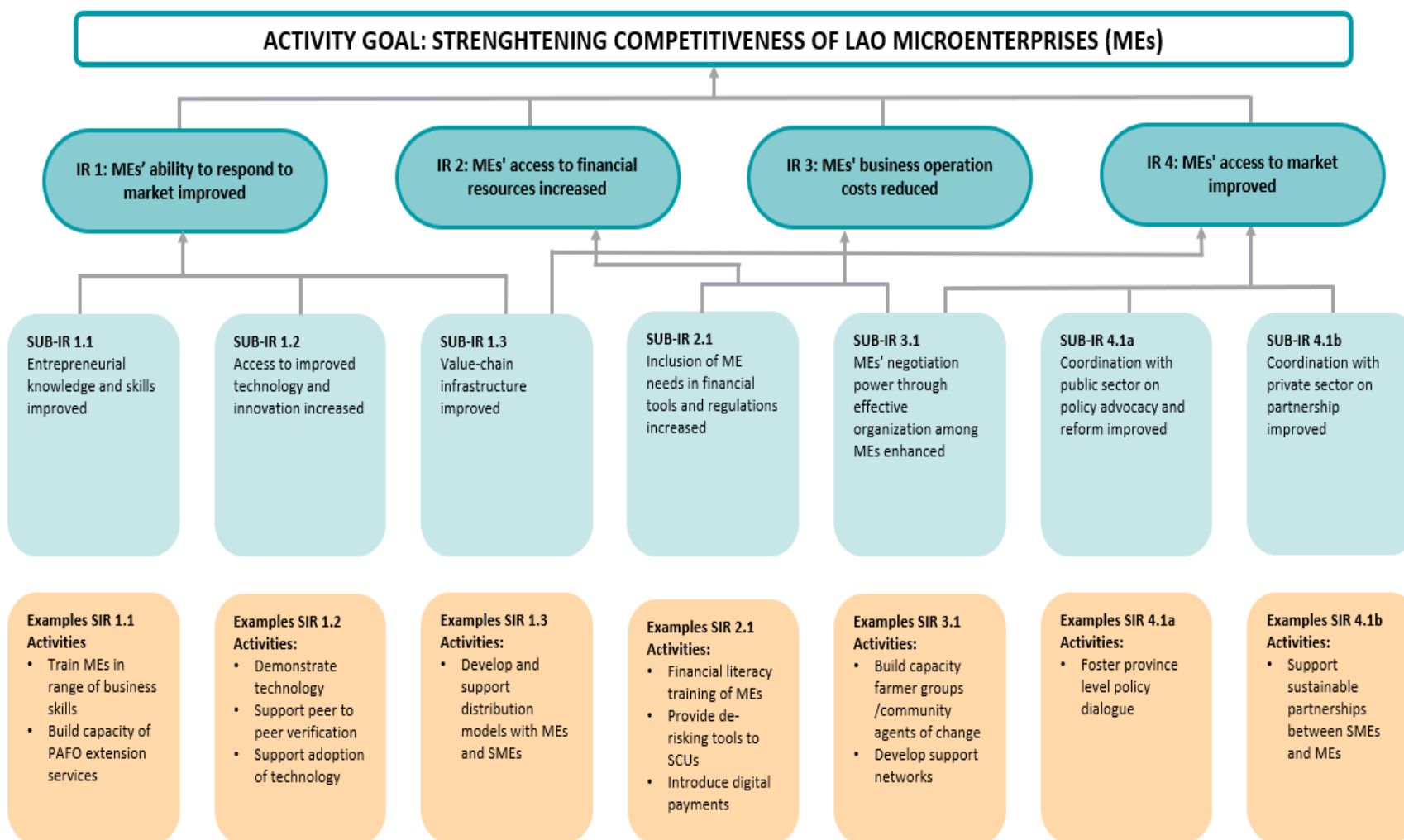
⁴⁴ Ibid, p. 24.

EQ 4 RECOMMENDATIONS

- The IP's current data quality practices should be improved with more consistent methodologies and analyses by demographic markers to identify areas of potential inequities in the outcomes achieved for marginalized groups and demonstrate strategies to resolve these inequities.
- The IP should create feedback mechanisms for targeted marginalized groups to capture their differing needs, expectations, and experiences. They should develop strategies to address these points that promote sustainable growth and equitable service provision, including training geared towards young entrepreneurs.
- USAID should explore strategies to meet the need for non-written course materials for MEs with literacy challenges, including for Hmong beneficiaries, as a standard part of training implementation in Lao PDR.
- The IP should work with SCUs to promote more willingness to extend loans to PWDs.

ANNEX I: LAOS MICROENTERPRISE ACTIVITY RESULTS FRAMEWORK

Figure 1: Activity Goals: Strengthening Competitiveness of Lao Microenterprises (MEs)



ANNEX II: EVALUATION SCOPE OF WORK⁴⁵

Purpose: **Mid-term Evaluation (MTE) of the USAID Laos Microenterprise**

Agreement Officer Representative: Somsangouane Keovilay, Project Management Specialist, USAID Laos

Period of Performance: September 2021 – September 2022

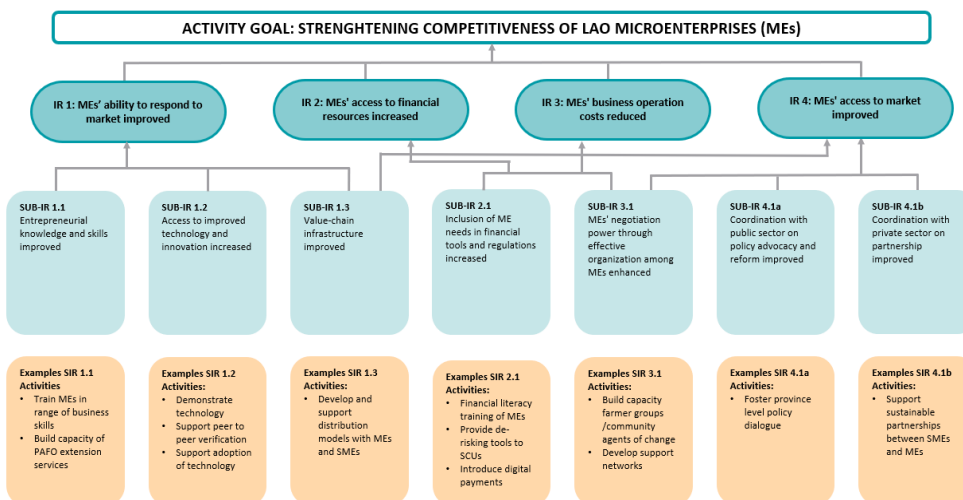
Place of Performance: Vientiane and Xiengkhouang provinces, Lao PDR

I. Background

The USAID Laos Microenterprise (Laos Microenterprise) Activity is a 5-year Activity (2018 - 2023) that intends to improve the competitiveness of agricultural microenterprise including farmers. The Activity targets all districts in Xiengkhouang province. The Laos Microenterprise Activity works in partnership with the relevant Government of Laos at national and sub-national level including Ministry of Agriculture and Forestry, Provincial Agriculture and Forestry Office, and District Agriculture and Forestry offices. ACDI/VOCA is the prime partner with Helvetas and World Council of Credit Unions (WOCCU) as sub-partners.

The Activity uses a comprehensive approach to spur enterprise competitiveness along targeted value chains by expanding farmers access to and adoption of business skills, technologies and practices, finance, market linkages and public-private dialogues. The Activity comprises four key Intermediate Results (IRs): Improved ability to respond to market (IR 1), Increased access to financial resources (IR 2), Reduced business operation costs (IR 3), and Improved access to markets (IR 4).

Figure 2. Results Framework



⁴⁵ Note: this is the original scope of work issued for this project; some of the information, including timelines and EQs, have been adjusted during the development of this report.

II. MTE Objectives

The USAID Laos Microenterprise mid-term evaluation is an exercise to review appropriateness of the Activity's approaches and its achievements to date with the objectives of guiding strategic direction and decide on the best way forward to capitalize on the approaches that are working and improve the ones that are not. The MTE results will also guide the decision for the potential cost and time extension plan of the Activity.

III. Evaluation Questions

Key research questions for the mid-term review are as follows:

1. To what extent have the IRs and Sub IRs of the Activity been successfully and/or unsuccessfully implemented according to the anticipated targets and results described in the Theory of Change?
 - a) What are key internal and external factors contributing to the success and/or inhibiting progress of those IRs and Sub IRs that lack progress?
 - b) What additional interventions may be necessary in order for the Activity to achieve the goal of "increasing the ability of Laos MEs to offer products and services that meet the quality standards and needs of domestic and international markets at competitive price points." (For example, should the Activity expand its interventions into production?)
 - c) What existing interventions may not be necessary and are distracting the Activity from achieving this goal?
2. Given the scope and nature of the Activity's current interventions, how can the Activity increase its engagement with companies in Vientiane Capital?
3. Which one or two additional provinces (if any) should USAID consider for Laos Microenterprise's potential geographic expansion and why?
4. What should USAID consider for potential modification of the Activity, including but not limited to:
 - (a) a potential cost and time extension, staffing and MOU implication; and
 - (b) the grants size (i.e., is the partnership grant too big and if so, what size should it be?)

IV. Activities/Tasks (Services)

The mid-term evaluation (MTE) will primarily be conducted in Xiengkhouang province and partially in Vientiane Capital province, with data collection among implementation partners including government officials in central, provincial and district level, and non-government partners and private sector including agricultural MEs and farmers (as the beneficiaries). It is anticipated that the ET will work in close collaboration with USAID/Laos and the Microenterprise Activity teams throughout the review process. The ET will implement at least the following activities and is encouraged to propose additional methods to ensure effectiveness of the MTE.

- Review Activity documents, including the Y1-Y3 Annual Workplans, Y1-Y2 Annual Reports, and other documentation as relevant (to be shared by USAID).

- Design, prepare, and facilitate a participatory workshop to obtain feedback and additional inputs, as well as to develop a set of recommendations for Activity adjustments as relevant.
- Submit the MTE report that also includes key recommendations for modifications to the existing ceiling and remaining timeframe and as specified below.
- Submit the summary report that can be shared with the Lao Government counterparts.

IV. Deliverables and Schedule

The timeline for the MTE is estimated from November 2021 to July 2022 inclusive of all activities, tasks, and deliverables.

Deliverable 1: Inception Report

- Submit a MTE inception report, which includes specific details on methodology, data collection instruments, analysis plan and tool, work schedule, roles and responsibilities of each involved party, taking into consideration the ethical and confidentiality issues and the context of COVID-19.

Deliverable 2: Participatory Workshop(s)

- Design a participatory workshop or series of workshops to include validation of findings and a discussion of the draft conclusions and recommendations. The audience(s) will include the Agreement Officer Representative, LME partners and others, based on consultations with USAID.

Deliverable 3: Report

- Submit a draft report that summarizes findings, conclusions, and recommendations for adjustments to the strategy and interventions for the remaining timeframe.
- Propose potential approaches, interventions and/or potential geography if a cost and time extension are recommended.
- Incorporate feedback from all relevant parties in the final version of the report and submit the report to USAID Laos.

Deliverable 4: Summary Report

- Draft the summary report to be shared with the Lao Government counterparts.

ANNEX III: SOURCES OF INFORMATION

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ANEX IV: DATA COLLECTION AND ANALYSIS TOOLS

The following data collection tools are included in this Annex:

- USAID Representative Interview Guide
- GOL Representative Interview Guide
- MSME Beneficiary FGD Guide
- SMFM Trainee Group Interview Guide
- KII/FGD for AOC Applicants
- PFG FGD or District Interview Guide (co-creation)
- KII for Vientiane Provincial Companies
- KII for Vientiane Capital Companies
- ACDI/VOCA Partnership Fund Advisor/Consultant
- ACDI/VOCA Access to Finance Specialist
- ACDI/VOCA FO Interview Guide
- ACDI/VOCA Business Development Services Specialist Interview Guide
- ACDI/VOCA Monitoring and Evaluation (M&E) Consultant Interview Guide
- ACDI/VOCA Training and Group Capacity Coordinator Interview Guide
- ACDI/VOCA Chief of Party
- ACDI/VOCA Gender Specialist
- Sub-contractors Interview Guide
- Xiengkhouang Farmers Organization Network (XFON) Interview Guide
- XCCI Interview Guide
- FI Managers and Loan Officers Interview Guide
- LNCCI Interview Guide

Informed Consent and Confidentiality (to be used for all KIIs, Group Interviews, and FGDs):

Note to interviewer: please read this consent out loud in its entirety to ALL participants and ensure everyone has a copy in Lao in front of them to follow along if they so choose.

To be read aloud: Hello, I am _____, and I work with SI, a United States-based evaluation firm that is conducting this study for USAID in Lao PDR. We are conducting an assessment of the LME Activity supported by USAID, which has been working here in the Xiengkhouang Province since 2019 and is currently scheduled to conclude in 2023. The purpose of the evaluation is to identify what is working with the project and what is not so that it might better support small businesses in the Xiengkhouang Province.

This interview is one of about 75 discussions that we are conducting across the Xiengkhouang Province and in the Vientiane Capital. This interview will last approximately 1 hour. Your honest responses will help USAID and its partners understand what is working well with the project and what might be improved. USAID and its partners will use this information to inform changes to the project. USAID may also use the information to inform future small-business support activities in Xiengkhouang and/or other parts of Lao PDR.

Your name will not be connected to any information you provide in this discussion or the report that is written as a result of these discussions. Your responses will be completely anonymous and will be compiled with other responses, analyzed by the SI team, and serve as the data for a report to USAID that will be made publicly available on USAID's website called the Development Experience Clearinghouse. No information will be associated with you as an individual but your participation will be noted in the final report list of respondents (not tied to the information you share with us).

Your participation in this interview should not pose any harm or discomfort to you. Your participation is completely voluntary, and you are free to decline to respond to any question for any reason and to leave or end your participation at any time without consequences. Your participation in this interview may benefit future small businesses in Lao PDR. However, your participation will not affect whether the GOL receives future support from USAID.

Do you understand that your participation in this interview is voluntary, unpaid, and that you can leave or discontinue your participation at any point? Do you have any questions? If you have any follow up questions, please contact Latsany Phakdisoth at lphakidsoth@socialimpact.com.

If you confirm your consent to participate in this interview/FGD and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

USAID Representative Interview Guide

Name(s) _____

Gender _____

Position/Title _____

Phone Number (for follow up, if needed) _____

1. What went well during the start-up of the Activity? What might have been improved?
 - a. Probe: quality of design, focus of the Activity?
2. How does the LME Activity complement the USAID Laos Mission's goals and objectives overall? Are there areas in which it could be expanded to better meet these goals and objectives?
3. The LME Activity has four intended results for farms: 1) improved ability to respond to the market (mostly accomplished through training and improved access to technology and innovation), 2) increased access to financial resources through loans, 3) reduced business operation costs, and 4) improved access to markets through coordination with public and private sector to improve policies and partnerships. Which of these results do you find the most important and why?
 - a. For which results do you see the biggest gaps? How could these be addressed?
4. How effective has ACDI/VOCA been as an implementer for this Activity? How about their sub-partners? Are there areas in which this collaboration could be improved?
5. How has USAID's relationship been working with the GOL? Are there ways in which this relationship could be more effective or efficient?
6. How did the Activity adapt to COVID-19? How successful was this adaptation? How did it affect the project timeline and success in meeting its targeted results? Have there been other factors impacting the Activity's ability to meet its targets?
 - a. Probes: cost-sharing challenges
7. How might LME supported by USAID improve coordination between companies in Xiengkhouang and those in the Vientiane Capital?
 - a. What challenges do businesses face in expanding into this market?
8. If the LME Activity is extended beyond 2023, what should it focus on? Are there areas that could be enhanced or reduced to make it more effective in reaching its goals and objectives?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

GOL Representatives Interview Guide

To be used for KIIIs with PAFO, DAFO, PICO, DICO, DAEC, and District Vice Governors

Informed Consent and Confidentiality Statement (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

District _____

Position/Title _____

Phone Number (for follow up, if needed) _____

1. Please describe the nature of your collaboration with LME supported by USAID?
 - a. Probes: When did you first start to work with the LME Activity? What has been your role in supporting this Activity?
 - b. Probe for DAEC only: Were you involved in the MOU process? If so, did it go smoothly? Are there things that could be adjusted to make this process more efficient?
2. What support has LME, supported by USAID, provided to area business with which you work?
 - a. Probes: How useful has that support been?
 - b. What challenges do farms, agribusinesses, and MEs face? Is the Activity effective in addressing them?
 - c. Do these challenges differ based on whether the business is formal or informal?
3. The LME Activity has four intended results for farms: 1) improved ability to respond to the market (mostly accomplished through training and improved access to technology and innovation), 2) increased access to financial resources through loans, 3) reduced business operation costs, and 4) improved access to markets through coordination with public and private sector to improve policies and partnerships. Which of these results do you find the most important and why?
 - a. For which results do you see the biggest gaps? How could these be addressed?
 - b. Probe for DAEC only: Have you had sufficient opportunity to monitor the Activity's progress? Could this be improved?
4. How have small farms and agribusinesses been affected by COVID-19?
5. How might LME, supported by USAID, improve coordination between companies in Xiengkhouang and those in the Vientiane Capital?
 - a. What challenges do businesses face in expanding into this market?
6. Have you participated in any LME, supported by USAID, trainings?
 - a. If so, which ones?
 - b. What, if anything, did you learn?

- c. How, if at all, have you used what you learned?
7. Have you participated in any business enabling environment discussions that LME, supported by USAID, has supported?
 - a. If so, which meetings? Please described what decisions were made, if any?
8. Have you been involved in any activities of the XCCI? If so, how? And, which activities?
9. Does LME, supported by USAID, work in the same way with men and women? What about different ethnic groups?
 - a. Probe: How does/should the LME Activity, supported by USAID, help address these challenges?
10. As you may know, LME, supported by USAID, is meant to end in September of 2023. Would you recommend continuing the project longer? Why or why not?
11. If it does continue, what do you think LME, supported by USAID, should focus on for the remainder of the project?
12. Do you have any other recommendations for improving your collaboration with LME, supported by USAID?
13. Do you have any questions for me regarding this interview or the evaluation in general?
14. If I have any follow-up questions in the future, is it okay to visit you again or call you?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of government leaders such as you.

MSME Beneficiary FGD Guide

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this FGD and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

District _____

Village _____

FGD Gender (men, women, or mixed) _____

FGD Language _____

1. Please tell me about your farm or ME, and what products and services you offer?
2. What has been the most significant change for your farm in the past three years? And, what caused that change?
 - a. **Probes:** Did any outside interventions/programs have an impact on your business? If so, which ones and how?
 - b. **Probes:** How has COVID-19 impacted your farm, if at all? If so, how?
3. How many of you attended the LME, supported by USAID, Phase I QR code training (FAB)?
Note to facilitator – after a quick show of hands and count (please include disaggregations by gender, ethnicity, and age – these can be determined after the meeting if you determine who, specifically raised their hands and who did not), continue with the follow-up questions and probes:
 - a. Why did those of you who did not attend the training choose not to go?
 - b. **Probes:** Did you hear about the training?
 - c. **Probes:** What did those of you who attended the training learn from the training, if anything?
 - d. **Probes:** What, if anything, could be improved with the training? What additional information would you have liked to have received?
4. In what ways, if any, have you changed your farm or ways of doing business as a result of the first QR Code Training?

Probes:

- a. In what ways have you changed how you verify prices as a result of the training, if at all? Why or why not?
- b. Has the training effected how you determine whether the price you are offered is profitable? Please explain.
- c. To what extent has your cost of farming/doing business (e.g., your total cost of inputs such as seeds, fertilizers, technology, feed, labor, etc.) changed as a result of knowledge gained in the training? Why?
- d. How have your total sales changed as a result of what you learned in the training, if at all? Why or why not?
- e. In what ways have you changed your marketing approach as a result of the training, if at all? Why did you/did you not change your approach? What effect has this had on the success (e.g., income, sustainability, reduced work load) of your farm/business, if any?

- f. How have you changed your farm/business management practices as a result of what you learned in the training, if at all? Why or why not? What effect has this had on the success of your business?
 - g. To what extent have you changed what you plant or rear or produce as handicrafts (e.g., added new crops/products/animals to your farm, modified the way you grow or rear, and/or stopped growing, rearing, or producing certain crops/animals/products) as a result of what you learned in the training? Why?
 - h. To what extent has your approach to accessing and assessing information about market prices, inputs, and other critical information changed, if at all, as a result of what you learned in the training? Why?
5. How many of you attended the Phase 2 QR code training (BSF) offered by LME, supported by USAID? *Note to facilitator – after a quick show of hands and count (please include disaggregations by gender, ethnicity, and age – these can be determined after the meeting if you determine who, specifically raised their hands and who did not), continue with the follow-up questions and probes:*
- a. Why did those of you who did not attend the training choose not to go?

Probes:

- b. Did you hear about the training?
 - c. What did those of you who attended the training learn from the training, if anything?
 - d. What, if anything, could be improved with the training? What additional information would you have liked to have received about how to grow your farm/business?
6. In what ways, if any, have you changed your business or ways of doing business as a result of the Phase 2 QR code training (BSF)?

Probes:

- a. In what ways, if any, have you changed your approach to investing in your farm/business as a result of what you learned in the training? Why or why not?
 - b. To what extent have you identified new farm/business opportunities as a result of what you learned in the training? What are these new opportunities? How has (or do you expect) the success of your farm/business changed as a result of these new opportunities, if at all? Why or why not?
 - c. To what extent have you identified resources (e.g., labor, knowledge, loans) needed for your farm/business to grow as a result of the training? Have you been able to access the resources you need? Why or why not?
 - d. To what extent have you created a plan for growing your farm/business? What does this plan include? Did the training help you to know how to develop the plan? Why or why not?
7. How many of have watched one or more of the technology demonstrations (e.g., ones about rice and maize equipment, animal feed processing machines, improved weaving technology, and any others) offered by the LMEs supported by USAID? *Note to facilitator – please do a count by demonstration, including for any not listed here (please include disaggregations by gender, ethnicity, and age – these can be determined after the meeting if you determine who, specifically raised their hands and who did not), before continuing with the follow-up questions and probes:*
- a. Why have those of you who have not watched the demonstrations, not participated? What topics might be more relevant for you? Or, how else could the demonstration offerings be improved to better meet your needs?

Probes:

- a. Did you hear about the demonstrations?

- b. What did those of you who attended the demonstrations learn from the demonstrations, if anything?
 - c. What, if anything, could be improved with the demonstrations? What additional information would you have liked to have received?
8. In what ways, if any, have you changed your farm/handicraft business or ways of farming/doing business as a result of one of these demonstrations?

Probes:

- a. What new technologies are you using on your farm or with your handicrafts, if any? To what extent was your adoption of this technology a result of the demonstrations supported by LME supported by USAID?
 - b. What new technologies would you like to use on your farm/in your business in the future?
 - c. What, if anything, is holding you back from using these new technologies?
 - d. Are there any other barriers to using this technology outside of money?
9. How has your access to and use of products such as seeds, fertilizer, and labor changed, if at all, in the past three years? And, what caused these changes?

Probes:

- a. As farmers do you buy seed, fertilizer, and/or services such as ploughing?
 - b. Do you hire labor outside your family?
 - c. Do you think it's getting easier or more difficult to buy seed?
 - d. What changes have you seen in the last three years?
 - e. Are shops the same distance? Are they closer or further away now?
 - f. Do you buy non-organic fertilizer or organic fertilizer?
 - g. If the trader did not give not provide you with fertilizer, would you purchase them yourself?
10. To what extent has the LME Activity, supported by USAID, changed how or whether you sell to or partner with other farmers or traders?

Probes:

- a. What type of partnerships have these been (e.g., the other businesses or farms have provided services, added value to crops/products, cooperated with you to aggregate sales of crops/products, etc.?)
 - b. What have these new partnerships meant for your farm/business?
 - c. What impact have they had on the success/income of your farm/business?
 - d. What other changes have these new partnerships caused, if any?
11. To what extent has who your farm/business sells its crops/products/animals to changed as a result of the LME Activity, supported by USAID, if at all?

Probes:

- a. What type of new clients, if any, has the LME Activity, supported by USAID ,helped you to attract? How did the Activity help you to do this?
 - b. Are any of these clients from the Vientiane Capital? Why or why not?
 - c. What clients do you no longer sell to as a result of the LME Activity, supported by USAID? Why?
12. Have you or anyone from your business applied for a LME Activity, supported by USAID, PFG? If so, what was it for, and what was the result?

Probes:

- a. Have you heard of the grant? If so, how did you hear about it?
- b. Why have you or have you not applied? What would make you more likely to apply in the future?
- c. Have you heard the results of your application? What were they?
- d. Do you know why your application progressed or was approved or not approved?
- e. If you have received a grant, what did you use it for, and how did it effect your businesses outcomes?

13. What, if anything, has changed with regards to men/women's roles in your farm/handicraft business as a result of what you learned in any USAID LME trainings, demonstrations, or meetings? Why?

Probes:

- a. How, if at all, has the LME Activity, supported by USAID, treated male and female owners of MEs? Why?
- b. How could the Activity better support the different needs of male owners of MEs?
- c. How could the Activity better support the different needs of female owners of MEs?

14. What additional changes have occurred for your farm/handicraft business, if any, as a result of LME, supported by USAID?

Probes:

- a. What LME activities, supported by USAID, interventions caused these changes? How and why?

15. What are your greatest business challenges?

Probes:

- a. What are the source(s) of these challenges?
- b. How might these challenges be addressed?
- c. What support would be helpful to you in addressing these challenges?

16. What recommendations do you have, if any, to improve the LME Activity, supported by USAID?

17. Do any of you have any questions for me regarding this interview or how the information provided will be used?

Thank you very much for your time. The ET will be speaking with many other stakeholders over the course of the next two weeks. And, follow up questions may arise from these discussions. Do you mind if I return briefly or call you if further questions arise? *Note to facilitator, please confirm this is okay with each participant and record preferences on the attendance sheet.*

SMFM Trainee Group Interview Guide

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature _____

Name _____

Group Name _____

Age _____

Gender _____

Ethnicity _____

1. Describe your farmer group. When did you become a group? What kind of crops do you grow/animals do you rear/or handicrafts do you produce?
2. What has been the most significant change for your group in the past three years? And, what caused that change?
3. What are your group's greatest business challenges?
 - a. Probes: COVID-19 effects on business development
 - b. What are the source(s) of these challenges?
 - c. How might these challenges be addressed? What support would be helpful to you/your group in addressing these challenges?
4. Have you or your group participated in any interventions supported by the LME Activity, supported by USAID?
 - a. If yes, Which ones?
 - b. Probes: QR code training called SMFM
5. Which LME, supported by USAID, interventions (trainings, meetings, demonstrations, grants, etc.) have been the most useful for you and your group and why?
6. Which LME, supported by USAID, interventions, if any, have been the least useful for your group and why?
7. Have you used any of the knowledge you gained from the training to make changes to how you or your group does business?
 - a. If yes, What changes have you made as a result of this training?
 - b. Probe: changing prices of goods or services as a result of the training
8. Have you made any changes to your marketing strategy or approach as a result of the training?
 - a. If yes, please describe those changes.
9. To what extent have you/your group changed the price(s) of the services/inputs you provide to MEs as a result of the LME Activity, supported by USAID. Please describe the changes in prices.
10. What recommendations, if any, do you have to improve the effectiveness of the LME Activity, supported by USAID?

11. What additional support, if any, would you like to see from the LME Activity, supported by USAID or other future USAID activities?
12. Do any of you have any questions for me regarding this interview or how the information provided will be used?

Thank you very much for your time. The ET will be speaking with many other stakeholders over the course of the next two weeks. And, follow up questions may arise from these discussions. Do you mind if I return briefly or call you if further questions arise? *Note to facilitator, please confirm this is okay with each participant and record preferences on the attendance sheet.*

Thank you again for your time!

KII or FGD Guide for AOC Applicants (co-creation stage)

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this FGD/interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Age _____

Gender _____

Ethnicity _____

District _____

Phone Number (for follow up, if needed) _____

1. About one in six of grant applications for AOC business activities have been preliminarily approved (co-creation) or fully approved, and you are among them. Are you aware of where you stand in the approval process for your applications?
2. What type of business service do you propose to engage in and please give me a brief description of it?
3. To how many small farmers do you intend to provide your services or services?
4. How much do you plan to charge for providing your service to other small farmers? Do you feel that they would be willing to pay for this service?
5. In your grant application are you requesting the provision of equipment, working capital, both, training, and/or some other business input? Which are you requesting?
6. How did you hear of the opportunity to apply for a grant from the LME Activity? Did the DAFO inform you of this opportunity and how did they do so? Did they give you clear information on what to apply for and how the process worked?
7. Did staff from the LME Activity help you with your application? Did they hold a meeting with several applicants at a time to help you?
8. What did you need help with in the application process and how much time did staff spend helping you with your applications?
9. Who specifically in the LME helped you in the application process and how do you rate that assistance? Did anyone from the DAFO participate in this assistance? If so, who?
10. Have you completed the Phase 2 Businesses Supporting Training and, if so, how did that help you define your business idea?
11. What specifically is involved in the co-creation process for final application approval and with whom are you working (or have worked)?

12. Did LME Activity staff help you with setting specific objectives to reach with the grant assistance?
13. Do you have a business plan? If so, what are your objectives, in what time frame, and what elements does the plan contain?
14. Do you have a matching contribution to make to your grant from the LME Activity? What is the size of that contribution? What proportion of the grant do you have to match?
15. How difficult do you feel it will be to provide that match to the grant during the course of your individual project?
16. Was any part of this small grant provided as an economic recovery grant (from COVID-19)?
17. If fully approved, have you received the working capital, equipment, or other input you are requesting in your applications? Is it what you expected?
18. What barriers do you see to the success of your project once it is approved (or going forward if it has been fully approved)?
19. What barriers do you see in general to small farm development in Xiengkhouang?
20. What specific governmental regulations could be changed to assist you in providing services to community members? Do you have to register your small service business with local authorities?
21. Do any of you have any questions for me regarding this group interview or about the grants offered by the Partnership Fund in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

Partnership Fund Applicant KII Guide for those who have Made it to the Co-Creation Stage or been Awarded a Grant

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name _____

Organization _____

Age _____

Gender _____

Ethnicity _____

District _____

Village _____

1. Please tell me about your business. What are your main products? What services do you provide or hope to provide?
2. Did you apply for a USAID LME Activity PFG? What are you requesting in your grant EOI (e.g., the provision of equipment, working capital, both, training, and/or some other business input)?
3. What do you hope to do with the grant?
4. If you proposed offering a service to small farmers, what service/services do you intend to provide? Please describe. *(If no, skip to Question 14)*
5. Do your activities help farmers sell their products to markets? How so?
6. If you proposed offering a service, how much do you plan to charge for providing your service to other small farmers?
 - a. To what extent do you feel that farmers will be willing to pay for this service? Why?
 - b. When do you expect the farmers to pay for this service? Will the timing work well for you or not?
7. Are you aware of where you stand in the approval process for your EOI?
8. What do you believe are the reasons why the LME Activity, supported by USAID, is partnering with you and considering offering financial assistance?
9. Are you planning to provide inputs or services directly to small farmer agricultural (or handicraft) activities? If so, what kind of inputs or services?
10. In your EOI, are you requesting the provision of equipment, working capital, both, training, and/or some other business input? Which are you requesting?

11. How did you hear of the opportunity to apply for a grant from the LME Activity, supported by USAID?
12. To what extent do you feel you were given clear instructions how to apply and what the grants could be used for?
13. What, if anything, did you need help with during the EOI process?
14. What support did you receive from the LME Activity, supported by USAID, or the GOL during the EOI process?
15. How would you rate the assistance you received from the LME Activity, supported by USAID, during the EOI process?
16. To what extent did the LME Activity, supported by USAID, staff help you with defining what you hoped to achieve with the grant assistance?
17. Do you have a business investment plan? If so, what are your investment objectives and in what time frame do you hope to achieve them?
18. Have you completed the Phase 2 BSF Training offered by the LME Activity, supported by USAID? If so, to what extent did that help you define your business idea for this grant and/or business investment plan?
19. To what extent are you required to have a matching contribution for the grant? What is the size of that contribution? What proportion of the grant do you have to match?
20. How difficult do you feel it will be to provide that match during the course of your individual project?

For Those in Co-Creation or Awarded a Grant Only

21. What is involved in the co-creation process for final EOI approval, and with whom are you working (or have worked)?
22. What are you doing/did you do to finalize your EOI?

For Those Awarded a Grant Only

23. To what extent have you received the equipment, or other input you are requesting in your EOI? Is it what you expected? Were there things you requested that LME did not support? Please explain.
24. How have you used the grant funds to date, if at all?
25. Do you have specific targets that you must track and report back on to the LME Activity, supported by USAID? If so, what are they?

For Everyone

26. Are there any differences in how LME works with different demographic groups? Which groups (e.g., gender, ethnicity, age, PWDs)? Please explain.
27. What barriers do you see to the success of your inputs or services if/when they are approved?
28. What barriers do you see in general to business development in Xiengkhouang?

29. What, if any, governmental regulation or policy barriers do you face in growing your business?
30. Have you hosted or participated in any business enabling environment discussion that the LME Activity, supported by USAID, supported? If so, which meetings? Please described them and what happened at the meeting. What decisions were made, if any?
31. Have you worked with the XCCI? If so, in what capacity? How successful has that collaboration been?
32. What changes, if any, have resulted from your participation in Lao PDR microfinance activities?
 - a. To what extent, if at all, have your sales increased? Please describe your sales now and prior to working with LME.
 - b. What about your income?
 - c. To what extent, if at all, have your input and service costs decreased?
 - d. What additional changes, if any, has your company experienced as a result of the LME Activity?
33. What additional support would help you to advance your business?
34. What recommendations, if any, do you have to improve the quality and/or type of support provided to you by the LME supported by USAID?
35. Do any of you have any questions for me regarding this interview or how the information provided will be used?
36. If we have any follow-up questions, may we call you or visit you again?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

KII for Vientiane Provincial Companies

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. Have you applied for a grant from the LME Activity in which you would constitute a partnership to invest in a specific business activity promoting agribusiness in Lao PDR?
2. If so, are you aware of where you stand in the approval process for your application?
3. If not, do you understand what the LME Activity is proposing?
4. Are you aware of the range of grant amounts possible and the nature of the matching amount from you?
5. What type of business do you have? Please describe it and where it is active?
 - a. The FGD leader should group these businesses into general categories: technology suppliers, input suppliers, product buyers/wholesalers/intermediaries, product distributors/traders, agricultural processors, raw or processed product marketers, end producers, exporters.
6. Are you currently conducting business directly in rural areas or through subsidiaries? If so, which?
7. Are you engaged in any business arrangements with other agribusiness companies? If so, which types?
8. Are you or your subsidiaries or partners engaged in providing services directly to small farmer agricultural activities? If so, which?
9. If applying for a grant, in your application are you requesting the provision of equipment, working capital, both, training, and/or some other business input? If so, which?
10. How would this grant help you increase your agribusiness activities or linkages with other companies or with farmer producers? Please specify.
11. How did you hear of the opportunity to apply for a grant from the LME Activity? Did the MAF inform you of this opportunity and if so, how did they do so?
12. If not, were you approached directly by members of the LME Activity and by whom?
13. Did they give you clear information on what to apply for and how the process worked?
14. Did staff from the LME Activity help you with your application? Did they hold a meeting with several applicants at a time to help you?

15. What did you need help with in the application process and how much time did staff spend helping you with your applications?
16. Who specifically in the LME Activity helped you in the application process and how do you rate that assistance? Did anyone from the MAF participate in this assistance? If so, who?
17. Did LME staff help you with setting specific objectives to reach with the grant assistance?
18. Do you have an investment business plan for this grant? If so, what are your investment objectives and in what time frame?
19. Do you have a matching contribution to make as well to your individual project? What is the size of that contribution? What proportion of the grant do you have to match?
20. How difficult do you feel it will be to provide that match to the grant during the course of your individual project?
21. If already approved, have you received any part of the grant financing, including working capital, equipment, or other input you are requesting in your applications? Is it what you expected?
22. What barriers do you see to the success of your project once it is approved (or going forward if it has been fully approved)?
23. What barriers do you see in general to business development in Lao PDR?
24. What specific governmental regulations could be changed to assist you in growing your business activities?
25. Do you have any questions for me regarding this interview (survey) or about the grants offered by the Partnership Fund in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

KII Guide for Companies in the Vientiane Capital

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this FGD, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

District _____

Phone Number (for follow up, if needed) _____

1. Please describe your business.
2. Are you currently conducting business directly in rural areas or through subsidiaries? If so, which rural areas?
3. Are you engaged in any business arrangements with any agribusiness companies? If so, which types, and where are they located?
4. Are you or your subsidiaries or partners engaged in providing services directly to small farmer agricultural activities? If so, which?
5. Have you worked with any farms or businesses in Xiengkhouang? Why or why not?
6. Are you interested in working with farmers in Xiengkhouang? Why or why not?
7. To what extent do you sell products in Lao PDR or export products to other countries? Please describe with whom you do business and where.
8. Have you heard about the LME Activity, supported by USAID? *(If no, skip to Question 32).*
9. Please describe what you know about the LME Activity, supported by USAID, and its purpose.
10. Have you been involved with the LME Activity, supported by USAID, in any way? *(If no, skip to Question 32)*
11. How have you been involved with the LME Activity, supported by USAID (e.g., have you participated in a training, provided a technology demonstration, coordinated with an LME team member in another way)?
12. Have you heard of the LME Activity, supported by USAID's PGF? *(If no, skip to Question 32)*
13. How did you hear of the opportunity to apply for a grant from LME, supported by USAID?
14. Have you applied for a grant from the LME Activity, supported by USAID? *(If no, skip to Question 32)*
15. For what purpose did you apply for the grant? How do you hope to use it?
16. To what extent are you requesting the provision of equipment, training, and/or some other business input through the grant?

17. How would this grant help you increase your agribusiness activities or linkages with other companies or with farmer producers, if at all? Please specify.
18. To what extent do you feel you were given clear instructions how to apply and what the grants could be used for?
19. What, if anything, did you need help with during the application process?
20. Who, if anyone from the LME Activity, supported by USAID, or the GOL helped you with your EOI? How was the help provided (e.g., individually, in a group setting, in some other manner)?
21. How would you rate the assistance you received from LME, supported by USAID, during the EOI process?
22. To what extent did the LME Activity, supported by USAID, staff help you with defining specific objectives to reach with the grant assistance?
23. To what extent are you required to have a matching contribution for the grant? What is the size of that contribution? What proportion of the grant do you have to match?
24. How difficult do you feel it will be to provide that match during the course of your individual project?
25. What barriers, if any, do you see to the success of your project once it is approved (or going forward if it has been fully approved)?
26. To what extent are you aware of where you stand in the approval process for your EOI?

For Everyone

27. To what extent, if at all, do you feel success in receiving a grant from LME is dependent on specific demographic characteristics (e.g., gender, ethnicity, age, PWDs)?
28. Are there any differences in how LME works with different demographic groups? Which groups? Please explain.
29. What barriers do you see in general to doing business in Lao PDR?
30. What barriers do you see for your business in particular?
31. What barriers do you have with buying inputs/products from ME and/or farms in Lao PDR?
32. What barriers do you see, in particular, to conducting business with farms or businesses in Xiengkhouang? How do these barriers differ between Xiengkhouang and other provinces?
33. What would help you to be able to source more inputs/products from Lao PDR?
34. What, if any, governmental regulation or policy barriers do you face in growing your business?
35. What additional support would help you to advance your business?
36. What recommendations, if any, do you have to improve the quality and/or type of support provided to you by the LME Activity, supported by USAID?

37. Do any of you have any questions for me regarding this interview or how the information you provided will be used?

38. If we have any follow-up questions, may we contact you again?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

KII Guide for ACDI/VOCA Partnership Advisor and Partnership Consultant

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Phone Number (for follow up, if needed) _____

As you know, SI has been tasked with evaluating among other things the extent to which the IRs and Sub IRs of the Activity have been successfully or unsuccessfully implemented according to the anticipated targets and results.

Results of the PFG will be tracked under Sub IR 1.3: Value Chain Infrastructure Improved (indicators 9 and 10) and Sub IR 4.1: MEs Linked to Other Businesses through Partnerships (indicator 19).

The most recent Year 4 targets for these indicators are found in the Annual Work Plan 2022 (December 2021). The LOP targets are most recently found in the 2021 Annual Report (October 2021). That last Annual Report reports an achieved value of zero for these three indicators as of October 2021.

1. As of the end of September 2021, some 27 applications for business partnership grants had been moved into co-creation (of 35 reviewed)? Three more had been approved. Where do these numbers currently stand?
2. How did you contact these businesses in the first place and how did the various DAFOs participate in their identification and the information given to them?
3. How do the various DAFO Grants Committees work with you to move the business partnership applications through the process?
4. What assistance did these companies receive in their first application?
5. What is involved in the process of co-creation?
6. What kind of investment plan do you develop with potential grant recipients? Does DAFO participate in this exercise?
7. What are these partner companies specialized in (technology, input, and service suppliers; buyers, wholesalers, traders; intermediaries and transporters; produce processors; processed product distributors/marketers, exporters)?
8. How do these companies link to farmer MEs and to each other in the various value chains? Which value chains are you developing?
9. How does current matching grant create market linkages between farmer groups and agents with bulk coordinated products and suitable buyers?
10. How do you explain the matching grant component to these companies? Have you had to negotiate these matches in each case?

11. What training or direct technical assistance do you plan to provide to these business partners?
12. Of the 114 AOC grant applications reviewed by end of FY21, 18 had been advanced to co-creation. None had yet been approved for funding. Where do these numbers currently stand?
13. How did you identify potential AOCs? What proportion of them are identified during the Phase 2 BSF training? Are the DAFOs involved in this process?
14. What is involved in the process of co-creation with AOCs? Is it quite different from co-creation with businesses?
15. How do these AOCs intend to extend services to farmer MEs? What are the common types of services they want to extend to farmers and what do they tend to ask for in their grant applications?
16. How does the DAFO Grants Committee work with you to move the AOC applications through the process?
17. How do you explain the matching grant component to these AOCs? What match are you applying to the AOC recipients, or do they vary. If so, how?
18. What training or direct technical assistance do you plan to provide to these AOCs beyond the Phase 2 training?
19. Farmer group applications numbered 25, of which 22 were reviewed and only one advanced to co-creation. None had yet been approved as of end FY21. Where do you now stand with grants to those groups?
20. What are you trying to accomplish with grants to these groups? Will they have a matching component similar to that of AOCs?
21. How many companies are you working with now or targeting for grants in Vientiane Capital?
22. How do you plan to reach your own component indicator objectives this year (Year 4) and end of Activity?
23. What are the key internal and external factors contributing to the success and/or inhibiting progress toward building a portfolio of larger business grant partners in Xiengkhouang and Vientiane Capital?
24. What are the key internal and external factors contributing to the success and/or inhibiting progress toward building a larger portfolio of AOC grant recipients in Xiengkhouang?
25. What are the key internal and external factors contributing to the success and/or inhibiting progress toward building a larger portfolio of grants to farmer groups of various types in Xiengkhouang?
26. Why have no Women's Networks yet been able to apply for or receive grants from the Partnership Fund? Or has that situation changed recently?
27. Which districts are proving better at generating valid larger business applications and which are more successful in generating valid AOC requests for grants?
28. How do you share activities between you and with the Grants Manager?

29. What additional interventions may be necessary with respect to the Partnership Fund going forward?
30. Do you feel you need a project extension to reach your Fund's objectives and would one year be enough?
31. Do you have any questions for me regarding our discussion or this MTE?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

KII Guide: ACDI/VOCA Access to Finance Specialist

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to having the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Phone Number (for follow up, if needed) _____

As I understand it, you are responsible for IR 2: Increased Access to Financial Resources and Sub IR 2.1: Increased Inclusion of ME Needs in financial tools and regulations.

Three indicators track these objectives. These deal with the total value of agricultural financing accessed through the Activity, the total number of farmer MEs accessing this financing, and with the total number of FIs offering new and/or improved financial services.

As you know, SI has been tasked with evaluating among other things the extent to which the IRs and Sub IRs of the Activity have been successfully or unsuccessfully implemented according to the anticipated targets and results?

The Year 4 targets for finance accessed and number of MEs are just under half the LOP targets (September 2023). The number of FIs offering new or improved financial services to MEs is projected to reach the LOP target of three by end of this year. However, at the end of Year 3 last September, no progress was reported on any of these indicators.

1. Let's discuss where you stand in regard to your component's objectives and indicators. Please describe what you have been trying to do to develop new and improved services offered by financial services partners.
2. What are the specific regulations you want to change and how are they different between ACLEDA Bank; the three SCUs in Phoukoud, Phaxay, and Khoune; Nayoby Bank; Agriculture Promotion Bank; Lao Development Bank; and BCEL?
3. Do you know what microfinance institutions MEs have access to and what are the specific requirements for loan and saving?
4. Do you anticipate partnering with any more SCUs or banks in Xiengkouang? How many have you tried to partner with thus far and why did you not succeed in partnering?
5. Please describe the new tools and regulations you have worked on and how these can be marketed to MEs. How do they differ between the various FIs?
6. What training or direct technical assistance have you provided to the various FI partners? Do you think the training or direct technical assistance help the trainees on accessing to finance from formal commercial bank and/or matching grant provided by the LME Activity?
7. What were the results of the digital finance assessment and what recommendations have you made for how to support the adoption of digital financial services with a focus on strategic partnership assessment to identify potential digital financial services providers?

8. What opportunities are you pursuing for SCUs to use BCEL's One Cash for facilitating digital loan payments and savings deposits for their members?
9. What opportunities are you pursuing with SCUs to use BCEL's iBank and use of mobile wallets such as U-money and M money?
10. Please describe the Loan Character Tool and how it can assist SCUs?
11. How do you plan to reach your indicator objectives this year (Year 4)?
12. How do you then essentially double those outcomes to reach the LOP objectives one year later?
13. What are key internal and external factors contributing to the success and/or inhibiting progress of those IRs and Sub IRs that lack progress?
14. What additional interventions may be necessary in your component?
15. Do you feel you need a project extension to reach your component's objectives and would one year be enough?
16. Do you have any questions for me regarding our discussion or this MTE in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

Interview Guide for the ACDI/VOCA FOs

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

District _____

Phone Number (for follow up, if needed) _____

1. How long have you been a FO working in this district?
2. What are your basic responsibilities in this district? For Senior FO and Junior FO?
3. Do your responsibilities differ from those of FOs in other districts of Xiengkhouang?
4. Were you or your predecessors involved in carrying out or supervising the BS?
5. Have you been involved as trainers in your district in the FAB Phase I training?
6. If so, how were you trained as trainers in this Phase I course?
7. Are you also doing the training of farmers in the BSF Phase 2 training? What preparation did you receive to be trainers in that course? If not you, who carried out this training?
8. Are you also expected to carry out the SMFM training of farmer groups?
9. Did you use the M4 Group Assessment Tool to select the groups to be trained? If not you, who carried the assessment out?
10. How have you been involved in the new technology and innovative farming practice demonstrations? Who have you worked with in this?
11. How have you been involved in identifying potential AOCs and assisting them to apply for a matching grant from the Partnership Fund?
12. How have you interacted with extension agents of the DAFO in your district? Do they assist you in everything you do?
13. Have you been able to train the DAFO agents in various skills? Do they assist in the various trainings? Which ones?
14. Have you been involved in working with the FI identified by the Activity as potential partners?
15. Have you worked with FOs from WOCCU and Helvetas? What have you done in collaboration with those organizations? Have you worked with the Sustainable Agriculture and Environment Development Association (SAEDA), also in your district?

16. What special studies or assessments have you been involved with in your district under the LME Activity?
17. Did you help carry out the ABS in 2021 and 2022? Who worked with you on that survey?
18. Are there other aspects of your roles in this Activity that haven't been brought up yet in this interview? Which?
19. Where do you think you have had the most success in working with the farmer MEs? And where is progress lagging in your opinion?
20. Do you follow the progress of the various indicators tracking each major Activity objectives (IRs)?
21. What are the major barriers to Activity success as you understand its objectives?
22. Are you clear about the Activity TOC? Do you feel it is still valid given current economic conditions?
23. What recommendations do you have for changes going forward that would help your work in this Activity?
24. Do you think you could reach program objectives if the implementation period is extended somewhat? How much time would be enough to reach basic objectives?
25. Do you have any questions for me about this interview or about the MTE in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

Interview Guide for the ACDI/VOCA Business Development Services Specialist

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. How long have you been the Business Development Services Specialist with the ME Activity?
2. What are your areas of responsibility in this Activity?
3. Are you responsible for managing implementation of activities under IR 1.2: Increased Access to Improved Technology and Innovation?
 - a. If so, interviewer should follow up with these questions related to these IR 1.2 activities. If not, the relevant manager dealing with IR 1.2 activities should be identified and interviewed using these interview questions.

IR 1.2: Increased Access to Improved Technology and Innovation

1. The last Annual Report (September 2021) lists 20 new technologies and seven innovative practices introduced by the LME Activity. 21 are identified in the last QPR as being the object of video demonstrations, or are there now more?
2. Have you hired Video Demonstration consultants to go out to the villages to explain and show the films, as well as follow up potential interest and link those interested to suppliers?
3. Can you confirm which ones have actually been introduced to farmers and in which districts thanks to your efforts?
4. How many individual farmers have improved knowledge of technologies and innovations through USG assistance?
5. Can you confirm how many of these new technologies and innovative practices have now been adopted by farmers and in which districts?
6. Have you been able to develop linkages to input suppliers and provide appropriate information to farmers about the benefits and costs of these new technologies and practices?
7. How were you able to encourage adoption by farmers?
8. What are the barriers to adoption of these technologies and practices?
9. How are you dealing with each of these barriers?
10. For those farmers that haven't yet adopted any technologies or new practices, how do you plan to proceed?

11. How do you plan to interest new input suppliers in providing these new technologies to farmers in using these technologies?
12. Has the Activity also developed and introduced a Technology Profitability Calculator tool to help FIs, FOs, firms, and AOCs calculate the possible costs, profits, and return on investment of introducing a technology-as-a-service business?
13. How many of these tools have been acquired by AOCs and firms? Have any MEs purchased or requested these? Which ones and how many?

IR 1.3: Value Chain Infrastructure Improved

1. Are you responsible for managing implementation of activities under IR 1.3: Value Chain Infrastructure Improved?
2. In addition to introducing new technologies and practices as inputs into production and into post-harvest processing, what have you accomplished in developing the value chain for these products beyond immediate post-harvest activities?
3. Which value chains have you identified for intervention?
4. What companies have you given grants to for the development of transformed products that can be sourced in Xiengkhouang province?
5. Where are the companies located and in what districts?
6. How many others are in discussion with you?
7. What is the potential number of businesses you can reach through this Fund?
8. What are the types of companies you are considering for grants?
9. How do you support upgrading businesses and business practices through grants from the Partnership Fund?
10. Is the existence or amount of the grant match a barrier for companies to applying to the Partnership Fund? When and how is the grant match paid to the Fund?
11. To what degree are you working to support companies in the cattle value chain through grants under the Partnership Fund?
12. Do you yourself work on investment plans for companies applying to the Partnership Fund?
13. What is the total value of Fund commitments to these companies for investment in their value chain activities?
14. What types of investments are you supporting through these companies?

IR.3: Reduced Business Operation Costs

1. Do you collaborate in the work of training the participants in the BSF Phase 2 training course?
2. If so, what do you do in this training?
3. How is this Phase 2 training linked to the demonstrations of new technologies and practices?

4. How are rural startup entrepreneurs identified and motivated to apply for AOC grants?
5. Do you work with the graduates of this training course to develop their business ideas?
6. Do you work with the AOC grant applicants to prepare their applications? What do you do specifically?
7. Do you work with the participants or groups in the SMFM training?
8. If so, what have you done to date with respect to training of farmer groups in SMFM? Are these groups for marketing or production, or both?
9. Have you worked to identify companies that can be linked to these farmer marketing groups? Which ones?
10. IR 3 relates to the objective of reducing ME business operation costs. How many MEs have actually reduced operation costs due to Activity assistance? What percentage is this compared to all trained? How do you know this?
11. How much have these costs been reduced through increased negotiation power through organization among MEs? How many individual MEs, ME groups, and AOCs have improved their sales through assistance from the ME Activity? How do you know this?
12. How much operation cost reduction was achieved through spreading the cost of new technology among farmer groups and how much through coordination among service providers? How do you know this?
13. How did the SMFM training contribute specifically to achieving this outcome? How do you know this?
14. Do you have any questions for me relating to this part of the evaluation or to the evaluation in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

Interview Guide for the ACIDI/VOCA M&E Consultant (with M&E Assistant)

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. How long have you been a staff member of this Activity? Was there someone before you in this position?
2. What staff do you count on for the M&E activity? How are the FOs involved in supplying information to you?
3. Were you involved in planning the BS and Baseline Report and its content? If not, how was it designed and planned? How carefully did it parallel the IRs and the various performance indicators you finalized for the Activity?
4. How often do you collect information for the various program indicators (25 now)?
5. Do you intend to amend the existing MEL Plan (version 5 in December 2020)?
6. When do you prepare the annual MEL work plans and how do they differ from the annual Activity work plans? Do ACIDI headquarters staff assist you in the preparation of the MEL work plans?
7. How do the headquarters staff help you in the preparation of the annual progress reports and QPRs? What role does the Chief of Party play in these?
8. How are you involved in the ABS design, implementation, and analysis?
9. How are you involved in the AOC Survey?
10. How are you involved in ME Group Survey?
11. How do you coordinate the work of special studies? Which ones have you done during the Activity implementation?
12. How are you involved in the Pause and Reflect Sessions of the Collaborating, Learning, and Adapting component of the Activity?
13. How are you involved in the internal data quality assessment exercises? What help do you have from ACIDI headquarters?
14. What parts of the Activity do you feel are on course and which do you feel are falling behind?
15. What do you feel are the barriers to collecting accurate data on the various Activity indicators?

16. Is there anything that you feel ACDI headquarters can provide more help in to you in the M&E activities?
17. What interaction do you have with the USAID M&E Officer that deals with your Activity?
18. Do you have any recommendations you would like to make to me regarding the future of M&E in your Activity?
19. Do you feel that an Activity extension might result in reaching program objectives?
20. Do you feel that USAID and the Activity ought to reconsider some of the program objectives and how to measure them? What would you recommend specifically?
21. Do you have any questions for me regarding this interview or about this evaluation in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

Interview Guide for the ACDI/VOCA Training and Group Capacity Building Coordinator

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. How long have you been the Training and Group Capacity Coordinator with the ME Activity?
2. What are your areas of responsibility in this Activity?
3. Are you responsible for managing implementation of FAB Phase 1 and BSF Phase 2 training?
 - a. If so, interviewer should follow up with these questions related to these 2 training modules. If not, the relevant manager dealing with Phase 1 and 2 training should be identified and interviewed.

IR 1.1: Entrepreneurial Knowledge and Skills Improved

1. How do you select the participants for FAB Phase 1 training?
2. Under IR 1.1: Entrepreneurial Knowledge and Skills Improved – there are three indicators that measure progress:
 - a. The first IR 1.1 indicator is a count of MEs that have applied improved management practices or technologies with Activity assistance. How do you know these MEs have applied improved management practices or technologies due to the Activity? What practices or technologies have they applied?
 - b. The second IR 1.1 indicator is the number of individuals that have received short-term agricultural sector productivity or food security training. Is this simply a count of the number of individuals receiving Phase 1 training or does it include some Phase 2 participants as well? Is there any other training these farmers have received under IR 1.1 (not including those receiving SMFM training)?
 - c. The third IR 1.1 indicator is the number of individuals that have improved entrepreneurial knowledge and skills through Activity assistance. How do you know they have improved their entrepreneurial knowledge and skills due to the Activity? Which skills and knowledge have they improved?
3. How many MEs and individuals have received Phase 2 BSF training? How many of these also received the Phase 1 training?
4. How have you selected the Phase 2 participants? What have been the results of this Phase 2 training? How do you know these results were obtained?
5. How many of these same MEs have also had the Phase 2 BSF training? Have any of these also received the SMFM training or is that limited only to farmer groups?

6. There are two cross-cutting indicators for these trainings as well: percentage of female participants in Activity trainings and number of MEs supported by the Activity. Do these indicators apply to SMFM participants as well?
7. Have you worked with DAFOs, PAFOs, and DAECs to prioritize GOL capacity-building needs to align with project objectives? What are these needs and which objectives have you aligned them with?
8. Do you have any questions for me relating to this part of the evaluation or to the evaluation in general?

IR 3: Reduced Business Operation Costs

15. What have you done to date with respect to training of farmer groups in SMFM?
16. How were those groups selected for training in SMFM? Were they all assessed using the M4 Assessment Tool?
17. How many farmer groups have been assessed using the M4 Tool and when?
18. What were the general results of the M4 assessment? What were the strengths and weaknesses of the farmer groups?
19. What has been the role of SAEDA in the training of groups through SMFM? How many of their staff have been trained by you to train farmer groups?
20. How well has SAEDA performed in the training of farmer groups under contract to the Activity? Are you still involved directly in this training or are they doing it all?
21. How many groups has SAEDA trained to date?
22. Have these trained groups joined the XFON and how has that improved their marketing activities?
23. How many women's networks are you now working with?
24. Have these networks been assessed through the M4 Tool as well as the farmer groups?
25. How many women's networks have received the SMFM training and how have they done compared to the farmer groups you have trained?
26. IR 3 relates to the objective of reducing ME business operation costs. How many MEs have actually reduced operation costs due to Activity assistance? What percentage is this compared to all trained? How do you know this?
27. How much have these costs been reduced through increased negotiation power through organization among MEs? How many individual MEs, ME groups, and AOCs have improved their sales through assistance from the ME Activity? How do you know this?
28. How much operation cost reduction was achieved through spreading the cost of new technology among farmer groups and how much through coordination among service providers? How do you know this?
29. How did the SMFM training contribute specifically to achieving this outcome? How do you know this?

30. Do you have any questions for me relating to this part of the evaluation or to the evaluation in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

KII Guide: ACDI/VOCA Chief of Party

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to having the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Phone Number (for follow up, if needed) _____

1. How long have you been Chief of Party of the LME Activity?
 - a. Probe: at what stage was the project at when you took over?
 - b. If she was there from the start, ask her about project development and design.
2. To what extent do you see the TOC supporting the goals of the project?
 - a. Probe: what are the gaps, any unnecessary activities, recommendations to change?
3. What IRs and Sub IRs do you see as being the greatest challenge for the Activity to achieve?
 - a. What are the areas in which you see the Activity having the strongest contributions?
4. What has been the role of the cost-sharing measure in the implementation of this Activity?
 - a. Probe for challenges to cost-sharing requirement, recommendations to increase it
5. What has been the role of the GOL in the implementation of this Activity?
 - a. To what extent has this collaboration been successful? What are the main challenges?
6. What efforts has the LME Activity made to support increased trade with Vientiane Capital?
 - a. What have been the barriers?
 - b. What would be the best way forward for this Activity to move with regards to increased trade and possible international export of goods from Xiengkhouang, or to increase the current market share through other strategies?
7. To what extent has the LME Activity been successful in meeting the development needs of female entrepreneurs? Hmong and other ethnic minorities? Youth? PWDs?
 - a. How could this be enhanced?
 - b. Are there other underserved groups whose needs are not being met?
 - c. Do you have any recommendations for projects of a similar nature based on your experience in implementing the LME Activity (and/or other projects of a similar nature)?
8. What would a prime implementing environment look like in Lao PDR for MEs to thrive?
9. Should the LME Activity be extended?
 - a. If yes, should it be a no-cost extension?
 - b. For how long should it be extended?
 - c. What would be the primary challenges you would face as Chief of Party if the Activity were granted an extension?
 - d. What would be the key assets of the Activity that you would focus in on?
10. Is there anything else that I didn't ask that you wish to discuss or anything that I should have asked you but didn't?

Thank you for your time.

Interview Guide for the ACDI/VOCA Gender Specialist

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. How long have you been the Gender Specialist for the LME Activity?
2. What are your areas of responsibility in this Activity?
3. What are the key interests of females in Xiengkhouang relevant to the Activity?
4. What are key interests of males in Xiengkhouang that are relevant to the Activity?
5. In what ways do you see gender being integrated into the Activity?
 - a. Probes: selection process, training content, training schedules and logistics (e.g., women-only trainings)
6. In what ways do you see gender influencing the success of the Activity in meeting its targets?
7. What are some unexpected outcomes of the Activity that have been influenced by gender?
8. Do you support the work of the BS? The ABS? How is gender integrated into this process and into the strategic planning efforts?
9. If the Activity received a no cost extension, what should the Activity focus on for the rest of the project period? Probe: gender-related issues.
 - a. If the Activity were extended with additional funding, what should it focus on? Probe for gender-related activities.
10. Have you also supported the Activity's work with other under-served or minority groups? If so, how well has this work been accomplished?
 - a. Are there areas that you think should be enhanced going forward? If so, what?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

Interview Guides for the Sub-Contractors and the Local Non-Governmental Organizations

WOCCU

For: Lao PDR Country or Field Director and others involved in supporting ACDI/VOCA in the LME Activity.

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. How long has WOCCU been working in Lao PDR?
2. Are you involved in implementing other projects as well as your involvement in the LME Activity? Which ones?
3. In the LME Activity have you been working with the Access to Finance Specialist under the objective focused on increasing farmer access to financial resources?
4. How many Fis did you identify in Xiengkhouang that might work with to improve or adapt financial services?
5. What role did you play in the development of a Fis baseline questionnaire?
6. What role did you play in the Access to Finance Baseline Report and FI Profiles? Are you involved in updating these profiles?
7. Was WOCCU responsible for monitoring the impact of COVID-19 on Fis?
8. What were and continue to be those impacts on Fis in Xiengkhouang?
9. How do you continue to work with the LME Activity to identify FI partners to identify gaps in providing increased services to rural farmer MEs and other members?
10. Does WOCCU focus only on the SCUs or assist with the full variety of FI?
11. What are the major institutional weaknesses of these FI and which institutions are the strongest?
12. What potential does each type of FI have for developing innovative financial services for farmer MEs?
13. What are the major barriers to developing new financial services for farmer MEs? How does the LME Activity plan to overcome them?

14. About one year ago WOCCU's expert digital finance consultant completed the project recommendations for digital finance in Xiengkhouang, concluding the overall digital finance assessment. What were these recommendations and how were they used by the LME Activity?
15. What recommendations do you have for the financial component of the LME Activity going forward from this evaluation? What changes would you recommend be considered going forward?
16. Do you have any questions for me regarding this interview or our evaluation in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

Helvetas

For: Lao PDR Country or Field Director and others involved in supporting ACIDI/VOCA in the LME Activity.

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. How long have you been working in Lao PDR?
2. What activities or projects are you involved in in addition to the LME Activity?
3. How do you see your role or roles in the LME Activity as sub-contractor?
4. What specific activities have you been involved in since the beginning of the Activity in late 2018?
5. Under the Activity objective of improving small farmer access to markets, which includes activities in public policy change and private sector partnership, what has Helvetas focused on under the LME Activity?
6. How have you worked with the LME Activity Policy Advisor to identify priority private sector policy dialogue issues and key individuals and organizations to work through?
7. How have you worked with the Policy Advisor to develop the LME Activity strategy to support the private and public sectors in dialogue events?
8. Have you been involved in the work of the Activity with the XFON or the XCCI?
9. How have you been involved through the LURAS project in the cattle trading value chain?

10. How has the LURAS project served as example or model in other respects to the work of the LME Activity? Has it served as a model for organizing farmer marketing groups?
11. Do you collaborate with the LME Activity in dealings with the PICO?
12. What are the barriers to achieving public sector legal and regulatory reform to promote greater ease of business for small farmers or for agribusiness in general?
13. What do you feel has worked and what has not in your activities in public-private dialogue, public policy reform, and collaboration for changes with the private sector?
14. How do you hope to continue assisting the LME Activity going forward?
15. Do you have any recommendations for changes in this collaboration going forward?
16. Do you have any questions for me regarding this interview or the evaluation in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

SAEDA

For: Director of Local Non-Governmental Organization SAEDA and others involved in collaborating with ACDI/VOCA in the LME Activity.

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

Phone Number (for follow up, if needed) _____

1. According to LME Activity progress reports, SAEDA has the mission to train farmers in Lao PDR. What is it you train farmers in normally and where have you worked in the past?
2. How long have you been carrying out development activities in Lao PDR?
3. How many farmer groups have you been working with in Xiengkhouang for the last five or six years and how many joined the XFON?
4. Are you working with these groups to improve production activities or marketing, or both? How many of each?
5. I understand that SAEDA has collaborated with the LME Activity to train farmers in marketing skills using the SMFM training course. When and how were you taught that methodology by the LME Training team?
6. How many of your staff have participated along with Activity trainers in the training of farmer groups in marketing skills?

7. How many have you helped to train with the LME Activity thus far?
8. Are you focused on existing farmer groups or are you forming new groups for training in marketing?
9. Has the LME Activity contracted you to train new farmer groups by yourself without their involvement? If so, how many have you trained under contract?
10. Have you trained any women's networks in SMFM? If not, do you plan to do so in the future? Which networks have you identified, if any, for assistance in marketing?
11. Do you use the M4 Group Assessment Tool (membership, marketing, money and management) to assess the capacity of groups you choose to work with? This is being used by the LME Activity.
12. In your opinion, how many farmer groups are now capable of receiving grants from the LME Activity for developing their marketing skills?
13. Do you think that the farmer groups would be willing to provide a matching contribution of their own? How much would be possible for them in general?
14. Do you feel that farmer groups will be able to use the SMFM training course to significantly improve their ability to negotiate prices and "sell more for more."
15. Is this enough to improve farmer group marketing capacity?
16. Do you have any recommendations to make regarding activities focused on raising farmer skills in marketing? What might be improved on in this methodology?
17. Do you have any questions for me about this interview or about our evaluation in general?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

KII with the XFON

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

District _____

Phone Number (for follow up, if needed) _____

1. Please describe the purpose and mission of the XFON.
2. How many staff does XFON have to carry out this mission?
3. Please describe your role. What is your title, and what are your job duties?
4. Can you please describe XFON's overall relationship to the LME Activity, supported by USAID?
5. How would you describe XFON's collaboration with LME, supported by USAID? Who have you worked with in particular?
6. What has been the role of SAEDA in the creation of XFON and its continued capacity-building?
7. Where does the capacity-building of XFON now stand, and what role has LME played in this with you?
8. How has SAEDA worked with the LME Activity, supported by USAID to build your capacity?
9. What specifically have they done to train and strengthen you as an organization?
10. How effective has this capacity-building process been?
11. What gaps still remain in XFON capacity?
12. Do you have any recommendations relating to the capacity-building and training you have received from SAEDA?
13. In what other ways, if any, outside of capacity-building and training, has XFON cooperated with the LME Activity, supported by USAID? Please describe.
14. How successful has this other collaboration been? Please explain.
15. What challenges do farmers/small handicraft businesses in Lao PDR and especially Xiengkhouang face?
16. How useful has LME support been in addressing these challenges?

17. How might support be improved?
18. Does the LME Activity, supported by USAID, work in the same way with men and women? What about different ethnic groups?
19. Do men and women or farmers from different ethnicities face any unique challenges? If so, what are they? How does/should LME help address these challenges?
20. How important has collaboration with the LME Activity, supported by USAID, been to XFON? Why?
21. Do you have any recommendations relating to your collaboration with the LME Activity, supported by USAID? What are the strengths of the project, and what could the project do better, if anything?
22. Do you have any questions for me regarding this interview or the evaluation in general?
23. If I have any follow-up questions in the future, is it okay to visit you again or call you?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

XCCI Interview Guide

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Gender _____

District _____

Phone Number (for follow up, if needed) _____

1. Please describe the role of the XCCI. What services does XCCI offer its members?
2. How many staff and members does XCCI have?
3. Please describe your role. What are your job duties?
4. How does the XCCI relate to the LNCCI?
5. Please describe the nature of your collaboration with LME, supported by USAID.
6. How often have you met with staff of LME, supported by USAID, and what do you typically discuss?
7. Why did the XCCI need to be relaunched?
8. How has LME, supported by USAID, been involved in relaunching the XCCI?
9. How has the LNCCI been involved with the revival of the XCCI?
10. Please describe the process of identifying new members, appointing an Executive Committee, and drafting the XCCI's five-year strategic plan. Who was involved, and what roles did they play?
11. How do you feel about the XCCI's five-year strategic plan? What are the highlights? What gaps do you think exist, if any? Why?
12. How would you describe XCCI's capacity?
 - a. What gaps in capacity exist, if any?
 - b. How might these gaps be addressed?
13. How likely is the XCCI to be sustained after the end of the LME Activity, supported by USAID? What, if anything, makes this more likely than it was in the past?
14. Did your or anyone from XCCI participate in the 13th Lao Business Forum? What was the purpose of the Forum?
 - a. How useful was XCCI's participation?

15. Have you facilitated or participated in any business enabling environment discussions with Lao PDR farmers and businesses that were supported by LME, supported by USAID, in the past three years?
 - a. If so, which discussions? Please describe them and what happened at the meeting.
 - b. What decisions were made, if any?
 - c. Who led the discussions?
16. Have you participated in any LME, supported by USAID, trainings?
17. If so, which ones?
18. What, if anything, did you learn?
 - a. How, if at all, have you used what you learned?
19. How has the LME Activity, supported by USAID, supported farmers and MEs in Xiengkhouang?
20. How useful has that support been?
21. How might support be improved?

Have you or anyone from XCCI participated in trainings or other capacity-building efforts provided by the USAID Laos Business Environment ? If so, please describe the trainings/capacity-building efforts.

- a. How did XCCI become involved with the Laos Business Environment?
- b. How useful has support from the Laos Business Environment been?
22. What challenges do Xiengkhouang MEs still face? How might these challenges be addressed?
23. To what extent do you think it makes sense to link farms or small handicraft businesses in Xiengkhouang with other enterprises providing services along the value chain such as in the Vientiane Capital?
24. To what extent has the LME Activity, supported by USAID, been successful at linking farms/small handicraft businesses in Xiengkhouang with other enterprises providing services along the value chain such as in the Vientiane Capital? Why?
25. Do you know agricultural business in Vientiane capital? Do you think they want to work with farmers and traders in Xiengkhouang? How might the LME Activity, supported by USAID, improve coordination with companies in the Vientiane Capital, if at all?
26. The LME Activity, supported by USAID, is scheduled to end in September of 2023. Do you have any thoughts on whether it would be helpful for the Activity to receive an extension?
 - a. If so, why? What do you hope the Activity will accomplish that it hasn't yet?
 - b. If not, why not?
27. Does the LME Activity, supported by USAID, work in the same way with men and women? What about different ethnic groups? How about people of different ages, and PWDs? Please explain. Is any differential support advised/useful?
28. Do men and women or business owners from different ethnicities face any unique challenges? What about business owners of different ages or PWDs? If so, what are they? How does/should LME, supported by USAID, help address these challenges?
29. How important has collaboration with LME, supported by USAID, been to XCCI? Why?

30. Do you have any recommendations for improving this collaboration?
31. Do you have any questions for me regarding this interview or the evaluation in general?
32. If I have any follow-up questions in the future, is it okay to visit you again or call you?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

FI Manager's and Loan Officer's Interview Guide

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Title _____

Gender _____

District _____

FI _____

Phone Number (for follow up, if needed) _____

1. Please describe your FI.
 - a. What services do you provide?
 - b. What loan products do you offer?
 - c. If not an SCU, in what areas of the country do you provide those services?
 - d. How does your FI differ from other FIs offering services in Xiengkhouang?
2. Please describe your role at the institution. What is your title/job duties?
3. What are the most difficult challenges for farmers or microbusinesses getting loans?
4. What requirements does your institution have to provide a loan to a farmer?
5. Why do some farmers chose to borrow from your institution and not others?
6. What are the typical reasons that farmers access loans from your institution?
7. Does the institution identify needs in agriculture loans? If yes - how?
8. Do you find that men or women are more likely to access loans? Why do you think that is? Do you offer the same products to both? Is one group more likely to repay their loans than another?
9. Do you find that people from a specific ethnic background are more likely to access loans? If so, which groups are more likely to access loans and which are less likely. Why do you think that is? Do you offer the same products to all groups? Is one group more likely to repay their loans than another?
10. Do you find that younger or older people are more likely to access loans? Why do you think that is? Do you offer the same products to both? Is one group more likely to repay their loans than another?
11. Do you find that PWDs are more or less likely to access loans than those without disabilities? Why do you think that is? Do you offer the same products to both? Is one group more likely to repay their loans than another?

12. Does the institution do preparatory work with farmers and potential producing partners to create demand for agriculture lending?
13. Do the institution employees have a sufficient level of knowledge and skills for high-quality maintenance of agriculture loans?
14. To what extent, does your FI think they need any additional knowledge in agricultural lending? Please explain.
15. Please describe the nature of your institution's collaboration with the LME Activity, supported by USAID.
16. When did you first start to work with the project staff?
17. To what extent has the LME Activity, supported by USAID, helped you to establish any new types of loans or other financial products? Please describe the new products and the process of working with LME, supported by USAID, to create them.
 - a. Please describe any new agricultural products created with support from LME.
 - b. To what extent have you implemented these new loan products?
18. To what extent have the number of loans that you offered increased as a result of your collaboration with LME, supported by USAID? Can you provide the exact number of new loans offered as a result of LME?
19. Have the new borrowers added as a result of collaboration with LME, supported by USAID, been more or less likely to repay loans than your old borrowers? Why?
20. To what extent has COVID-19 affected the ability of MEs to repay their loans? Have any groups been affected more than others (e.g., men, women, people of different ethnicities, people of different ages, PWDs)? Please explain which groups have been most effected and why.
21. Please describe how, if at all, COVID-19 has affected your institution in any other way(s) (e.g., fewer lenders, less capital, etc.)?
22. What are some potential areas of cooperation where you believe LME may assist in the development of additional loans or deposit products?
23. Have you participated in any LME, supported by USAID, trainings?
24. If so, which ones?
25. What, if anything, did you learn?
 - a. Do you think the training you received was useful in terms of improving access to loan or services?
26. How, if at all, have you used what you learned?
27. Outside of trainings and loan product support, what support has the LME Activity, supported by USAID, provided to the your institution? How successful has this support been?
28. What went well during the startup of the LME Activity, supported by USAID? What might have been improved?

29. How do you feel about the design and focus of the access to finance component of the LME Activity, supported by USAID? Is it focused on the right interventions for farmers in Xiengkhouang?
30. To what extent have the LME Activity, supported by USAID's, interventions been successful?
31. Are there any challenges that these MEs face that LME, supported by USAID, is not working to address? If so, please describe those and what you think should be done to address them.
32. The LME Activity, supported by USAID, is scheduled to end in September of 2023. Do you have any thoughts on whether it would be helpful for the project to receive an extension?
 - a. If so, why? What do you hope the Activity will accomplish that it hasn't yet?
 - b. If not, why not?
33. How important has collaboration with the LME Activity, supported by USAID, been to you? Why?
34. Do you have any recommendations for improving collaboration between the project and your institution?
35. Do you have any questions for me regarding this interview or the evaluation in general?
36. If I have any follow-up questions in the future, is it okay to visit you again or call you?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

LNCCI Interview Guide

Informed Consent and Confidentiality (read the statement above):

If you confirm your consent to participate in this interview and to have the discussion recorded, please sign on the line provided at the bottom of the form in front of you.

Signature: _____

Name(s) _____

Role _____

Gender _____

Phone Number (for follow up, if needed) _____

1. Please describe the nature of your collaboration with the LME Activity, supported by USAID.
2. How often have you met with staff of the LME Activity, supported by USAID, and what do you typically discuss?
3. Have you provided any support to the LME Activity, supported by USAID, to design training materials for farmers?
4. How has the LNCCI been involved with the revival of the XCCI? Please describe the role of LNCCI and LME, supported by USAID, in relaunching the XCCI.
5. Why did the XCCI stop running before it was recently relaunched?
6. Why is it important for the XCCI to be active? What is their role?
7. How do you feel about the XCCI's five-year strategic plan? What are the highlights? What gaps do you think exist in their plan, if any? Why?
8. How would you describe XCCI's capacity? How does it compare to Chambers in other provinces?
 - a. What gaps in capacity exist?
 - b. How might these gaps be addressed?
9. How does the XCCI represent formal and informal farms in Xiengkhouang?
10. To what extent do you think the XCCI should represent the informal sector?
11. How valuable do you find the XCCI?
 - a. What value does it provide to small formal and informal farms in Xiengkhouang?
12. Have you participated in any business enabling environment discussions with Laotian businesses that were supported by the LME Activity, supported by USAID, in the past three years? If so, which meetings? Please describe them and what happened at the meeting. What decisions were made, if any?
13. Outside of trainings, enabling environment discussions, and the relaunch of the XCCI, what support has the LME Activity, supported by USAID, provided to LNCCI? How successful has this support been?

14. How has the LME Activity, supported by USAID, supported farmers in Xiengkhouang?
15. How useful has that support been?
16. How might support be improved?
17. What challenges do Lao PDR MEs still face? How might these challenges be addressed?
18. To what extent has the LME Activity, supported by USAID, been successful at linking MEs in Xiengkhouang with other enterprises providing services along the value chain in the Vientiane Capital? Why?
19. To what extent do you think making connections between farms in Xiengkhouang and businesses in Vientiane is important? Please explain.
20. How might the LME Activity, supported by USAID, improve coordination with companies in the Vientiane Capital?
21. The LME Activity, supported by USAID, is scheduled to end in September of 2023. Do you have any thoughts on whether it would be helpful for the project to receive an extension?
 - a. If so, why? What do you hope the project will accomplish that it hasn't yet?
 - b. If not, why not?
22. Does the LME Activity, supported by USAID, work in the same way with men and women? What about different ethnic groups? How about people of different ages, and PWDs? Please explain. Is any differential support advised/useful?
23. Do men and women or business owners from different ethnicities face any unique challenges? What about business owners of different ages or PWDs? If so, what are they? How does/should the LME Activity, supported by USAID, help address these challenges?
24. How important has collaboration with the LME Activity, supported by USAID, been to you? Why?
25. Do you have any recommendations for improving this collaboration?
26. Do you have any questions for me regarding this interview or the evaluation in general?
27. If I have any follow-up questions in the future, is it okay to visit you again or call you?

Thank you very much for participating in this interview. It is very important for our evaluation to have the opinions and recommendations of all Activity stakeholders, such as you.

United States Agency for International Development

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