

Independent Evaluation of the Agricultural Livelihoods Program

MANAGEMENT RESPONSE

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Approved by: Jane Lake, Development Coordinator, Regional Assistance Mission to the Solomon Islands

Date Approved: 30 August 2011

Aid Activity Summary

Aid Activity Name	Rural Livelihoods Transition (Agricultural Livelihoods Program); Cocoa Livelihoods Improvement Program; Kastom Gaden Association		
AidWorks initiative number	INH615; INJ090; INJ622; INJ711.		
Commencement date	<ul style="list-style-type: none"> 1 September 2008 1 February 2010 27 October 2010 20 December 2010 	Completion date	<ul style="list-style-type: none"> 31 Jan 2010 31 October 2010 30 June 2011 30 June 2011
Total Australian \$	\$4,203,770; \$3,805,874.97; \$400,000; \$2,600,000		
Total other \$	n/a		
Delivery organisation(s)	AusAID, Kastom Gaden Association		
Implementing Partner(s)	The Ministry of Agriculture and Livestock; the Commodities Export Marketing Authority		
Country/Region	Solomon Islands		

Activity Objectives

The objective of the **Agricultural Livelihoods Program (ALP)** was: Increased agriculture productivity for food security and sale and; improved market access and small holder terms of trade.

The objective of **CLIP** is: to substantially increase rural incomes through increased cocoa production and improved cocoa quality.

The objective of **Kastom Gaden** is: to strengthen family food security and income generation by providing new livelihood opportunities

Independent Evaluation Summary

Evaluation Objectives:

- An assessment of the costs and benefits and rates of return of the ALP
- Analysis to help inform AusAID's dialogue with the Solomon Islands government.
- Analysis of AusAID's role in private sector development.
- Specific recommendations to improve the Kastom Gaden Association (KGA).
- Specific recommendations to improve the Cocoa Livelihoods Improvement Program (CLIP).

The main focus of the evaluation was on ALP activities since they were integrated into the Community Sector Program (CSP) in October 2008.

Evaluation Completion Date: 4 July 2011

Evaluation Team: Dr John Fallon, Economic Insights Pty Ltd. Australia; Matthias Herr, the Springfield Centre, United Kingdom

Management Response

This is not a standard ICR as the objectives indicate. The evaluation team were asked to look at the standard criteria for an ICR but also to perform additional but related tasks that would help future programming.

The evaluation considers that although the success of the ALP is mixed there is a good rationale for further support in this area by AusAID.

Analysis aimed at helping AusAID focus its dialogue with SIG is a strong point of the evaluation. This included articulating the rationale for ALP and situating this kind of work within AusAID's broader development context. The rationale of the evaluators is that there are missing and incomplete markets in the Solomon Islands and interventions aimed at market development are important for realising direct returns and returns from our investment in the core functions of government. The report further states that AusAID has a comparative advantage in market development as a result of being able to situate it within a broader program of development assistance and through its experience implementing programs such as the ALP. The rationale presented in the evaluation will be valuable as AusAID works with SIG to reach an agreement on an implementation strategy for the Economic Livelihoods Outcome Area of the Solomon Islands – Australia Partnership for Development.

The evaluation has done a good job in providing further evidence for the effectiveness and value for money of ALP's work through its assessment on rates of return. The evidence is mixed. In some cases such as the CLIP, the rate of return is considered to be very good at 58% in 2011. In other cases such as the fruit and nut tree value chain, the rate of return was considered poor at 2%. The major factor that underlies good and bad rates of return from being better was AusAID's lack of a long term commitment and not the rationale itself.

Applicable recommendations and lessons learnt from the evaluation have been taken on board in redesigns of the two programs that continued out of ALP – the Kastom Gaden Program and the Cocoa Livelihoods Improvement Program (CLIP). Broadly, CLIP will focus on facilitating systematic change for the cocoa industry and providing evidence for its effectiveness. In the case of Kastom Gaden, the redesign has resulted in a reduction in its overall funding but increased its funding to support capacity development including a plan for diversifying its funding sources. Kastom Gaden will also focus on a framework to collect and present evidence for the effectiveness of its work and AusAID will make a commitment to long term support.

The ICR suffers from generalisations and being theoretical in many instances where greater analysis of the programs activities would have allowed the theory to be contextualised. However, given the evaluation team had to comprehend the complex history of ALP, analyse it and express it within a limited space and time with no prior knowledge of the program, the team has done as good a job in getting across the details.

Recommendation One

AusAID should consult with the Solomon Islands government to reach agreement on policies and an implementation strategy to support rural development.

Response: AusAID agrees with this recommendation. It echoes the management response of the 2011 Economic Livelihoods Quality at Implementation (QAI) report. The QAI report recommended the ICR evaluation should be used as one of the steps to reaching an agreement with SIG for an implementation strategy by providing evidence and analysis on an effective approach to the economic livelihoods outcome area.

Actions

AusAID has already begun actions in response to this recommendation by recommencing consultation with SIG to agree on an implementation strategy. A renewed dialogue with SIG was agreed at the recent annual partnership talks

The next step will include:

- Developing a short concept note or rationale document that assesses the rationale for AusAID support in this sector in the context of our wider program. This is to be completed by September 2011
- Discussions with SIG to define where AusAID will work in partnership with SIG.
- Agreeing on a simple Implementation Strategy with agreed milestones. This is to be achieved by November 2011.

Recommendation Two

The AusAID Solomon Islands program should join the planned AusAID multi-country market development facility (MDF).

Response: AusAID partially agrees with this recommendation. Support to activities via the MDF is in theory a good idea however program timeframes make this impractical.

To understand this recommendation fully requires some clarification on the role of the MDF. The MDF holds open the option for the Solomon Islands to be engaged in two ways. One way would see the MDF operate fully in the Solomon Islands including in-country personnel and activities along the lines of ALP's best practices. The other way would see the MDF provide mentoring, technical and monitoring support to activities in the Solomon Islands such as CLIP, Kastom Gaden and possibly other Australian Government funded programs. It is this latter approach which this recommendation is referring too. The ICR report says this would bring learning experiences from other countries to the Solomon Islands. This would be especially useful for programs such as CLIP and Kastom Gaden that are managed by local Solomon Islanders without extensive exposure to ideas outside of the Solomon Islands.

While good in theory, project and planning timeframes may mean that his recommendation is impractical. AusAID has only committed to supporting CLIP until June 2012. It could be several months before the MDF is able to give attention to the Solomon Islands by which time the CLIP program will be winding up. Providing MDF services to Kastom Gaden alone could not be justified from a value for money perspective.

Until AusAID is clear about its long term support in this area including cocoa, it should not take on the MDF monitoring and oversight services.

Actions: This recommendation is linked to Recommendation 5. See actions under that recommendation.

Recommendation Three

AusAID needs to invest more strongly in its own staff capacity – particularly with regard to familiarising staff with the role for and application of the market development approach in order to provide better strategic guidance to programs in the Solomon Islands

Response: AusAID agrees with this recommendation. It is consistent with AusAID's Food Security through Rural Development policy statement and with the AusAID Workforce Plan. If AusAID staff are to move towards greater strategic oversight and if, as the ICR notes, AusAID has a comparative advantage in this area, it must be able to lead a well informed dialogue on a day to day basis.

Actions: Sectoral training aimed at building program officer's existing skill base will be identified for staff with a long term ongoing commitment to the program and new staff entering the program.

Recommendation Four

AusAID should consider the implementation of a new market development program with the goal of improving rural livelihoods.

Response: AusAID partially agrees with this recommendation. AusAID is currently assessing the potential for a new market development program within the context of its wider program in Solomon Islands and will hold discussion with SIG as part of finalising an implementation strategy.

If dialogue with SIG results in agreement that a market development program is the best way to achieve the Economic Livelihoods targets, then the Market Development Facility (MDF) will be considered as one of the options. The current timeframe of the MDF is only for two years plus an option of a further four years. Post will need to take this into consideration.

Actions: AusAID will pursue a dialogue on an implementation strategy as its priority according to the actions outlined under recommendation one.

AusAID Post will keep the MDF program managers informed of its progress in reaching an agreement on the Economic Livelihoods Implementation Strategy specifically noting the likelihood of the MDF being an appropriate tool to achieve the targets of the Economic Livelihoods outcome area.

Recommendation Five

AusAID should fold CLIP into the new market development program to allow for better synergies and improved performance.

Response: AusAID partially agrees with this recommendation. This recommendation lacks an appreciation of the timelines involved in the design of a new program.

CLIP currently runs until June 2012. Reaching agreement with SIG on an implementation strategy is likely to take until November 2011 at best. That would leave only seven months to design, contract and mobilise a new market development program before the current CLIP contract ends. That is not possible.

It may be possible to pick up CLIP under a new program of support before its current 2012 completion date if that program is the MDF. The MDF is already up and running and could possibly pick up relevant CLIP activities before it ends June 2012.

Actions: AusAID will focus on developing an internally agreed strategic rationale document and a subsequent dialogue with SIG on the Economic Livelihoods Implementation Strategy. If this results in agreement to support a market development program, support to the cocoa industry will be assessed under that.

Recommendation Six

AusAID should invest in capacity building of KGA to deliver more effectively on development outcomes as well as fund-raising to help ensure sustainability. Significant or sudden reductions in support are not recommended.

Response: AusAID supports this recommendation.

Actions: Actions have already taken place to respond to this recommendation. AusAID has recently completed work with Kastom Gaden to revise its program design to deliver more effectively on development outcomes. The design now has plans and associated budgets allocated to diversify its funding sources with a view to reduced dependence on AusAID funding and to plan and fund staff capacity building.

A funding proposal for three years will be submitted to the delegate providing details of the changes to the program design.