

**In-Depth Evaluation
For UNDP
Rural Poverty Alleviation Program**

by

**Apichai Puntasen
Patamawadee Suzuki
William A. McCleary
Pongsathorn Tantirittisak
Kritaya Sreesunpagit
of the
Faculty of Economics, Thammasat University**

September 9, 2002

**In-Depth Evaluation
For UNDP
Rural Poverty Alleviation Program**

by

**Apichai Puntasen
Patamawadee Suzuki
William A. McCleary
Pongsathorn Tantirittisak
Kritaya Sreesunpagit**
of the
Faculty of Economics, Thammasat University

September 9, 2002

*With the Compliments
of*

Table of Contents

Table of Contents	i
Glossary	iii
Executive Summary	iv
PART I: THREE SUB-PROJECTS	1
Capacity Building in Sustainable Agriculture Project (THA/99/004)	2
I. Program Design and Strategies	3
Design and Strategies	3
Relationship of the Project to RTG's Eighth Plan and UNDP'S CCF	5
Provision of Clear Performance and Management Indicators	7
II. Achievements of Program against its Overall Objectives	9
Capacity of Local Communities	9
Capacity of Line Agencies	10
Improvements in Socio-economic Status	11
Mainstreaming Gender Issues	12
Potential for Program Activities to be Sustained	12
III. Implications and Impacts of Program Strategies	14
IV. Potential Areas for Continued Support	17
ANNEX A: Itinerary	22
Capacity Building for Income Opportunities through Community Industry (THA/99/005)	23
I. Project Design and Strategies	24
Project Design and Strategy	24
Relationship of the Project to RTG's Eighth Plan and UNDP's CCF	26
Provision of Clear Performance and Management Indicators	27
II. Achievements of Program against its Overall Objectives	28
Capacity of Local Communities	28
<i>Capacity building for CSOs</i>	30
Capacity of Line Agencies	31
Improvement in Socio-economic Status	32
Gender Issues	32

Potential for Program Activities to be Sustained	33
III. Implications and Impacts of Program Strategies	34
IV. Potential Areas for Continued Support	36
ANNEX B: Itinerary	38
Expansion of Sustainable Livelihood Opportunities for Poor Rural Communities in Five Southern Border Provinces (THA/99/006)	40
I. Program Design and Strategies	41
Design and Strategies	41
Relationship of the Project to RTG's Eighth Plan and UNDP'S CCF	44
Provision of Clear Performance and Management Indicators	45
II. Achievements of Program against its Overall Objectives	46
Capacity of Local Communities	46
Capacity of Line Agencies	47
Improvements in Socio-economic Status	48
Mainstreaming Gender Issues	48
Potential for Program Activities to be Sustained	48
III. Implications and Impacts of Program Strategies	
(Best practices, Lessons learned)	49
IV. Potential Areas for Continued Support	53
ANNEX C: Itinerary	55
PART II: OVERALL CONCLUSIONS AND RECOMMENDATIONS	56
Overall Conclusions and Recommendations (THA/97/001)	57

Glossary

Amphoe	District
CCF	UNDP's Country Cooperation Framework
CSO	Civil Society Organization
DIP	Department of Industrial Promotion
DTEC	Department of Economic and Technical Cooperation
MOAC	Ministry of Agriculture and Cooperatives
MOF	Ministry of Finance
MOI	Minister of Industry (for THA/99/005)
MOI	Minister of Interior (for THA/99/006)
NESDB	National Economic and Social Development Board
NGO	Non-governmental Organization
PSU	Prince of Songkla University
RDI	Research and Development Institute at Khon Kaen University.
RTG	Royal Thai Government
SBPAC	Southern Border Provinces Administrative Center
Tambon	Subdistrict
TAO	Tambon Administrative Organization
TTC	Technology Transfer Center
UNDP	United Nations Development Program

Executive Summary

Overview of the Program

The "Rural Poverty Alleviation Program" (THA/97/001) has the objective of building capacity at the national, sub-national and community level of key ministries, departments and agencies to implant an enhanced program for poverty alleviation and sustainable development. The program was implemented in two phases. Phase I was the preparatory phase which was carried out during January - December, 1998 and phase II was the full phase which took place during 1999 - 2002. The three sub-projects involved in this umbrella include:

1. Capacity Building in Sustainable Agriculture Project (THA/99/004)
2. Capacity Building for Income Opportunities through Community Industry (THA/99/005)
3. Expansion of Sustainable Livelihood Opportunities for Poor Rural Communities in Five Southern Border Provinces (THA/99/006)

The program was designed to support the creation of income-generation and employment opportunities for poor rural households in response to the economic crisis that began in July 1997. Most activities had been undertaken by relevant ministries and departments.

Moreover, The THA/97/001, THA/99/004, THA/99/005 and THA/99/006 are very much consistent with the RTG's Eight Five-year Economic and Social Development Plan (1997-2001) and the new 1997 Constitution calling for greater decentralization, also with the UNDP's Country Cooperation Framework (CCF). Both the RTG and UNDP objectives are enhanced in the following ways:

1. Local institutions are being strengthened and the Thai national (local people and community groups, local and national officials, and NGOs/CSOs) in rural areas are raising their capacity to plan for themselves and to obtain better and more relevant services from the government.
2. Income-generating activities and stronger community industries are being supported.
3. Local areas are learning to manage and use natural resources more carefully resulting in less pressures on environment as well as to raising welfare.
4. Knowledge is being leveraged in that ways of governance, methods of stakeholder interaction, and technology that can be transferred to other areas and situations in the country.
5. Thailand's experience with this project (and its sub-projects) could be shared with other countries.

Capacity Building in Sustainable Agriculture Project (THA/99/004)

The project has two main capacity building objectives:

1. To increase the capacity of local communities for self-reliance by helping strengthen local organizations to plan their own activities and share information and knowledge.
2. To increase the capacity of relevant government officials to provide stronger support to initiatives begun locally.

Lessons learned and Best Practices.

1. Development from below can be successful, and a new “triadic relationship” has been formed: village groups, government officials and the NGOs can successfully work together to support development from below.
2. Flexibility appears to have been an important component in project success. It will be also critical for future expansion.
3. NGOs can be used to carry out government programs. The approach is very consistent with the RTG’s stated philosophy of decentralizing and outsourcing public sector activities.
4. The ability to disseminate best practices and lessons learned in the earlier tambons to participants in the follower tambons, the teacher-tambon and network concepts has been important.
5. The success of the project will depend in part on how favorably the tambons and higher levels of government continue to allocate resources and time on “income generating”, social welfare, and environment activities as compared to their responsibilities for infrastructure building.
6. As soon as the project expands beyond agricultural activities such as the technological transfer center (TTC) in a tambon, the activities involved require more understanding and coordinated support from multiple governments agencies. The ability to coordinate among various government agencies will be crucial for success.
7. For further expansion of the project, conditions other than finance and become major constraints:
 - 7.1 The availability of capable NGOs.
 - 7.2 The ability to coordinate support among various government agencies.
 - 7.3 The priority given to project of this nature by the RTG.
8. The 1999 UNDP budget cut resulted in the reduction of the amount of “seed funds” and the participation of NGOs. The former did not pose any serious problems since monies from other sources were available. Unfortunately, the latter resulted in weakening the effectiveness of teacher-tambon program.

9. The project is not targeted directly at poverty reduction among the poorest of the poor. Nonetheless, the project remains worthwhile in helping the rural area and overtime it will help the poor indirectly through improved local governance.

Potential Areas for Continued Support

1. An increased proportion of UNDP resources should be devoted to supporting the teacher-tambon and network concepts and the creation of manuals, videos and other teaching materials which demonstrate what has been learned and best practices.

2. More UNDP resources ought to be devoted to training people to carry out NGO activities and support a larger number of NGOs qualified to work in support of village groups.

3. More government officials at various levels should be involved through the process of “learning by doing”. MOAC is attempting to use this project as a lever to change its own methods of operation to make them more supportive of a participatory, bottom up approach. Supporting these efforts would be desirable. Review of the RTG procedures that inhibit the implementation of a bottom up approach, especially the regulations regarding the contracting of certified NGOs and outsourcing of government activities is needed.

4. Consideration should be given to assisting tambon to create more comprehensive plans through the participatory approach which would include agriculture, industry and tourism. This will create pressure from below for more ministerial/departmental cooperation.

5. UNDP funding for “seed funds” should be significantly reduced, even to zero. The money can be replaced from a national or provincial budgets. More resources (UNDP and government) should be used for capacity building.

6. The project ought to be showing more female participation and more sub-projects should be focussed on the encouraging woman groups to be more involved in poverty reduction activities.

7. Performance indicators for the purpose of monitoring should receive greater emphasis. Among them are:

7.1 Input indicators

7.2 Impact indicators

7.3 Outcome indicators

Capacity Building for Income Opportunities through Community Industry (THA/99/005)

The project has two main objectives:

1. To increase capacity of local communities in developing community industries.
2. To increase capacity of supporting line agencies including government agencies and CSOs.

Lessons Learned and Best Practices

1. This project has clearly showed that community industries have great potential for further development, but need very systematic planning and close consultation from organizations such as CSOs.
2. The timing and work plan need to be flexible since community industries have different capacities and different work processes. A too rigid timeframe would jeopardize the success of the project.
3. To be capable of producing a greater number of registered CSOs is an anticipated output from the project; therefore, the role of intermediary organizations to develop CSOs is the first crucial step. For expansion of this project and/or nationwide replication, a tripartite relationship will need to be developed (i.e. CSOs, an academic/researching intermediary, and government agencies)
4. The DIP has access to a substantial amount of budget that it has not been able to use effectively because of an inadequate number of registered CSOs. Rigid regulations have discouraged many CSOs from joining the project. Among them are (a) tough quarterly report requirement from the very project beginning (b) training funds and equipment are conditioned on proper formation and contents of the report (c) the standard of the contract is at the level of the construction firms and may not be appropriate for the CSOs.
5. While our team favour high standards, the standards are simply too high for the NGOs/CSOs who can serve as agents of spreading participatory and new techniques in the rural areas. Moreover, the CSOs themselves are also partly responsible for the low registration rate because they are not permitted to do so by the larger networks of which they are members.

Potential Areas for Continued Support

1. As a prototype, this project has clearly demonstrated that there are benefits to be achieved in the long run through an expansion in the number of CSOs.
2. The model of tripartite cooperation between the government agencies, RDI and CSOs seems to be working well finally. The absence of any of these components would jeopardize the success and sustainability of the project.

3. The use of UNDP funding was crucial to this pilot project since it allowed the employment of CSOs which were not yet qualified to be registered for DIP.
4. Projects of a similar nature should be expanded to other parts of Thailand especially, the north, the south and the central plain, respectively.
5. In the future, for the northeast, the DIP should be able to contract RDI directly, and the RDI should be responsible to sub-contract the CSOs. It is important to specify in the contract for the RDI that it must achieve a certain success rate for their registration of the targeted CSOs. The UNDP resources are only necessary when the DIP does not wish to contract RDI directly.
6. In the future, DIP needs to pay increased attention to adjusting those of its regulations which appear unnecessarily difficult for CSOs to comply such as the amount of information in quarterly reports or supporting documentation needed to request training funds.

**Expansion of Sustainable Livelihood Opportunitites for Poor Rural Communities
in Five Southern Border Province
(THA/99/006)**

The objectives of this projects are two fold:

1. Involve all stakeholders (local communities and local and national government) in improving all aspects of local life - social, economic, spiritual and environmental.
2. Providing local income generating activities to raise local welfare.

Lessons Learned and Best Practices

1. This project has more “top-down” aspects to it than is desirable for a self-reliance, participatory approach to development. Tight constraints did not allow enough time to make sure that groups were functioning effectively on that official behavior was adjusting in line with new bottom-up approaches.
2. Many of the sub-projects appears to have generated economic gains in terms of increased income, reduced unemployment, and reduced out-migration or even creating in-migration in the communities.
3. People participation in project initiation that generates a sense of belonging and a sense of collective effort to meet group objectives seems to be a crucial factor in success.
4. People participation is not an easy task to implement given the conventional attitude of officers and villagers, and the government's top-down system of operation.

5. The willingness of officials to adapt to the new participatory approach has been mixed.
6. Part of the problem appears to be in the nature of project design in that less resources were committed to “capacity building” and more are for the “hardware” than is desirable for projects of this nature.
7. The government budgeting system often can run into conflict with the concept of people participation simply because village groups are not allowed to manage the resources themselves.
8. Saving programs for investment and production activities may be needed for community self-reliance and sustainability of the projects.
9. Communities can manage communal natural resources efficiently if they feel that they can benefit from direct use of the resources.
10. An academic institution that has experience working with NGOs for rural development may be substituted for the use of NGOs providing that they have sufficient time and capacity and reasonable financial support.
11. Weather plays a large role in the success of agricultural/natural resource projects in the south, perhaps even more so than in other rural areas of the country. As a result, the projects must be more flexible and capable of making adjustments to changes in conditions.

Potential Areas for Continued Support

1. UNPD should support projects for the creation of groups which have strong feeling for self-help, participation and the advantages of collective action to solve problems.
2. UNDP should devote more resources for training government officials by the method of learning by doing. The actual budget allocation from UNDP should reflect the said intention.
3. In the near future when the process of decentralization is well under the way, TAOs will receive significant amount of budget allocations. UNDP ought to focus on enhancing the capacity of the TAO to do community projects directly.
4. The Ministry of Interior has made a proposal for additional support for child and youth development in order to generate common understanding among Buddhists and Muslims in the future. When more details become available, this proposal merits consideration.
5. Community-based environmental conservation is a strong potential candidate for UNDP support since it furthers both self-help/participatory and environmental management objectives.

6. UNDP should not commit its limited resources to purely income generating activities. Other objectives such as mainstreaming of woman's activities, the alleviation of poverty, or the creation of strong local groups or networks for the dissemination of best practices and technology are more desirable.

Conclusions and Recommendations

Lessons Learned and Best Practices from the Three Projects

1. The three components of the "Rural Poverty Alleviation Program" were meant to be implemented jointly with much more coordination between implementing agencies and departments, and much greater cross-fertilization of ideas across the subjects. In the event, this did not turn out to be so.
2. Development from below can be successful when government officials are willing to change their role from paternalism to listener/facilitator and being responsive to local problems and providing public support more relevant to local needs.
3. The NGOs/CSOs can be used to further government objectives under the tripartite model. This model is good to remember in the future.
4. Successful efforts at the local level were due largely to projects changing the attitude of government officials to behave according to the new "bottom up approach". Since different projects resulted in varying degree of success, the result is uneven across the three projects.
5. TAOs will play increasingly important roles in the near future. Hence efforts to enhance TAOs' capacity to put greater efforts into sustainable agriculture, resource management and poverty reduction programs and their ability to develop more complex local plans is essential.
6. Money is not a major constraint to further expansions, The more likely constraints are:
 - 6.1 The capacity of NGOs
 - 6.2 The readiness of government officials and departments
 - 6.3 The commitments of relevant ministries and the RTG
7. The flexibility of UNDP funding has proven to be very much useful in many instances:
 - 7.1 It has been used to hire major NGO inputs in Sustainable Agriculture Project.
 - 7.2 It has been used to hire a non-registered CSOs in the Community Industry Project.
 - 7.3 It has been used in the Southern Border Province Project in place of the budget that normally come to each line agency in a fragmented way.

8. In varying degrees in each case. UNDP resources were used for institution building and increasing capacity at the village, community and local government levels - often leading to results which can be replicated and/or disseminated elsewhere.

9. All three projects show that community-based projects can make a substantial contribution to income-generation and employment creation. The key ingredients seem to be the creation of strong local groups; the presence of NGOs/CSOs as listeners/facilitators and the support from relevant government officials and departments as needed.

10. Community-based environmental protection is an area worthy of further support.

11. Overall the "Rural Poverty Alleviation Project" seems to have made a significant impact on reducing rural poverty in the areas affected.

12. The Rural Poverty Alleviation Project had a rather uneven impact on getting increased use of performance and management indicators. In the Community Industry Project, developing appropriate indicators was given emphasis. In the Southern Border Project, the progress report strongly reflected the indicator mentality. The use of indicators was not clear in the Sustainable Agriculture Project.

Potential Areas for Continued Support

1. UNDP should support projects only when there is a strong possibility for institutional reforms.
2. UNDP should devote more resources to training government officials in the new bottom-up participatory approach.
3. If the local government system in Thailand becomes more decentralized, UNDP may deal directly with TAOs to increase their capacity.
4. If UNDP continues to support the Sustainable Agriculture Project, increase focus must be given to the teacher-tambon and the networking concepts. For the Rural Industry Project, resources should be used for the expansion of the number of NGOs/CSOs. In all cases the tripartite model is a good one.
5. Expansion of support for community based environment protection deserve serious consideration as it serves the objectives of both environmental management and institutional change through participatory, self-help approaches.
6. The Ministry of Interior which coordinated the Southern Border Province Project, requests future assistance in the form of children and youth development.

7. The MOAC requested that their successful model of Sustainable Agriculture should be used to demonstrate the potential value of future assistance of the UNDP to neighboring countries. The MOAC would like to take the pride of ownership in their endeavor. UNDP may wish to use its Thai project as models for neighboring countries because their success in a more participatory, democratic environment and in implementation of a more decentralizing, bottom-up approval to development.

8. In sum, the evaluation team would like to recommend UNDP to continue working directly with the TAO in the area of capacity building of the TAO for integrated community development planning, such as sustainable agriculture, community industry and eco-cultural tourism. The focus should be the poor tambons with problems of rapid depletion of resources and environment. The tripartite model of cooperation consisting of related government agencies and their officials, academic institutions and the NGOs/CSOs together with the TAOs themselves should be adopted.

Final Words

Finally, the evaluating team wishes to express their sincere gratitude to UNDP, all related government agencies and their officials, related academic institutions, NGOs and CSOs, TAOs, and various groups of people involved for providing opportunity for the team to learn more about the performance of the three projects. The team sincerely hopes that lessons, experiences learned from the three projects will help UNDP to be able to provide more effective assistance to the Thai government under conditions of more stringent availability.

PART I: THREE SUB-PROJECTS

In-depth Evaluation
Capacity Building in Sustainable Agriculture Project
THA/99/004

This project was initiated by the Ministry of Agriculture and Cooperatives in mid-1998 based on its observations of the existence of substantial locally-based knowledge, the existence of informal local networks in which communities exchanged information and learned from each other, and the resulting potential for more bottom-up approaches to local development. The project was a product, however, of 6-7 years of studies, information and data gathering by MOAC at the local level. Collaboration was sought from the Department of Economic and Technical Cooperation (DTEC) and financial support from the United Nations Development Program (UNDP). The Capacity Building in Sustainable Agriculture Project was approved by UNDP in April 1999, began operations in July 1999 and was due to be completed in December 2001, and was extended until June 2002. In 1999, the project began with 101 sub-districts (tambons) in 8 provinces. In 2000, it was expanded to cover 120 sub-districts in 21 provinces and in 2001, this was extended to 220 sub-districts in those 21 provinces. Out of the UNDP budget for the project of \$1.361 million (taking account of the budget cuts which were imposed on the project in 1999), the entire amount was expended during the three plus years 1999 to mid 2002. Out of total actual spending, 66.7 percent was for education/training/NGOs and 23.3 percent was for seed money (or allocations made to support projects proposed by village groups); the remainder was for equipment and administration costs (including those costs incurred by MOAC officials covered by the project). UNDP support was particularly valuable in this case because Bureau of the Budget regulations would not have allowed MOAC to contract NGO services in large amounts; payments to such NGOs would have resulted in reductions in MOAC's budget allocations. UNDP money was not subject to such restrictions.

Our sources of information for this evaluation were written materials: the **Complete Report** and the **Evaluation Report** for the Capacity Building for Sustainable Agriculture project; notes of the minutes of the Project Steering Committee; the UNDP'S Project Fact Sheet; and the UNDP's **Country Cooperation Framework** and RTG's **Eighth Five-year Economic and Social Development Plan**.

In addition, on July 3 and 4, 2002, our team made field visits to Pitsanalok (Tambon Banyang and Tambon Hinlaat in Amphoe Watboat) and Utraradit (Tambon Phajook in Amphoe Muang and Tambon Wangdaeng in Amphoe Troan). Our field trip itinerary is attached as Annex A. Typically the officials we met with on these visits included: the head of the TAO, head of the Technology Transfer Center (TTC, an extension official), members of the tambon and TTC councils, and amphoe and provincial extension officers. Importantly, we also talked with members of the village groups and visited a number of their projects -- e.g. cattle raising, organic fertilizer producers, fish ponds, garment assembly, and a rice market.

I. Program Design and Strategies

Design and Strategies

The project has two main capacity building objectives -- to increase the capacity of local communities for self-reliance by helping strengthen local organizations to plan their own activities and share information and knowledge; and to increase the capacity of relevant government officials to provide stronger support to initiatives begun locally. As such, the design of the project contains several key building blocks. First the starting point of the project must be groups of villagers which would work together to share knowledge, solve problems and come with projects which would utilize local resources and be more careful about the resulting impacts on the environment. The approach was designed to be participatory and democratic and project ideas were to come up from below. The main output of the project was to be in building stronger local institutions -- villagers who knew how to rely more on themselves and local resources and a better working relation between local peoples and the various levels of government. Secondly an important output of this process was to be community plans comprising the project proposed in the areas of sustainable agriculture, natural resources and the environment, and community business. These projects were arrived at by participatory processes within the various groups. The projects within the community plan could even be prioritized by democratic voting procedures at the tambon level for the purposes of attracting further funding. Thirdly the role of NGOs and government officials was supposed to be a supportive one of facilitating villagers in developing their programs and of providing information and knowledge as needed. Fourthly, while a major objective of the

project was not supposedly income-generation per se, the projects are very practical ones designed to create more income by reducing input costs or creating more output by better methods. Thus the villagers are expected to repay loans that they have received from group funds, or villager expect to share in the profits of projects they have contributed shares for, and the groups are expected to repay the monies they have received from higher levels of government. Nonetheless, since funding is scarce, many members of these village groups may not benefit financially directly from the project, but appear to get their benefits from increased shared knowledge and perhaps the expectation of the possibility for funds in the future. And fifthly, the project has been designed as a "learning process". A direct output of the project has been videos, a manual on community participation, and seminars spreading knowledge on how the whole process works and what is involved in "best practices". More important has been the involvement of experienced tambons in teaching the newer tambons.

All of these elements combine to make up a project that has been quite well designed. Building up from the group level increases the possibilities that villagers are able to improve the development process. They are also able to request the type of advice that they are getting and increases the pressures on government officials to provide information that is useful and responsive to their needs. The participation and democratic methods used at the group level instills in villagers the idea that collectively they can solve their own problems and also alters the relationship between villagers and government officials - less top-down and more partners in the development process. The fact that the emphasis is on practical projects—based largely on locally available resources—means that they are more likely to produce tangible results and to lead to greater independence; this is likely to encourage greater participation and increase the likelihood of project sustainability. Lastly the emphasis on "learning by doing" seems to be useful; the project didn't have the answers on how things should be done from the outset (which would have implied a more "top-down" approach) but took the approach that answers would be produced in the implementation process.

A similar set of comments applies to the strategies by which the project was implemented. First of all, tambon target groups were divided into three groups depending on their state of readiness to implement the project. This judgement was made on the basis of: (a) strength of community organizations and/or community

organization networks; (b) good cooperation between local entities or strong trends in that direction; and (c) basic understanding among local population organizations and among local officials about the operation of the project. Candidate tambons were grouped in terms of readiness as "high", "medium" and "low". The "high"(comprising tambons in 8 provinces) began operation of the project in 1999 while the "medium" and "low" groups (comprising 13 provinces) began in the year 2000. This allowed the slower provinces/tambons more time for preparation and also allowed the accumulation of experience gathered from the leader provinces. Second, the process by which communities were selected and community plans developed was carefully broken into discrete steps, but then implemented flexibly based on the capacity of each local group. That is, the implementation process was clear and precise, but followed flexibly to accommodate local differences. The five-step process includes: selection of role model areas according to set criteria; an exploration of community potential; development of the community participation process; creation of the community plan; and implementation of the community plan. Both the length of time and the number of sub-steps within each step could be varied because the supporting NGOs had different work styles; because different communities would learn at different paces; and because developing the necessary consensus would likely take different amounts of time in different places. This is a very important and necessary concession to a bottom-up, participatory approach. Thirdly, the very large expansion in the number of tambons in the year 2001 appears to have been a direct result of the knowledge and experience gathered from the project during 1999 and 2000. A number of the successful, experienced tambons became schools for the new tambons (usually 4 tambons per teacher-tambon). This looks like a very effective and, likely cost-efficient, way of leveraging knowledge gained from the project.

Relationship of the Project to RTG's Eighth Plan and UNDP'S CCF

The RTG'S Eighth Plan emphasizes increased citizen participation and greater stress on development from below. It also urges increased attention to the careful management of natural resources and to minimizing adverse environmental impacts (its call for more sustainable agriculture is consistent with these objectives). Further, it calls for a more equitable distribution of economic opportunities. Since the initiation of the Eighth Plan, two events have resulted in increased urgency for its approaches:

(1) the economic crisis which called into question past policies which emphasized rapid, center-oriented growth which was reckless regarding the environment and relatively indifferent to the distribution of the benefits of growth; and (2) the new constitution of 1997 which called for a greater decentralization of the responsibility for the delivery of public services to the local level. The UNDP is "seeking to maximize the impact of its programs by ensuring that they generate insights capable of informing institutional change ". It is seeking greater focus in its program through concentration on three thematic areas: (a) poverty alleviation through responsive governance; (b) natural resource/environmental management; and (c) trilateral cooperation by which the experiences in some countries are made available to other countries. The UNDP is also seeking to leverage its money by moving from project funding to advice, that is making sure that its programs are spreading knowledge. Lastly, UNDP is encouraging more implementation by national entities since this raises the level of country ownership and since it also leaves a greater impact by strengthening local institutions.

It appears that this Capacity Building project is very consistent with both RTG and UNDP objectives with one notable exception explained in the following paragraph. Clearly what is involved here is institution building. Local institutions are being strengthened and Thai nationals (local people, local and national officials and NGOs) are the key players in project implementation. Moreover rural areas, which are economically poorer and which have been traditionally disadvantaged with respect to the provision of government services, are raising their capacity to plan for themselves and to seek additional and more relevant services from government. Still further, local areas are learning to manage local resources more carefully which should lessen environmental impacts and add to local independence. While one might rightly be a bit skeptical of the term "community plans" since these are lists of individual projects and leave many aspects of local development untouched and since they are by no means a complete program for sustainable agriculture, there is a clear emphasis in the projects presented on using available resources, on using more careful grazing techniques and on using organic as opposed to chemical fertilizers. Lastly leveraging of knowledge is involved since networks are expanding knowledge and since one could easily imagine that Thailand's experiences with this project could be spread to other countries.

However, despite its many favorable aspects, this project is really not a "poverty project" or a "poverty alleviation" project in the usually accepted definition of those terms as being efforts to raise the well-being of persons or groups who have identified as being poor. No attempt has been made to identify provinces or tambons with unusually large numbers or percentages of poor people. Within project areas or tambons, no attempt has been made to identify poor persons or identify the special problems of poor persons (e.g. lack of land, education). Poor people have not been excluded from the project but no attempt has been made to seek them out and to address their particular problems. Instead the criteria for inclusion in the project seems to be "readiness" or "state of preparation" whether its deciding which tambon, which group, or which persons are to be chosen to receive support. Moreover, membership in groups often seems to involve monthly contributions or purchases of shares which would likely eliminate many poor people, even though the amounts involved in most cases appear to be quite small. Still further, financial support is almost always in the form of loans on which interest and repayments are necessary which would likely ration out poor persons since very few people in these groups actually get funds. All this said, it isn't really intended as a criticism of the project, its just a statement of fact. The fact is also that the project is helping rural groups toward greater self-reliance and self-management and that rural groups are disadvantaged relative to urban groups not only with respect to income but also with respect to the provision of public services. Thus it is making a contribution toward reducing disparities; over the long run, this is likely to help the poor, but it will be a slow process since it is really "trickle down".

Provision of Clear Performance and Management Indicators

There appears to have been little progress in this area of the project. At the outset, the project proposed a rather clear set of possible indicators. See the **UNDP Component Document, Component One** (April 1999), pp.6-11. There, one will find a set of indicators which would show whether the various steps of the implementation process are being put in place and whether this process is starting to generate some of the results one might expect. There are few indications that these indicators are being used in any systematic way. One senses that overall things are going pretty well but this results from impressions not from any strong evidence showing that this is the case. Looking at the **Complete Report**, one can find information on numbers of

participating provinces and tambons, numbers of village groups, community plans with their projects, numbers of personnel, budgets allocated and spent (with details at least in the aggregate), seminars held, the meetings of various groups, and advertising. These provide some useful information on the input side (although more disaggregation would be preferable) but almost nothing on the project's outputs or whether it is having the expected effects. Moreover apparently a large amount of information about the various tambons and groups has been generated as part of the process of assessing community resources but this data is not to be found. Revealing it in some summary way could be useful but only if it sheds some light on how allocation decisions are made or if it could be used as a benchmark against which progress could be measured in the future.

Thus we feel that there would be gains from developing a clear set of performance and management indicators for any future phase of this project. These indicators could be placed into three groups which roughly correspond to the phasing of the project: (1) "input (or implementation) indicators" which would give managers a clearer picture of whether the project is being implemented as expected; (2) "output (or intermediate) indicators" which allow us to see whether implementation is producing some of the kinds of effects one would expect to see and which would give us some evidence that the objectives of the project are likely to be achieved; and (3) "impact indicators" which tell us the extent to which the project's ultimate objectives were in fact met. The point is that "projects need clear objectives" - what is it that we are attempting to achieve and how will we know whether we have achieved it or not? Since most projects need several years to complete and final impacts may occur even after that, we need a set of measures which tell us whether implementation is taking place on schedule, whether we are getting some of the outcomes we expected to see, and whether we are moving closer toward our objectives. Properly disaggregated, such indicators allow us to see where things are going well and where they are lagging or where we are not getting the results that we expected and to take the needed corrective action. Admittedly, the project under review is largely an institution building project and so developing some clear indicators for impacts will be more difficult (with less difficulties in the input and output side and more on the impact side). We will return to this question in Part IV of our evaluation where we make recommendations about areas for future support.

II. Achievements of Program against its Overall Objectives

Capacity of Local Communities

The numbers and strength of local village groups appears to be very high. Member farmers seem to like and appreciate the self-help and participatory approach. Farmers appear to appreciate the gathering together of people of like interests, the joint identification of their problems and strengths and weaknesses, and the creation of a village plan. In many cases methods are being identified that are closer to what farmers are actually using and local wisdom is being identified, adapted and used to bring about improvements. This was evident from our conversations with village groups during our field visits where the sharing of knowledge and experience, the receipt of more focussed and relevant support from government, and monetary gains were mentioned. Additional, and perhaps more concrete, evidence of farmer interest can be seen from the fact that many groups require monthly contributions and further by the fact that farmers do voluntarily participate in learning networks, the process by which knowledge is disseminated to other tambons. In addition, committee members of the tambon councils and of the tambon's Technology Transfer Center, in our visits, give evidence of appreciating the bottom up approach as a way of organizing local efforts and getting government help. So it would be fair to say that there have been considerable improvements in local capacity. Nonetheless a note of warning is called for. Success so far seems to be the result of achieving tangible gains -- improved knowledge, more relevant government assistance, and additional funds in some cases. Will this be sustainable as NGOs move on, government moves its focus to other tambons, and villagers don't get additional funds above what they can mobilize themselves?

The role of NGOs has been very important in this project. NGOs have performed a role in working with provincial committees to identify role model communities and target communities; formulating operational plans at the provincial and tambon levels; organizing learning processes between role model and target communities; organizing the community participatory learning process; and facilitating the production and implementation of community plans. Also they have been involved in the monitoring and evaluation of projects; constructing databases on role models; and in producing videos and printed information documenting good

examples of the training process. Villager satisfaction with the role of NGOs seems quite high in that in most instances they are acting as listeners and facilitators, encouraging villagers to look more to themselves for the solutions to their problems (i.e. they are not acting as a new source of "top-down" development). Moreover the experiment of using NGOs to carry out major RTG policies seems to be working quite well. Government officials appear to appreciate that NGOs can do some things that officials would find it difficult to do. While there have been some instances of problems (e.g. NGOs wanting to move too fast or differences in work styles or even work hours as compared with government officials), both sides seem to appreciate the new collaborative arrangement.

Capacity of Line Agencies

Local farmer groups appear in general to be quite satisfied with the services provided by the TTCs and by the various other agencies of MOAC. By and large, the TTCs show understanding of the new processes and appreciation for the advantages of a more participatory approach. The change in official approaches to developments was achieved by teaching seminars and "learning by doing" through officials being involved actively in every stage of the processes used in this project's implementation—that is, in studying the target areas; participating in village group self-evaluation and identification of problems and potentials; the creation of community plans and their implementation; and the accumulation of skills for sustainable development. Actually having been actively involved in the process appears to have heightened officials' appreciation for the virtues of "bottom up" development. These impressions were confirmed by our field visits. MOAC is attempting to use this project as a lever to change the way its departments and staff operate to put them more in tune with new participatory, bottom-up approaches. It is critical that this be done if MOAC is to provide effective support for initiatives that come from below.

Nonetheless our team remains a bit skeptical about how much progress has been made in achieving change in the way the government officials and agencies operate since this is hard to make judgements about. Our skepticism has two aspects: (a) experience with bureaucracies worldwide, and with persons working in these bureaucracies, show that it is very difficult to change behavior. Agencies, and persons

working in them, resist changes and go on working in the old style since it is easier and since the rewards for working in the traditional fashion are clear. What incentives have been created to encourage the new, desired behavior (e.g. annual performance reviews for government officials where villager evaluations are taken into account and which influence salary increases and promotions)? This project may not even be a significant part of the work program of the Department of Agriculture Extension and even less so for other agencies of MOAC; what work style is being followed among people not directly involved in this project, is it the traditional "top down" approach or the new bottom up approach? If it's the former, which seems likely, it will have effects on the attitudes of the workers on the project. (b) What will happen if the needs of village groups starts to have a significant impact on the budgets of various departments of MOAC (e.g. requests which might involve the need for new research projects, test trials, or pilot projects). To date the demands on the MOAC have probably been met out of the excess capacity that exists in most government departments. If the demands start to become more serious, will staff and budgets be reallocated to meet farmer needs? This would appear to involve more flexibility in operations and budget practices than exists in current government ways of doing things.

Improvements in Socio-economic Status

It is no doubt too early to look for changes in the socio-economic status of those affected by the project. Nevertheless, the emphasis given in the community plans toward projects which are profitable, whether because they improve marketing or lower the costs of production or reduce reliance on debt financing, is encouraging and leads one to believe that income gains are likely. A number of the projects visited by the team seem to be generating increased incomes already - e.g. fish ponds, the production of natural fertilizers, and textile/ garment assembly; and all of the projects we have both heard about and read about appear to have the same capability. As we noted above, this is an important part of the project, even though it is secondary to its institution-building features; to sustain villager interest, it will be necessary for them to see tangible gains and increased income is one aspect of this. In another sense, however, visible change has taken place to the extent that the relationship of villagers to government and its officials has changed from that of passive recipients of advice

and directions to more active management of their own affairs and more equality with government officials. This has already improved the quality of agricultural support and in the future could lead to better public services across a range of activities.

Mainstreaming Gender Issues

Our team met a number of women in the course of our field visits, both as participants in some groups and as the dominant numbers in one group (textiles/garments). In general, however, women seem to be in a distinct minority in this project, certainly far below their share in the total population or the rural population. There are no signs of any project effort to involve women more centrally by either developing projects that might attract women or encouraging them to participate more in all projects. Nor are there any indicators which would show female participation or the kinds of gains they were achieving. The Complete Report makes no mention of women and no effort to present results by gender. The UNDP wants to see increasing integration of gender issues into its programs, with emphasis on more projects being inclusive of women, but little has been accomplished in this project.

Potential for Program Activities to be Sustained

There are two aspects to this question: will activities be maintained in the present 220 tambons and can they be extended to include larger numbers of tambons? The former poses fewer problems than the latter. There seems to be a good chance that project activities will be sustained in the present areas. Villager groups and TAO officials (plus tambon council and TTC council members) appear to be enthusiastic about the project. Village groups provide some of their own self-financing and the amount of TAO resources actually going into the project is fairly modest. Several questions need to be answered. First is that NGO involvement will necessarily drop, perhaps to zero. Will TTCs be an adequate replacement in facilitating a continuation of the learning process, in assisting the creation of new project ideas, and in getting appropriate supporting assistance for farmers? Second, what will be the source of seed funds once the UNDP project has ended; to what extent are seed funds essential to participation (one suspects they do provide some encouragement) and will MOAC or TAOs or provincial sources play a role? To the extent that seed funds are critical to

sustaining the interest of village groups (whether from UNDP or from other sources), the question of ensuring that budgeted monies actually reach the local level will need to be cleared up.

The expansion of the project to cover larger areas is more complex. On one level it seems quite easy. Considering that the UNDP project involved a cost of \$6,000 per tambon on average (\$1.3 million divided by 220 tambons), it would cost approximately \$40-50 million to cover over 7,000 tambons or, in other words, the entire country. While this is clearly beyond UNDP's budget capacity, it is less than 0.2 percent of the RTGs total annual budget and certainly an amount to which several aid agencies working in coordination could make a substantial contribution. Moreover the use of teacher-tambons and networks allows the government to leverage a lot of resources from a modest input. Nonetheless, the constraints to rapid expansion do seem to present substantial problems. First, NGOs are quite essential to the process and it is doubtful that they have the resources to provide support for a rapid expansion. That is, to date NGOs have worked in 220 tambons over a three-year period. Do they, and possibly additional NGOs working in the rural areas, have the capacity to handle many more tambons simultaneously (say 1000-2000 tambons over a similar period)? This seems doubtful, but it is what would be necessary to replicate the project across the whole country within a reasonable timeframe (say ten years). Second the extent of RTG commitment to this idea is not clear, especially relative to its other efforts at the local level (e.g. 1 million baht per village; one tambon/one product). Third the real costs of the project to the RTG are not entirely clear. UNDP picked up the expenses of government officials involved in the project but it is not evident that they covered all such costs, and the officials themselves were treated as free. As the project expands these costs will become more obvious and the conflicts for the use of scarce government resources will become more severe. Fourth the same point will hold as the project expansion starts to exert greater claims on other parts of the MOAC budget (e.g. for research, livestock, fisheries support). Fifth as the project expands the need for coordination with other ministries will grow (e.g. for support from industry or tourism or to resolve conflicts with Interior's rural development program). It is not yet clear how these coordination problems will be handled.

III. Implications and Impacts of Program Strategies

1. Development from below can be successful. The potential for a "paradigm shift" has been demonstrated since this approach shows the possibility for achieving better results than the traditional "top down" approach. Moreover a new "triadic relationship" has been formed: village groups plus government officials plus NGOs can successfully work together to support development from below. The reasons for the success of this approach are its base in local knowledge; the creation of stronger local groups capable of cooperation for problem solving and collective initiatives; and the changed role for government to one of being a facilitator for local initiatives (the result being that government services/assistance becomes more relevant to local needs).
2. Flexibility appears to have been an important component in project success to date. Communities demonstrate their readiness for project implementation at different rates. Groups learn participation and more democratic methods at different paces. The project explicitly recognizes this and implementation has been adjusted to accommodate. Any future expansion of the project should follow the same approach.
3. NGOs can be used to carry out government programs. NGOs have been involved in the project's preparation stage, in its implementation of institution- building with village groups, and in the dissemination of lessons learned and best practices to other villages both directly in the teacher-tambons and networks and indirectly through the creation of manuals and videos. The flexibility of their approaches and their willingness to operate as "facilitators/listeners" seem to be greatly appreciated by the village groups. The approach is very consistent with the RTG's stated philosophy of decentralizing and outsourcing public sector activities.
4. Another of the strong features of this project has been its ability to disseminate best practices and lessons learned in the earlier tambons to participants in the follower tambons. This allows a greater leveraging of the resources contributed by the government and by international

organizations. The early or leader tambons appear to be very effective teachers and their inputs are relatively inexpensive. These dissemination practices ought to be continued in any future expansion of this project. Nonetheless two warnings are in order. First the transfer of technology (i.e. new ideas about products or how to produce and markets goods) seems to be relatively easier than the transfer of the concepts of self-reliance, participation and democratic practices. Greater attention ought to be paid to this part of the knowledge transfer, perhaps by emphasizing "learning by doing" more. Second the full costs of teacher-tambons and networks may not be fully appreciated to the extent that they involve volunteers or the use of tambon resources. As the project expands and these costs become greater and more apparent and compete for villagers time and other uses of tambon resources, it will likely become necessary to cover these costs directly out of the project's budget.

5. While part of the success of village groups has been in their sharing of knowledge and the joint approach to problem solving and while often these groups contribute their own financial resources through village savings or share purchase schemes, no doubt part of the attraction has been the possibility of obtaining additional money from provincial sources or the UNDP. The continued success of the project will depend in part on how favorably tambons (and, through them, provincial and higher levels of government) continue to view the project as compared with other claims on its time and resources. While project TAOs appear to be very enthusiastic, the question remains about how they will compare participatory and "income generating" activities relative to their responsibilities for infrastructure, social welfare and the environment. TAO budgets have expanded greatly recently because of their access to increased tax and non-tax resources and will likely increase in the future because of increased revenue sharing of national government revenues. The potential for devoting some of this money to activities by village groups is certainly there, but to date there is little evidence that it is happening.

6. As the projects developed by village groups become more complex and extend beyond purely agricultural projects, they will require an organization that can act as a coordinator to integrate tasks and attract support from multiple government agencies. The appropriate center for such coordination appears to be the TAO (and its TTC). This will likely be effective only if amphoe and provincial agencies understand and appreciate the processes of these village groups and their project proposal outputs. Such supportive attitudes appear to be quite uneven, being very strong in some provinces but weaker in others.
7. Financing is unlikely to be the biggest constraint to the further expansion of the project. The needed amount of money is simply not that large. The capacity of participating NGOs, the readiness of TTCs and various MOAC departments, and the commitment of RTG to this project in comparison with its other initiatives are likely to pose larger constraints. The key questions are: (a) do local NGOs have the capacity to support a rapid expansion of this project?; the answer appears to be "not for a rapid expansion". (b) Are the TAOs, TTCs, and the various supporting departments of MOAC and perhaps other ministries willing and ready for such an expansion? The answer is that "it is uneven". Lower levels of government would be likely quite willing to participate and provide the needed support, but as one considers to higher levels in the provinces and at the national level, willingness and ability seems likely to be weaker and much more uneven. (c) How enthusiastic would RTG be about a rapid expansion of this project? This project appears very attractive since it involves institution-building and is hence more likely to have a lasting impact (esp. as compared with the one million baht per village program or even "one tambon, one product"). Nonetheless how well this project will stand up against other local initiatives in the eyes of RTG remains unclear.
8. In addition, it should be noted that, as observed by a senior official of the MOAC, the UNDP project also provided an impetus to the subsequent project of one million baht /one village that result in the total allocation of more than 70 billion baht to the villagers to manage their own fund. Prior to this project, the government, especially the MOF and the Budget

Bureau, had never been convinced that people at the grass roots or peoples' organizations would be able to manage their financial activities efficiently. This project has demonstrated that, in fact, people are capable of doing so.

9. The 1999 UNDP budget cut was implemented by reducing the amounts allocated to "seed funds" and to NGO participation in the "teacher-tambon" process. The former was desirable since "seed funds" do not involve multiplier effects in the form of spreading knowledge and best practices. "Seed funds" appear to be quite important in providing incentives to former groups to join in the project but they need not be funded by UNDP; local and national Thai government sources can provide this funding. While the "teacher-tambon" process continued to work well, reducing the employment of NGOs no doubt weakened results and forced tambons to rely more on volunteerism and their own resources. This is not likely to be sustainable for any long-run expansion of this project.
10. A project without a substantial poverty reduction component may still reduce the disparities in income of rural areas and may over time improve the lot of the poor through demonstration effects and improved governance.

IV. Potential Areas for Continued Support

The project appears to have made substantial progress in its institution-building objectives, clearly for local organizations and somewhat, but likely less so, for government officials and agencies, most particularly above the tambon level. Continued UNDP support ought to be concentrated in areas which leverage its scarce resources, that is, in supporting activities which spread the knowledge of what has been learned and best practices and which support the adjustment of the behavior and processes of government officers and agencies to the "new paradigm". Our recommendations below assume that both RTG and MOAC express considerable enthusiasm and support for a significant expansion of the project. Our recommendations then are:

1. An increased proportion of UNDP resources should be devoted to supporting the teacher-tambon and network concepts and the creation of manuals, videos and other teaching materials which demonstrate what has

been learned and best practices. Such materials need to be updated as new lessons emerge about group participation practices and as new ideas for sub-projects or new ways of producing things are discovered. This would leverage UNDP resources as it supports the spread of ideas and lessens dependence of these activities on volunteers and on tambon budgets which have been important to date but are unlikely to be sufficient for a large expansion.

2. More UNDP resources ought to be devoted to training people to carry out NGO activities and perhaps even to supporting the creation of a larger number of NGOs qualified to work in rural areas, particularly in support of village groups. Again leveraging of UNDP money is the goal here and it would reduce what is likely to be a severe constraint to rapid project expansion. Our experience in examining three UNDP-supported projects shows that NGOs (and NGO-like groups such as CSOs and university teams) can be an effective means for implementing RTG policies and that it is possible to upgrade the size and quality of such organizations so that they could be employed by RTG. The biggest problems appear to be the rules/regulations of various ministries and MOF which make it hard to be qualified to register or which make working with government difficult.
3. Further more attention ought to be paid toward encouraging changed behavior by government officials and the procedures of government to be more supportive of the "new paradigm". If there is confirmation of our suspicion that official behavior has not changed that much (or that the changes are very uneven or possibly not long lasting, the need for more training would be indicated. However, the present dependence on seminars and classroom work ought to be downplayed and more attention paid to using "on the job training" and "learning by doing" approaches through active involvement in ongoing participatory processes. The officials who appear more understanding and appreciative of the new bottom up, participatory approaches appear to be those who have actual work experience in this area. In addition, an examination needs to be made of RTG procedures which appear to be inhibiting the implementation of this "new paradigm". The leading sources of problems appear to be the top

down approach to budget preparation and implementation; regulations regarding the certification and hiring of NGOs; and regulations regarding the outsourcing of government activities.

4. Still further, consideration should be given toward supporting tambons to create more comprehensive plans (as compared with set of proposed projects that comprise the present community plans). Such plans would still involve the same participatory approaches by village groups but would extend to the entire agricultural part of any village, and perhaps beyond to industry, tourism and services. To the extent that such comprehensive plans could attract support (both financing and support services from the provincial level and national level), they would involve capacity building at the tambon level and would more likely to have a more significant impact on community incomes, the use of natural resources, and the environment. Moreover this would create increased pressures from below for various ministries and departments to cooperate for community development. Indications are that this approach is more likely to be successful than one of trying to get ministerial/department cooperation starting from the top down. Because this recommendation would move the Capacity Building in Sustainable Agriculture project in a substantially more complex and difficult direction, it would likely be advisable to begin with "pilot projects" seeking voluntary participation from among those tambons which have been particularly successful in the present project.
5. UNDP money allocated to "seed funds" should be significantly reduced, even to zero. The money involved per tambon is very small (and likely to get still smaller as the number of tambons participating increases); the money can easily be replaced from national or provincial budgets (or even from tambon budgets as their resources expand); and the money is not leveraging anything in terms of institution-building or furthering the spread of knowledge.
6. As we have noted above, the Capacity Building project is not a "poverty alleviation" project in the usual meaning of that term and we would not recommend that the project be substantially changed to take on more of a poverty focus. The project is already supporting institution-building in

rural areas and these are traditionally disadvantaged relative to urban areas both income-wise and public service-wise; and poorer areas will naturally come under this project's coverage as the project expands. If thought to be desirable, the UNDP could support a study which examines whether relatively poorer tambons among the present 220 have experienced particular problems and whether poor people have participated and which would make recommendations for improvements. Regarding "gender issues", our recommendation is different. Given substantial female presence among the workforce and the substantial number of existing women's groups in rural areas, the project ought to be showing more female participation and more sub-project proposals put forward by these groups. Any continuation of the Capacity Building should insist on greater progress in this area and on more careful monitoring of such progress.

7. A continuation of the Capacity Building project ought to also be contingent upon the creation and maintenance of a set of management and performance indicators for monitoring implementation and project outcomes. Such indicators should be grouped as follows: (a) "Input indicators" (e.g. numbers of farmer groups established and numbers of members, village funds set up and amounts contributed, external funds received [from government and UNDP sources]; (b) "impact indicators" (e.g. community plans drawn up, loans made and numbers of recipients; loan repayments; projects started and their sources of funding; participation in teacher-tambons and in networks; and preliminary indicators about village welfare in the form of information about income, employment, and the level of government services); and (c) "outcome indicators" (e.g. changes in village incomes, degree of satisfaction with the participatory process and its outcomes [with village group processes, with NGO services and with the quality of government inputs, and with the resulting changes in individual and group welfare]).
8. Three final points are worth making. First getting at "impacts" may take surveys of opinions of village group members, which might be carried out only in a sample of tambons. Second, responsibility for establishing and updating the indicators ought to rest with the groups themselves as part of

the participation process. And third appropriately used and aggregated, these indicators should provide a useful management tool at the tambon, province and national level to see where progress is being made and where it lags and to see whether and where the project is having the expected results.

ANNEX A: Itinerary

Field Trip:

3th July, 2002

- Site-visit: Tambon Administrative Organization (TAO) and Technology Transfer Center (TCC), Tambon Banyang, Amphoe Watboat, Pitsanulok Province

Activities: Discuss with TAO officers, TTC officers and villagers. Observe cattle raising farms

Participants: Head of TAO, Head of TTC (Extension officer), Committee of TTC, District Extension officer, Extension officer at the provincial level, Cattle raising farmer who received UNDP seed fund, Group leaders

- Site-visit: Tambon Administration Organization and Technology Transfer Center, Tambon Hinlaad, Amphoe Watboat, Pitsanulok Province

Activities: Discuss with TAO officers, TTC officers and villagers.

Participants: Head of TAO, Head of TTC (Extension officer), Committee of TTC, District Extension officer, Extension officer at the provincial level

4th July, 2002

- Site-visit: Tambon Administration Organization and Technology Transfer Center, Tambon Phajook, Amphoe Muang, Utraradit Province

Activities observed: Organic fertilizer producing group, Food processing group, Pig farm, Garment froup, Fish pond

Participants: Committee member of TAO, Head of TTC (Extension officer), Committee of TTC, District Extension officer, Extension officer at the provincial level

- Site-visit: Tambon Administration Organization and Technology Transfer Center, Tambon Wangdaeng, Amphoe Troan, Utraradit Province

Activities observed: Rice central market

Participants: Head of TAO and Chairman of TTC, Head of TTC (Extension officer), Committee of TTC, District Extension officer, Extension officer at the provincial level

In-depth Evaluation

Capacity Building for Income Opportunities through Community Industry

THA/99/005

The project was initiated by the Department of Industrial Promotion (DIP), Ministry of Industry, as a result of the pressure for the DIP to promote more community industry developments. Since, the DIP has very few regional and provincial level officials, especially those with experience working in the area of community development, they would need to find some assisting consulting organizations to subcontract to work with the targeted communities; in this case, the best candidates were Civil Society Organizations (CSOs), combination of academics, NGOs and people organizations. The main objectives of the project are two-fold. First is to increase capacity of Civil Society Organizations (CSO) to become formal consultants approved by the Ministry of Finance in order to assist community industries to improve their capacity. Second is for these CSOs to actually assist community organizations in developing their community business towards increasing income opportunities while improving their own capacity. As the CSOs are small organizations that are mobile and are highly experienced in working with people organizations at a grass root level, they are very suitable in working with government agencies which lack the experienced personnel in working with the community. In the process the Research and Development Institute (RDI) of Khon Kaen University was contracted to serve as an intermediary between the DIP and the CSOs. In spite of DIP having sufficient regular budget, it could not employ unregistered CSOs directly because of the MOF's regulations and it has no desire to hire the RDI as an umbrella organization because it would hinder the development of the small CSOs. Flexible funding from the UNDP thus would be desirable and was requested for the purpose.

Assistance was requested from UNDP through the Department of Economic and Technical Cooperation (DTEC). The Capacity Building for Income Opportunities through Community Industry was approved in April 1999, began operation in August 1999 and was to be completed in 2002. It had an initial budget of US\$672,634 which was reduced to US\$291,491 in 1999. With approximately 74.4% spent on subcontracting with CSOs and hiring RDI as consultants, 24.5% of the budget was

spent on training and 1.1% was spent on other expenses. The project focuses on community industries in the North-East region, covering 14 CSOs and 17 community industries in 11 provinces consisting of; Sakonakorn, Udontani, Maharakam, Garasin, Nakornratchasrima, Surin, Ubonratchatani, Roi-ed, Khon Kaen, Nongkai and Amnatcharoen.

Our sources of information for this evaluation were written material: **Progress Report of the Project on Capacity Building for Income Opportunities through Community Industry** by the Research and Development Institute (RDI); **Report on Capacity Building for Income Opportunities through Community Industry** by Department of Industrial Promotion; and quarterly reports from CSOs in the project; the UNDP's Project Fact Sheet; and the UNDP's **Country Cooperation Framework**. Additionally, our team made a field trip 8 – 10 August 2002. (Please see Annex B for the itinerary)

I. Project Design and Strategies

Project Design and Strategy

The project has two main objectives - to increase capacity of local communities in developing community industries; and to increase capacity of supporting line agencies including government agencies and CSOs. The expected outputs from the communities' capacity building activities are the ability of community industry to develop and implement management systems, to develop technology and production skills, to develop marketing strategies, to develop financing and accounting systems and to expand community industry network as sources of input and marketing channels. Especially important would be for community industries to be able to develop their own business plan with the help of CSOs or other organizations and to acquire specific knowledge relevant to their activities. This would result in a huge improvement for community business both in the management skills and in production skills. Another unique aspect of this project is that, they do not offer any seed funds to the communities, but only capacity building and training activities. The CSOs would work very closely with the community industries on mostly a one-by-one basis, looking into very detailed and specific issues such as productivity and the marketing of each product. The training would not just involve capacity building and participation process, but also addressing

the specific needs of each community industries, ensuring an improvement in their income generation activities. The project also focuses on capacity building for other agencies – the DIP and the CSOs - that are crucial for the development of the community. The Research and Development Institute (RDI) serve as an intermediary bridging the CSOs and government agencies.

The main strategy is to use the RDI to improve the capacity of the CSOs' to perform the following important functions. First is for the CSOs to be able to assist community industries to increase their capacity. Second is to assist the CSOs to the point when all would be approved and registered by the Ministry of Finance. Upon being registered, then CSOs will be able to sign agreements directly with the DIP without the need to work through the RDI. In this way, the DIP would have more consultants to work with directly and could use its regular budget as required by the Ministry of Finance. This would reduce the well-known past problem of the DIP having the budget for this purpose but being unable to use it because of the insufficient number of registered CSOs.

Another strategy, that was not expressly stated, was that the RDI would also serve as an intermediary between the DIP and the CSOs. It is also a known fact in Thailand that most government agencies and the CSOs have different cultures and work styles in performing the tasks assigned to them. If the two different organizations must work in close coordination with each other, they must adjust their ways of working and their understanding to make the differences smaller. For this reason, the RDI which both understands the culture and procedures of government agencies and those of the CSOs is to try to help bridging the gap. Still another unspecified strategy is for the government officials, directly or indirectly involved in the project, to understand more of the problems at the grass-root level and to become more able to provide them with more appropriate support in the future.

Overall the project was well designed. This tripartite system of collaboration between the government agencies, CSOs and the community organizations is a very good system to bring out the unique specializations of each party that could complement each other. For example, the CSOs are highly experienced in community development and are able to generate and maintain close relationship with the local communities, while the government agencies are more capable in solving productivity, management and financial management issues. The RDI, being a hybrid

between the two, has served as a crucial bridging body to make this collaboration as effective as possible. This is a good system as long as the involved parties cooperate and have mutual understandings. In this case, given the previous differences in attitudes and working style, the system seems to be working quite well. The CSOs have made an enormous adaptation on their part as did the local DIP officials. Their relationship has progressed quite well with assistance from RDI. However there are still some problems arising from the lack of understanding of the central officials of DIP and its rather strict rules and regulations. The strategy in employing the RDI as a consultant to develop CSOs, and for these CSOs in turn to assist in developing the community industries is also a very interesting strategy, given the mentioned characteristics of these two organizations. Lastly, the strategy of pushing the CSOs to register as official consultants with the Ministry of Finance is a problematic requirement. It serves as a good motivation for the CSOs to develop and to make the whole process more systematic. But, since the registration process was not really suitable for development work in the first place, it introduced some problems into the project.

Relationship of the Project to RTG's Eighth Plan and UNDP's CCF

The RTG's Eighth Plan emphasizes increased citizen participation and greater emphasis on development from below. It also urges increased attention to the careful management of natural resources and to minimizing adverse environmental impacts (Its call for more sustainable agriculture is consistent with these objectives). Further, it calls for a more equitable distribution of economic opportunities. Since the initiation of the Eighth Plan, two events have resulted in increased urgency for its approaches: (1) the economic crisis which called into question the past policies which emphasized rapid, center-oriented growth which was reckless regarding the environment and relatively indifferent to the distribution of the benefits of growth: and (2) the new constitution for 1997 which called for a greater decentralization of the responsibility for the delivery of public services to the local level. The UNDP is "seeking to maximize the impact of its programs by ensuring that they generate insights capable of informing institutional change". It is seeking greater focus in its program through concentration on three thematic areas: (a) poverty alleviation through responsive governance; (b) natural resource/environmental management; (c) trilateral cooperation

by which the experiences in some countries are made available to other countries. The UNDP is also seeking to leverage its money by moving from project funding to promoting advice, that is making sure that its programs are spreading knowledge. Lastly, UNDP is encouraging more implementation by national entities since this raises the level of country ownership of the programs as well as leaves a greater impact by strengthening local institutions.

This project appears to be quite consistent with both the RTG and the UNDP's CCF objectives. First, it directly addressed the issue of distribution of income opportunities which is the main theme of the project. The end result of the whole project was to increase income generating opportunities of communities in the Northeast through promotion of community industries. This objective has been well addressed and achieved. Secondly, the project strongly emphasized the decentralized approach. Starting from encouraging the local based CSOs to assist the community industries with an emphasis on people participation from the grass-root level. The local organizations namely CSOs, RDI and the community organizations are key players in making decisions and in project implementation. Also as an indirect result, both the CSOs and the community organizations are more acquaintance with the government management system and are more adaptive to it, allowing them to be able to work with the government to meet their own needs more efficiently. With respect to UNDP's CCF, this project was designed as an attempt to influence institutional changes, within the DIP itself and the CSOs and also to form a collaboration system for future operation. It has been quite successful in altering the attitudes of both the DIP officials and the CSOs. Also it has resulted in substantial change in the CSOs working style, even for those CSOs that did not meet the registration requirements. However, the DIP central officials and the DIP regulations have not changed that much, which in turn did not allow for as much institutional change as would have been desirable.

Provision of Clear Performance and Management Indicators

This provision receives strongest emphasis in this project. The development of performance indicators for both CSOs and for the community industries are crucial outputs of this project. Both the RDI and the DIP strongly emphasize developing the performance and management indicators as these are important for measuring the

success of the project. One of the RDI's major task was to develop indicators, together with its implementation manuals, covering the following, for example; how to evaluate the CSOs' proposals, how to organize and evaluate trainings for both CSOs and the community organizations, and how to develop a monitoring system of CSOs for the DIP officials' further use.

RDI itself has obligations to submit a quarterly progress report to the DIP including budget allocations, methodologies, work plans, target groups and their achievements, and expected outputs and indicators. For CSOs they also need to submit quarterly progress report of the same standards as RDI according to the DIP regulations. These progress reports have important implications for CSOs since their accuracy and completeness determined whether they receive funding that quarter or not.

II. Achievements of Program against its Overall Objectives

Capacity of Local Communities

The ultimate goal of this project was capacity building for community industries in order for the community to be able to manage their business by themselves in the long run. There were 14 CSOs applying to work with 17 communities. This means that each CSO would work with one or two community industries. The involvement and the relationship between the CSOs and the local communities were therefore quite close all through the 3 years contract, allowing them to be able to reach specific details of the community's needs more intimately. People participation was also improved substantially through various activities held by CSOs which could be classified into three major areas; planning, knowledge building and networking.

Previously, most community industries would not take much effort in the planning stage. They would mostly work through the method of learning by doing and make decisions as the issues arose. With the assistance of CSOs and RDI, they were trained to see the importance of developing a detailed business plan, including management systems, financial planning, and marketing strategies. This is a major break through as these business plans allow the community industry to work more systematically. Such active planning and decisions mechanisms ultimately lead to

active grass-root participation at all levels, a crucial factor in maintaining the livelihood of the people as well as in maintaining the enthusiasm and spirit of the community development programs and industries. It is known from management studies that empowerment and direct participation in decision making leads to increased effectiveness and efficiency. As a result, active participation, an obvious consequence of the CSOs' activities, will be an important factor in growth in the communities.

Knowledge: Specific training for each community was organized by CSOs in cooperation with the RDI and the DIP. This was quite effective as it was organized according to each community's particular needs, which were identified through a participatory process. The program also provided start-up equipment and materials related to such training. Therefore, even without 'seed funds' the community industries were able to begin their businesses with the needed equipments and materials. This method of providing only training and some start-up equipments, although not without frictional problems, has been proven to be by far a better approach than providing the seed funds, since the communities receive the exact resources they need and thereby pure monetary motivation is reduced. Crucially, these CSOs activities consider the two main key areas and characteristics of success: technology transfer and local wisdom. Often CSOs, as well as any government agencies, have sought to transfer "inappropriate" technology to local villages and communities without seeking the advice from local people. Within this project, the CSOs together with community itself now start from the identification of the problems and needs of the community and then incorporate both the outside technology and the local wisdom.

Networking: Through the program, members of the community industries have the opportunity to join many workshops and seminars. In these occasions they can exchange knowledge and build networks with other community industries and also the government and non-government organizations. This network expansion serves as a channel for acquiring raw materials and marketing improvement. Furthermore, networking strengthenings have served to increase the bargaining powers for their products significantly. By drawing from a larger pool of knowledge and resources, these communities learn from the mistakes and successes of one another and learn to cooperate with one another rather than to see each other as a

competitor. Networking could ultimately lead to the formation of cooperatives or other groups which will help the community industries command a better price, since it is likely to lead to reduced reliance on middlemen and intermediaries and to a stronger position from which to deal directly with wholesalers and retailers. Networking from all sectors, the state, the businesses, community representatives, CSOs will help enable small and weak community industries to overcome their limitations and barriers.

Overall, from the six community industries that were interviewed during the field trips: two have CSOs which already have been registered; two have CSOs that are contemplating applying for registrations; and the other two CSOs, either did not have their contract renewed or decided to withdraw from the process. All six community industries expressed their gratitude for the help from the CSOs. This might implies that the CSOs have performed their roles satisfactorily, including the one that does not meet the criteria for the registration.

Capacity building for CSOs

At the beginning, most CSOs were working in a more casual style. Through this project, they were trained in planning, monitoring and evaluating in a much more systematic way. Such systematic planning, decision-making, implementation and evaluation processes have resulted in an increase in efficiency and effectiveness of the CSOs through more active participation. Moreover, working in such a systematic manner ultimately creates habits of consistency, punctuality and clarity. CSOs are forced to delineate step-by-step plans, blueprints, goals, objectives and datelines. Following these methods will force CSOs and communities towards greater accountability and transparency. As a result, members of community industries have found it more difficult to take advantage of the system for their own benefit, since financial records and resources as well as decision making process have become more apparent to all members. In the future CSO will need to retain their flexibility and not find themselves encumbered by the same rigidity as various government agencies; keeping this in mind will be critical in dealing with most community industries, each with their own needs and conditions.

Out of the 14 CSOs involved in the project only two are now being registered by the Ministry of Finance as eligible consultant that could be directly employed by

the DIP. Another two are contemplating applying for registration. The rest have already withdrawn from the process of registration. This fact implies that in the immediate future, the DIP will be left with too few CSOs to work with, in spite of the fact that it always has a substantial amount of budget to employ the registered CSOs. CSOs, which survived the rigorous requirements, have greatly increased their capabilities and standards. Unfortunately the survival rate was too low.

In spite of the great effort of the RDI in trying to bridge the gap of the understanding between the DIP and the CSOs, the actual relationship was not a smooth one in the first year of the project. Many CSOs contemplated pulling out from the projects after the first year. This resulted in uneasy relationship initially and did cause some delay in implementing the project afterwards. One of the most difficult tasks for the CSOs was in the area of preparing progress report at the standard required for the RDI from the DIP. Although, the RDI has provided close supervision and assistance, this still appeared to be a huge problem for the CSOs who are not familiar with such a work style. Incomplete reports resulted in the delay of payment which in turn was translated into the delays in project implementation.

Capacity of Line Agencies

One of program objective is to increase the capability of government agencies in working with CSOs and local communities. In fact, the regional officials of DIP have changed their attitude towards working with CSOs and become more familiar with community development issues as well as adapting themselves to work more freely with people at a grass-root level. By learning to deal directly with the communities, their representatives and industries in a “cooperative” fashion, government agencies will also learn from these communities rather than embarking on distorted missions as they did in the past by claiming that they knew more than those who asked for their help. One of the main reasons that many development projects spearheaded by government agencies have often fared worse than NGOs was precisely because of this attitude. Through greater interaction with the CSOs and local communities, government agencies will ultimately learn their own strengths and weaknesses, opening their eyes to joint cooperation to achieve common social goal. The significant by-product gained from such attitudinal change of government

officials is that, there has been more coordination among regional government officials in their work at local level.

Yet despite the clear benefits of this, many central officials are still reluctant to adapt to this new collaborative approach. This has resulted in various obstacles since most of the decision making lies with these central officials often fenced in conservative attitudes and bureaucratic red tape. Only when such unhelpful attitudes have been effectively discouraged, will capacity building in government agencies truly begin.

Improvement in Socio-economic Status

Since the timeframe of the project was quite short, the improvement in the socio-economic status was not much evident. Many community industries in the project have experienced some increase in income, though some are still at the starting point. However, this does not necessary mean that these projects are not successful as they are just in the start-up process and many appear to have a promising future. The results of the project should be investigated at regular intervals and over a longer period. In addition, there are seasonal factors to consider which may cause the results to vary from expectations. Clearly, this community industry project still need greater assistance and guidance through this initial development phase. Indicators on the increase in income of the community industries members was also a very important performance indicators imposed by the RDI and the DIP. The contract would specify the level of increase in income that each community industry should accomplish each year. This was a very difficult performance condition to meet given uncertainty and many market variables that work against success that the community industries and the consultants could not control. Nonetheless, some of the community industries in the project actually do meet the standards, which is a good sign that community industries are capable of large improvements even in the short run.

Gender Issues

This issue was not directly addressed in this project. Nonetheless, since most of the activities in these community industries involve handicraft and processed food, which are female oriented activities, the ratio of women involved tended to be quite high. Therefore, with the development of these activities, women's roles and

responsibilities have also been enhanced. Also approximately half of the members of the RDI and CSOs are women, providing a positive sign that gender equality is not likely to be neglected in the project. Gender equality is ultimately achieved when women have equal opportunities and access to political voice and economic resources. Firstly, the involvement of women in the community industries and processed food will raise their income and reduce their dependence upon their male spouse or relatives. Moreover, such community industries will likely reduce their dependence on agricultural industries and thus their vulnerability to seasonal changes. Women will find more alternative sources of income, a clear benefit to their children and elders, particularly when many of the village men frustrated by years of poverty and drought seek solace and in alcoholism and village vices, leaving their women and children to struggle for their own survival. Secondly, greater participation of women in the workforce will allow for networking among the village women and increase awareness of their plights as they gain greater political voice as a force together. During the field trip of our evaluation team, it became quite obvious that the project has actually generated many leaders who are women. They have become very able leaders, treasurers and secretaries of their community industries. Thus, it is quite evident that the project is contributing significantly to the question of gender equality.

Potential for Program Activities to be Sustained

There are community industries with three level of experience in this project: First, there are the ones that started out after the program was initiated and still rely greatly on the assistance of CSOs. The proportion of these community industries is not large but they may experience some difficulty after the termination of the program when the CSOs leave the community. Secondly, there are the community industries that were established before this project started and were joined by CSOs just as the project started. This group may need some assistance after the project is terminated. They are likely to be able to adapt quite well, but the CSOs must continue to give some assistance occasionally and on the basis of their needs. The third group are the established community industries that already have a good working relationship with the CSOs involved. These would have the least problem at the termination of the project. Because of their ongoing relationship with the CSOs, they should have no

problem with sustainability, but the working style will need to change to suit future conditions and the needs of the time.

Among the 17 community industries, the evaluation team were informed that only few were in the first category. Not more than five are in the second categories and the rest were in the third one. All in all, in most cases the CSOs have performed a crucial role assisting each community industry project and the CSOs in turn still also do rely on the assistance of RDI to some extent. In this respect, RDI must be encouraged to continue their assistance to CSOs, as is has been evident that the CSOs have contributed towards the success of the community industry projects.

III. Implications and Impacts of Program Strategies

This project has produced a number of important lessons:

1. This project has clearly showed that community industries have great potential for further development, but need very systematic business planning and close consultation from organizations such as CSOs. Even with a limited timeframe of only two to three years and with limited budget and no seed funds, the community industries have developed quite rapidly in all areas such as management, production and marketing. Although these constraints and obstacles were commonly faced by most community industries, the project managed to overcome them and finally turn many community industries into successful businesses. Some of these community industries have been selected to be in the one tambon one product scheme, and some have earned exporting contracts within only two years of initial production. Not only do these community industries have promising poverty alleviation potential, they also encourage people participation and a much stronger community.
2. Projects like this one need to be flexible. The timing and work plan need to be flexible since community industries have different capacities, different work processes and since they face different community development processes and market situations for their products. A too rigid timeframe would jeopardize the success of the project. Attempting to change organizational behaviour in government agencies, CSOs and local communities takes time and patience as it faces difficult and sensitive issues. Most importantly, having intermediary

organizations such as RDI is crucial to bridging the differences in this difficult transition process.

3. This project has also proven that small CSOs are very efficient in working with community industries. They were very responsive to the community's needs and are adaptive to the outside influences. The CSOs are the key success for the community industries in this project. However, there are still very few numbers of CSOs competent in community industry development and even on a smaller number of these are able to comply with government rules and regulations. Therefore, the role of intermediary organizations to develop CSOs is the first crucial step. For this kind of project to be able to be replicated nationwide, this kind of tripartite relationship will need to be developed in each region.
4. Financial issues do not seem nearly as important as procedural issues as constraints to implementing this project or to future expansions in support for community industries. As already mentioned, the DIP has access to substantial amount of budget that they have not been able to use efficiently, but the real problem is the provision and the management of this budget which gave rise to the need to approach UNDP for funding in the first place. The rigid regulations have discouraged many CSOs from joining the project, and have many times jeopardized the implementation of the project. The DIP regulations which cause the most problems are: (a) tough quarterly reporting requirements which leave no opening for lower standards for new CSOs which then would be raised over time; (b) demanding requirements for reporting when funds for training and equipments are being requested; and (c) subcontracting regulations that have been designed for construction firms and which are not so applicable to firms in consulting and training. DIP needs to give serious consideration to addressing these problems.
5. While our team favours high standards, it is possible that Ministry of Finance standards for registering NGOs/ CSOs are simply too high and represent a constraint to employing them as agents of spreading participatory methods and new techniques in the rural areas. However, the CSOs themselves are also responsible for the low registration rate. Their reluctance apply for their registered status has also due to the fact that, they are part of larger networks. If

the networks do not encourage them to apply for the registration, they cannot do so.

IV. Potential Areas for Continued Support

1. This project was initiated as a pilot project in order to develop ideas about how to assist the DIP to promote community industries at a quicker pace. As a prototype, this project has clearly demonstrated that there are benefits to be achieved in the long run through an expansion in the number of CSOs.
2. The model of tripartite cooperation between government agencies, RDI and CSOs seems to be working well. The absence of any of these components would jeopardise the sustainability of the project. The essence of networking is the crucial backbone behind the success of the project. It allows members of the community industries to optimize the use of resources, pool of knowledge, and active participation among the various sectors. Such tripartite cooperation is already echoed in international dimensions as well as in local community development. In the impending Johannesburg Summit on Sustainable Development, which will be held in August this year, the sole key characteristics of this conference is the interaction between the states, businesses, NGOs and various stakeholders, with increased attention towards the CSOs. Clearly this model of tripartite cooperation will merit much future attention particularly in the area of community development.
3. The more CSOs that DIP is able to work with, the more attitudes in DIP are likely to change, especially at the central level. In the end more cordial work relationship among the three partners can be fully expected to emerge. It is likely that both the CSOs and the community industries which have already survived these gruelling tests will be strong ones and will be able to sustain any adverse consequences in the future. They will also serve as good teachers of good practices to new comer CSOs.
4. Financing was not an issue for the DIP. They have more than enough government budget, but do not have adequate implementing agencies, and that is why they need to develop CSOs who are capable of utilizing this budget. The use of UNDP funding was crucial to this pilot project due to the less strict provision of the financial management which allow the hiring of CSOs without

official registration which would not be possible within the normal government budget.

5. Owing to the success of this project in strengthening community industries and improving the capacity of CSOs, it would be desirable to expand this project to other areas of Thailand. The most suitable candidate areas for expansion are: the north, the south and the central plain in that order. The ranking represents the level of poverty and the degree of weakness that characterizes community industries in those regions.
6. UNDP resources may not be needed for helping to finance this expansion. DIP has sufficient budget for this purpose and could directly have a contract with RDI (or a similar organization in other regions), with RDI becoming responsible for subcontracting with the CSOs. In such a contract, it would be important to specify that RDI (or a similar organization) would have responsibility for achieving a certain specified success rate among the targeted CSOs; setting such standards will be critical to achieving greater success in the future. UNDP assistance would only be necessary for expansion if it should be determined that DIP cannot contract RDI directly, with RDI being responsible for subcontracting the CSOs.
7. In the future, DIP needs to pay increased attention to adjusting those of its regulations that appear unnecessarily difficult for CSOs to comply with – e.g. the amount of information in quarterly reports at the early phase of the project or the supporting documentation needed to request training funds.

ANNEX B: Itinerary

Field Trip

8^h July 2002

- Arrive in Khon Kaen and have a meeting with officials from Department of Industrial Promotion (DIP) and Research and Development Institute (RDI), Khon Kaen University.

9th July 2002

- Site-visit: Namklangviangchai community industry group in Tambon Naka, Amphoe Wapeepatum, Mahasarakam.

IV. Activities observed: Group activities in juice processing from Mulberry and other wild fruits and silk weaving.

Participants: Representatives of Namklangviangchai group, Civil Society for Education of Mahasarakam – a CSO responsible for this community industry, officials from DIP and RDI.

- Site-visit: Ban-nong-ngong community industry group, Tambon Banwai, Amphoe Wapeepatum, Mahasarakam.

Activities observed: Fish sauce production

Participants: Representatives of Ban-nong-ngong group, Network of alternative agriculture Mahasarakam – a CSO responsible for this community industry, officials from DIP and RDI.

10th July 2002

- Site-visit: Ban-nonhuachang community industry group, Tambon Srangkaw, Amphoe Pupan, Sakonakorn.

Activities observed: Juice processing from Mulberry and other wild fruits, winery and food procession.

Participants: Representatives from Ban-nonhuachang group, Representatives from In-pang network – a CSO responsible for this community industry, officials from DIP and RDI.

- Site-visit: Ban-Bua, Tambon Kudbak, Amphoe Kudbak, Sakonakorn, headquarter of In-pang network.

Activities observed: Juice processing from Mulberry and other wild fruits, winery and food procession.

Participants: Representatives from In-pang network, officials from DIP and RDI.

In-depth Evaluation

Expansion of Sustainable Livelihood Opportunities for Poor Rural Communities in Five Southern Border Provinces

THA/99/006

This project was different from the other two in that its concept originated at the political level rather than from the ministerial level. Since it was meant to cover a particular administrative area, the most appropriate governmental agency to oversee the project was the Ministry of Interior (MOI). The targeted areas are five southern border provinces—Songkhla, Patani, Narathiwat, Satun and Yala. At that time, MOI had its own organization particularly responsible for five provinces called the Southern Border Provinces Administrative Center (SBPAC); after UNDP program terminated, the role of SBPAC was reduced and reorganized into a new organization called "the Southern Border Provinces Integrated Administrative Unit". The Expansion of Sustainable Livelihood Opportunities for Poor Rural Communities in Five Southern Border Provinces was approved by UNDP in April 1999, began operations in July 1999, and was completed in December 2001. In 1999, the project began with 12 sub-projects under three thematic areas. At the end of the project, there are still 12 sub-projects under the same thematic areas conducted in the same provinces as previously planned. The project budget was originally \$1,606,371 but this amount was cut to \$947,759 later. Of the reduced budget, about 80 percent was to go for matching/seed funds, 15 percent for educational institutions/NGOs, and 5 percent for other items. Unfortunately, we can find no evidence on actual spending in this project so our analysis of project allocations and their efficiency assumes that actual allocation followed budgeted (or projected) allocations. UNDP support was needed in this case because (a) normal government budget comes in a fragmented fashion through each line agency of government in the relevant sector; and (b) government likes using external support for experimental projects before deciding whether to allocate a large amount of its own resources. UNDP money is superior in all aspects due to its area based allocation and flexibility.

Our sources of information for this evaluation were documents and field visits. For documents, the main sources are the UNDP's **Fact Sheet** (25 June 2002) and its **Component Document: Component 3**; and the **Operational Reports, Study**

Report on Performance, and Annual Reports for the Expansion of sustainable Livelihood Opportunities for Poor Rural Communities in Five Southern Border Provinces (all of these reports were produced by the consultants from the Prince of Songkla University, Higher Education Institution. During field visits on July 17-18, 2002, the evaluation team met with government officers from 5 provinces at Hadyai; and after that we visited the project on *Fisheries and Marine Life Resource Improvement and Coastal Fisheries Promotion* (Tambon Kuankan, Tambon Tanyongpo, Tambon Jaebilang, Tambon Tammalang, Muang District, Satun province); the project on *Cow Raising Promotion* (Tambon Kuanplae, Khokpho District, Pattani Province); and the project on *New Agricultural Theory Program and Organic Vegetable Gardening* (Tambon Lipasa-ngo, Nongjik District, Pattani Province). Typically the officials we met on these visits included heads of TAO, former SBPAC officials, officials from the relevant government supporting agencies, and the consultants from Prince of Songkla University. The itinerary for our field trip is attached as Annex C.

I. Program Design and Strategies

Design and Strategies

The project has two main objectives—involving all stakeholders to develop local communities in all aspects such as quality of life, psychology, economy, politics, and environment; and to increase the capacity of local communities by encouraging people participation in the process of defining their identity, strengthening their own communities, increasing their integrity, creating self-reliance, being able to adapt themselves to changing contexts, supporting learning transfer among community networks, building civil society.

To achieve these objectives, the project tried to expand sustainable livelihood opportunities in the five Southern Border Provinces. The project was designed to consist of 12 sub-projects which can be divided into 3 thematic areas: (1) assisting coastal fishing communities to preserve their resource base in order to ensure future sustainable livelihood opportunities; (2) assisting farming communities to reduce risk and increase rural employment and livelihood opportunities through the adoption of integrated and sustainable agricultural production; and (3) assisting in the provision of sustainable off-farm employment and income generating opportunities for poor

families throughout the area. Each thematic areas has common key elements of (a) a focus on the poor; (b) community and group mobilization (e.g. technology and skills transfer, group mobilization, strengthening of organizational and management skills, strengthening of local savings groups, and the enabling of horizontal mechanisms for learning, exchange and cooperation); and (c) The promotion of partnership among a broad base of stakeholders. The thematic content focuses on the needs of the poor: their immediate livelihood needs; maintaining the local resource base; and paying attention to improving the role of women These thematic areas and sub-projects are related to sustainable livelihood of local communities.

The design of the project seems appropriate to meet the needs of the intended beneficiaries. The focus was on building strong local groups which would meet to assess local problems and come up with approaches for improving local welfare. Projects would come out of the group process. In some cases, this might involve income generation to provide supplemental income for villagers; in others it might involve new agricultural methods to reduce the risk coming from severe weather or community approaches to stem the deterioration of marine resources from over exploitation. As such the design recognized several important factors: the need to raise people's income to reduce poverty but the fact that this might be brought about by a variety of means: creating greater employment opportunities, reducing the adverse effects of the severe southern weather, or by reducing the pressure on natural resources.

The stated strategy by which the project was to have been implemented was acceptable in principal. Because this project aimed at encouraging people participation, its strategy was to have trilateral meetings on all sub-projects at local level, i.e. villages plus relevant government officers plus local facilitators such as NGOs or CSOs. Villagers were to participate in the given sub-projects to brainstorm methods and solutions to these problems in the various thematic areas. Prince of Songkla University Collaborating Higher Learning Institution was chosen to play the role of teacher of participatory methods and facilitator. In the preparatory process, the PSU team trained officers at the provincial levels, some TAO officers and community leaders. And officers trained by PSU were supposed to train their villagers. Members of the PSU team at various times accompanied officials in their meeting with village groups.

In practice, the project implementation strategy was flawed from the very beginning. Implementation apparently took place under tight time constraints which did not allow enough time to make sure that groups were functioning effectively or that government officials were operating in line with new participatory processes. The sub-projects - at least in a number of cases - did not come out of the group participation process. In the case of groups already in existence prior to the project, government officials assigned new projects to them in addition to activities they were already engaged in. In other cases, new groups were formed in order to operate the project; government officials called people together to inform them about the project, persuade them to join, and select participants for the group. This was not the appropriate approach: sometimes the sub-projects reflected real village needs and villagers did have the option whether or not to join. But it did mean that sub-project ideas did not come from the participation process; that villagers had varying degrees of influence on the sub-project design and its implementation (sometimes quite high and in others quite low); and that, as a result, there were varying degrees of village ownership across the 12 sub-projects.

Moreover the project's approach to training officials and then having them assist the villagers in sub-project implementation appears to have had very uneven impacts. In some cases, the training went well and officials understood and appreciated the new approaches; hence officials could make a real contribution toward assisting villagers. However, it appears that PSU did not have adequate time, budget, and staffing for doing a thorough job of training and for supporting officials in the implementation of the new participatory processes. As was pointed out on page 1, only 15 percent of the project's budget was to go for educational institutions/NGO. This apparently was not sufficient funding to bring about significant institutional change. Thus, some communities did not have well-trained TAO officers and other government officials to prepare villagers to join sub-projects. There is no indication of how well many of the trained officers understand or realize the importance of the core concepts such as people participation, self-reliance, and sustainability. And for those officers who understand such concepts, according to the consultant, many of them do not know how to put the concept of people participation into practice. The uneven

performance of government officials no doubt has played a role in the uneven quality of local institutions created and the uneven results among the sub-projects.

Relationship of the Project to RTG's Eight Plan and UNDP's CCF

The RTG's Eight Plan emphasizes increased citizen participation and greater emphasis on development from below. It also urges increased attention to the careful management of natural resources and to minimizing adverse environmental impacts (its call for more sustainable agriculture is consistent with these objectives). Further, it calls for a more equitable distribution of economic opportunities. Since the initiation of the Eighth Plan, two events have resulted in increased urgency for its approaches: (1) the economic crisis which called into question past policies which emphasized rapid, center-oriented growth which was reckless regarding the environment and relatively indifferent to the distribution of the benefits of growth; and (2) the new constitution of 1997 which called for a greater decentralization of the responsibility for the delivery of public services to the local level. The UNDP is "seeking to maximize the impact of its programs by ensuring that they generate insights capable of informing institutional change". It is seeking greater focus in its program through concentration on three thematic areas: (1) poverty alleviation through responsive governance; (2) natural resource/environmental management; and (3) trilateral cooperation by which the experiences in some countries are made available to other countries. The UNDP is also seeking to leverage its money by moving from project funding to advice, that is making sure that its programs are spreading knowledge. Lastly, UNDP is encouraging more implementation by national entities since this raises the level of country ownership and since it also leaves a greater impact by strengthening local institutions.

It appears that objectives and design of this expansion of sustainable livelihood opportunities of Poor Rural Communities Project is in line with UNDP's CCF and RTG's Eighth Plan objectives. First, the emphasis is on "sustainability"-encouraging activities which are more in keeping with and less destructive of the environment the rural people in the south face. The recognition is that improving the environment may actually improve livelihood since southern communities are very dependent on natural resources which are under stress. Second, care has been taken in the choice of project communities; the people involved may not actually be below the

poverty line, according to the NESDB definition, but the villagers involved are clearly very disadvantaged and significant proportions of the population were to be made much better off by the project. Lastly, the important means by which these gains were to be achieved was through improved governance. Local institutions were to be strengthened so that local people played a larger role in solving their own problems. It is here that we find real problems with the way the project was implemented; hence gains here were less than expected. Furthermore, there seems to be little effort in the project to disseminate lessons learned and best practices to other parts of the South.

Provision of Clear Performance and Management Indicators

This project began from a promising basis with respect to performance and management indicators. The Component Document (Component 3; April 1999), pp.8-11 lists a very impressive set of input, output, and impact type indicators from which judgements could be made about how project implementation was progressing and whether the expected results were being achieved. While some of variables listed might have been difficult to measure (e.g. degree of stakeholder participation, improvement in local ecology in target areas, capacity of local groups to transfer knowledge and skills among target groups), a number of very useful possible indicators appears on the list: e.g. on the input side (successful placement of project funds at the community level; management, organizational and technical livelihood skills transferred to local population) or on the output side (increases in net income, participation of women and the poor in project benefits, employment opportunities).

While there appears to be no project database containing all the proposed indicators, either at the community level or aggregated across all five provinces, it is evident that the spirit intended by the indicators has been followed throughout the project. Several examples will demonstrate this point. First, for each of the 12 sub-projects, it is possible to find information on what happened to income, employment opportunities, or (as relevant) the environment at least descriptively if not measured precisely. Second, the progress reports covering the 12 sub-projects discuss what is happening to implementation and the resulting effects. Lastly is the **Study Report** which presents statistical results on the effect of the projects' input variables on (a) community strength and on (b) the quality of life. Thus, on the whole, the experience of this project with respect to indicators has been quite impressive.

II. Achievements of Program against its Overall Objectives

Capacity of Local Communities

Regarding building capacity of local communities, the project has mixed results. Some sub-projects, like the one in Satun, show evidences of community strength through initiation and voluntary involvement of local people in several stages of project activities and through an establishment of a community network for coastal resources protection. The community became a learning center for other nearby communities by having tours of inspection and imitating its strengthening processes. However, some projects appear to be not successful or even to ignore the concept of capacity building. The project on the new theory for agriculture and chemical-free vegetables is an example. This project was risky to begin with because of the possibility of flooding. Villagers understood this, but government officials were insistent upon the project as it was designed. When flooding did occur—mostly the result of government irrigation construction, apparently, villagers' commitment to the project and to their village group evaporated. Activities undertaken after flooding to move to more flood-resistant products were done based on individual decision making and individual capacity.

There is not much NGO involvement in this project. NGOs participated in an early stage of some sub-projects, but then withdraw. Prince of Songkhla University (PSU) has taken the roles of consultant— training government and TAO officers to work with the villagers in 12 sub-projects (or 16 activities) and then monitoring and evaluating. The PSU team has had considerable experience and appears to work well with local people and government agencies. Unfortunately, there are only 8 members in the team so that the problem of insufficient number of staff and time occurred in the community preparatory process. They could not allocate their resources sufficiently to all various aspects of the project and sub-projects; this became a limitation to the progress of sub-projects. As a result, capacity building of local communities was not given sufficient attention.

The result is that village groups perform unevenly in this project, in some cases quite well, but in a number of cases quite weakly. Better performance seems to be associated with older, well-established groups which had experience and knew what they wanted while weaker performance involved new groups established in most

cases to carry out parts of the project. This appears to be the result of the project's top-down bias, uneven preparation of government officials and village groups, and the great risks to any agricultural project in the South. This is not to say that there has not been capacity building among local groups. In all cases they have been exposed to participatory methods (with very good results in a few cases) and most groups have been exposed to planning, budgeting, accounting, marketing and advertising/ public relations in varying degrees. Again here, there were limitations with government officials acting as "teachers" and government regulations limiting village groups ability to actually manage money.

Capacity of Line Agencies

There are two levels of line agencies: SBPAC as a coordinator of the whole project and other government agencies in charge of 12 sub-projects. However, there is no clear sign of an attitude adjustment or "paradigm shift" for responsible governmental agencies. In the cases of successful projects (i.e. marine resource improvement in Satun and cow raising in Patani), government agencies seemed to work well with villagers and it appears that people were satisfied with the agencies and the achievements of the project. The success of these projects has demonstrated that capacity exists at the local level and has generated more positive attitudes and acceptance by the government agencies for people participation and for the approach of bottom-up development. Where projects were not so successful, the relationships between government officials/agencies seem to be less cooperative and the attitude of villagers toward the usefulness of village group decidedly less positive.

Considering all the project's components as a whole, changes in official attitudes and behavior seem weak on average and very uneven. This appears to be the product of: (a) the initial more top-down approach to this project, (b) not enough time and resources being devoted to training and learning by doing, (c) the modest success achieved on average for the project's sub-projects which has had the by-product of generating only moderate enthusiasm for bottom-up approaches; and (d) the fact that officials involved in the project are members of government agencies that remain "top-down" in their approaches to government practices and to development.

Improvements in Socio-economic Status

According to project progress and final reports, socio-economic status has been improved. The final Operational Report by PSU claims that, on average, income per capita of target groups increased about 50-200 Baht/day¹. Unemployment and the problem of migration (to Malaysia) has been reduced. The facts reported were confirmed by the villagers we met in the field visits. At Satun, better marine environment not only increased the number of fish stock in the river but it also increased the productivity of fish and shell culture along the coastal line. At Patani, increasing number of cows generate more job opportunities so that what was formerly free time for villagers is now being used more productively. These two projects are really quite successful. The income and welfare impacts of many of the other projects are likely to be somewhat less.

Mainstreaming Gender Issues

Technically it might appear that women issues have not been mainstreamed in this project. Only weaving and headgear are women's projects. No gender issues or figures about female participation appear in any progress or operational reports from the project. However, this would be a very misleading conclusion. In Muslim communities, women do not appear in an open, activist role. Their income generating roles need to be consistent with their available time and household duties. Consistent with this, the project seems to have generated a number of opportunities for women to earn more – e.g. sales of fish in the coastal resources project, raising poultry and fish in the cattle project.

Potential for Program Activities to be Sustained

There are two factors which affect whether the project activities can be sustained: first, if the sub-projects have had a positive impact and communities are taking steps to continue self support; and second, if there is continued interest by government agencies in providing supporting services (and in some cases funding). In the first case, viable projects and recognition by group members that group activities are important in sharing knowledge and solving problems and attracting government

¹ PSU's *Project's Operational Report (1999-2001)*, p.60.

support are important elements. Communities that have a saving group activity (e.g. cow raising in Pattani) will also have a potential to support and sustain their activities. Even here villagers and officials do not appear to have much concern about saving for reinvestment or replacement of capital (e.g. inspection boats in Satun). As for the second factor, the attitude of government agencies toward these sub-projects appear to be very mixed - even at the TAO level but more so among amphoe and provincial level official. Successful projects that are attractive have a greater opportunity to be sustained because government is more likely to continue providing advice and financial support (e.g. the Satun coastal resources project is already drawing TAO financial inputs and considerable inputs from government officials at the amphoe level and is likely to continue doing so).

Sustainability of the project also depends on other factors, such as expectations of continued profitability and risk. In the Patani cow raising project, a parent stock of cows was purchased by UNDP money. Since a cow is a resource renewable naturally, the community stock of cows can increase if attention is given to reproductive activities. Given a shortage of beef in the Southern market, cattle raising is likely to continue to be profitable. With financial support from the community's saving group to purchase new cows and with technical support from Livestock Department, the project can be sustained. In another example, horticultural activities have more risks due to flooding and hence the continuation of particular agricultural activities or of particular methods becomes more problematic. Here "sustainability" is not so much a question of maintaining particular activities but more a question of the creation of a village group strong enough to be capable of assessing problems, arriving at solutions, and drawing on group resources and official support. It is the sustainability of the group's functions that is being sought, not a particular agricultural project. For this to happen, the group must be perceived to add value in the eyes of its members and this was not the case for the Pattani agricultural project.

III. Implications and Impacts of Program Strategies (Best practices, Lessons learned)

1. Project has more "top-down" aspects to it than is desirable for a self-reliance, participatory approach to development. Some of the village groups were in existence prior to projects having been initiated while

others were formed to respond to the project. The resulting set of sub-projects thus show varying degrees of inputs and influence from group participation. In some cases, the sub-projects are a direct response to felt village needs while in other cases it was more a question of getting villagers to form a group and/or to buy into a given project idea.

2. In general, many of the sub-projects appear to have generated economic gains in terms of increased incomes, reduced unemployment, and reduced out-migration (or even creating in-migration) in the communities. In the case of successful groups, these gains were significant but the whole project shows a substantial range of gains. As another example, the cattle raising project reported that participants on average gained 1,000 baht/month from raising cows for meat.
3. People participation in project initiation that generates a sense of belonging and a sense of collective effort to meet group objectives seems to be a crucial factor in success. There are several examples of strong group ownership of their sub-projects (e.g. Satun fisheries and coastal conservation and Pattani cattle raising). In other cases, group ownership in the sub-project appear to have been considerably weaker (e.g. the New Agricultural Theory Program in Pattani where the sub-project idea was not appropriate to a flood-prone area).
4. People participation is not an easy task to implement given the conventional attitude of officers and villagers, and a government top-down system of operation. Some groups seem quite passive and content to wait for officials' ideas and then accepting them or not depending on their assessment of likely outcomes while other groups appear more active in generating and implementing new ideas. The existing strength of the group and the sense that ideas may generate significant improvements for individuals and/or the community seem to be important factors in success. Competent and dedicated local leaders (both in groups and among officials) also have been important factors.
5. The willingness of officials to adapt to the new participatory approach has been mixed. When officials have adopted to the new way of approaching

development, they appear to have made significant contributions, not only by themselves but also by attracting support from relevant government agencies. Part of the problem appears to have been that in the program not enough budget, resources, and time were allocated for training government officials and for working with them "learning by doing" in the new participatory, bottom-up approach.

6. The government budgeting system often can run into conflicts with the concept of people participation. There is always the question of whether government agency budgeting practices allows them to respond quickly and flexibly to requests for support from villages. Further, there is the example of the project on agriculture in Pattani following "purchasing and hiring method" fixed by government budgeting regulations. Farmers simply said what they wanted and the government agencies would provide materials and hire labor to dig the ponds for farmers. This works well if government officials and village groups work very closed together and officials know exactly what the groups want but it has weak points since at times this is not the case and since village groups do not gain experience in managing money.
7. Saving programs for investment and production activities may be needed for community self-reliance and sustainability of the projects. Savings groups are an important part of participation, give individuals a sense of sharing in the rewards from group effort, and contribute importantly to the group learning process. Groups also need to develop greater understanding that their futures depend on their own savings and investment as well as attracting support from external sources. Furthermore, where groups have invested in depreciating assets, group funds will be needed to help finance preventive maintenance and replacement investments.
8. The budget cut by UNDP in 1999 had impacts not only on the scale of the project and its sub-projects, but also on the quality of inputs used in some sub-projects, e.g. the use of indigenous cows rather than hybrid cows in Pattani since they are cheaper.

9. Communities can manage communal natural resources efficiently if they feel they can benefit from direct use of those resources. Land and marine resources in the South are coming under substantial pressure and villagers, in a number of cases, are well aware that their livelihoods are threatened by possible deterioration. Villagers are quite willing to participate in activities that bring collective gains if it is clear that a number of villagers will also share in those gains. TAOs also appear willing to devote resources to activities that bring gains to the group. Satun project is a good example of common-pool resource management drawing on inputs from villagers and a TAO.
10. An academic institution that has experience working with NGOs for rural development may be a substitute for the use of NGOs providing that they have sufficient time, and capacity and reasonable financial support. Using university-based teams appears to be quicker and less costly than the usual NGOs. However, the role that PSU played in this project is problematic. PSU is experienced, talented and hard working, but it appears that they may not have had the budget, staff, and time to accomplish their task. Unless resources are adequate, there is the risk that strong, local groups will not be built (or that there will be a greater mix of successes and failures) and that the government officials who are the main contacts with the groups, will not get adequate training or support during group participatory activities.
11. Weather plays a large role in the success of agricultural/natural resource projects in the South, perhaps even more so than in other rural areas of the country. Given this, projects in the South need to be sure that farm families have other sources of income (i.e. their earning sources are diversified) and projects need to be more flexible, capable of making adjustments to changes in conditions. Groups can make substantial contributions to designing appropriate projects and to making adjustments to changed circumstances. The agricultural project in Pattani is an example of farmers responding to increasing chances of flood by going into new activities that are more flood resistant. However, this adaptability appears to be the result of merely individual decisions to seize new opportunities, and not the

result of a collective decision to redirect the group's efforts in a different direction.

V. Potential Areas for Continued Support

1. UNDP should support projects only when there is a strong possibility for institutional reforms. This means that care is given to supporting the creation of groups which have a strong feeling for self-help, participation, and the advantages of collective action to solve problems; it also means that the ideas for projects emerge from the group and do not come from outside or above. Still further it means that government officials, who are the agents assisting change in this project, have a greater appreciation for the participatory approach and act more in the role of listeners/facilitators for group ideas.
2. To ensure that processes do in fact change, UNDP should devote more resources to training government officials in the new participatory approach (both officials in the Ministry of Interior and in the departments of other RTG ministries likely to be providing support services at the local level). UNDP financial support for any proposed sub-projects should be contingent on clear evidence that these have resulted from a bottom-up approach.
3. The present project appears to have suffered from a misallocation of funds, too much money being spent on hardware and not enough being spent supporting training and institution-building. The result is that the project had a smaller institutional impact than desirable. Any future UNDP project should shift the balance in the opposite direction, concentrating the bulk of its budget (say 70 percent or more) on items that build institutional capacity and that disseminate knowledge, best practices, and lessons learned.
4. If the local government system in Thailand becomes more decentralized, UNDP may deal directly with TAOs. TAOs that are close to target groups, are already strongly influenced by villagers through democratic processes, and have direct responsibility for village welfare. In one way, TAOs will be heavily involved in making sure their communities get appropriate support from government agencies and TAO support will be critical in many cases to sub-project sustainability once UNDP support fades away. In another way, UNDP project could be enhancing human capacity of TAO.

5. The Ministry of Interior has made a proposal for additional support for child and youth development. The idea is to create desirable activities among young people and to generate common understanding among Buddhist and Muslim. Pending the provision of more details on what is intended, this appears to be a worthy idea.
6. Community-based environmental conservation is a potential area for UNDP support. Even though many communities may have potential to manage their communal property and the new 1997 constitution supports this “communal right”, natural resource management is in practice still in the hands of national government agencies which are relevant to give up this responsibility. Thus local communities do not often get the opportunity to show that they can manage resources better or more cost effectively than national government agencies. UNDP support in the forms of pilot projects can give the communities a chance to prove themselves. The successful case of Satun can be extended to other areas.
7. Given its limited budget, it is not recommended for UNDP to contribute to purely income generating activities (like the agricultural project in Patani) because (a) the effect may be limited to the short-run or limited to a specific people, and, most of the time it cannot be guaranteed that the poorest will participate in the project; (b) these are risky projects since the success depends very much on market or environmental conditions; and (c) the Thai government is already supporting income generation projects. UNDP ought to support income generation activities only where some other objectives are also being clearly emphasized such as the mainstreaming of woman's activities, the alleviation of poverty, or the creation of strong local groups or networks for the dissemination of best practices and technology.

ANNEX C: Itinerary

Field Trip to the South

Wed. 17th July 2002

- Meeting with officers from 5 provinces
- Site-visit: Project on Rehabilitation of Fishery Resources and Promotion of Coastal Fishery, Tambon Kuankan, Tambon Tanyongpo, Tambon Jaebilang, Tambon Tammalang, Muang District, Satoon Province.

Activities observed: 4 Inspection boats, Artificial Corals, Shell Culture, Snapper (Fish) Culture of Tambon Tanyongpo.

Participants: District Officer, Fishery officer of Muang District, Head of Kuankan TAO, Community Volunteers and Villagers

Thurs. 18th July 2002

- Site-visit: Project on Cattle Raising for Beef, Tambon Kuanplae, Khokpho District, Pattani Province

Activities observed: Breeding cows

Participants: Provincial Livestock Officers

Officers from Self-Settlement Organization

- Site-visit: Project on New Theory for Agriculture and Chemical-Free Vegetable Cultivation, Tambon, Lipasango, Nongjik District, Pattani Province

Activities observed: Fish pond, Sugar-cane growing, Bended Trees

Participants: Tambon Agricultural Extension Officer, TAO officer

Head of Tambon (Kamnan), Villagers.

PART II: OVERALL CONCLUSIONS AND RECOMMENDATIONS

Overall Conclusions and Recommendations

(THA/97/001)

The "Rural Poverty Alleviation Program" has the objective of building capacity at the national, sub-national and community level of key ministries, departments and agencies to implant an enhanced program for poverty alleviation and sustainable development. While support could be made at all levels, greater emphasis was to be placed on local government and community groups which would have a closer relationship with the intended beneficiaries. The program was implemented in two phases. In phase I, the preparatory phase (January-December 1998), support was given on a quick response basis to add value to programs of ministries and departments which were supporting the creation of income-generation and employment opportunities for poor rural households in response to the economic crisis that began in July 1997. In parallel during this phase, detailed program formulation was begun and resulted in three sub-projects to be carried out in the implementation phase. Phase II, the implementation phase, was carried out from 1999 into 2002 and involved three sub-projects:

1. Capacity Building for Sustainable Agriculture (THA/99/004)
2. Capacity Building for Income Opportunities through Rural Industry
(THA/99/005)
3. Expansion of Sustainable Livelihood Opportunity for Poor Rural
Communities in Five Southern Border Provinces
(THA/99/006)

The "Rural Poverty Alleviation Program" (THA/97/001) serves as an umbrella project over the three sub-projects.

The "Rural Poverty Alleviation Program"—as well as its three sub-projects, are very much consistent with RTG's Eighth Five-year Economic and Social Development Plan, as well as the new 1997 Constitution which calls for greater decentralization of responsibility for the delivery of public services, and with the UNDP's Country Cooperation Framework which emphasizes programs which generate insight and lessons capable of informing institutional change and the leveraging of knowledge and best practices. Both RTG and UNDP objectives are being furthered in the following ways: First, local institutions are being strengthened

and Thai national (local people and community groups, local and national officials, and NGOs/CSOs) in rural areas, which are economically poorer and which have traditionally been disadvantaged with respect to the provision of government services, are raising their capacity to plan for themselves and to obtain better and more relevant services from government. Second, income-generating activities and stronger local community industries are being supported. Third, local areas are learning to manage and use natural resources more carefully which should reduce pressures on the environment as well as raise welfare. Lastly knowledge is being leveraged in that ways of governance, methods of stakeholder interaction, and technology can be transferred to other areas and situations in the country, and Thailand's experience with this project (and its sub-projects) could be shared with other countries.

Implications and Impacts of Program Strategies
(Lessons Learned and Best Practices)

The "Rural Poverty Alleviation Program"—and its three sub-projects—have generated a significant number of lessons about which kinds of activities and the ways of operating that are useful and productive and which are less so. Here we concentrate on those key findings that extend across all the projects and have implications for the future. The "lessons" for the individual sub-projects are outlined in Part II of this Executive Summary. The key lessons:

1. The components of the "Rural Poverty Alleviation Program" were meant to be implemented jointly with much more coordination between implementing agencies and departments, and much greater cross-fertilization of ideas across the sub-projects. In the event, this was not so: the sub-projects were implemented as three separate sub-projects, very independent of each other. On one hand, this is quite understandable (and not even very surprising): given the complexity of what was being attempted in the sub-projects; given the number and range of geographical areas involved; and given the well-known difficulties of getting different ministries/departments to cooperate, it would have been very difficult to implement these projects jointly. The risk of project failure would have increased, perhaps to unacceptable levels. On the other hand, even so,

greater efforts to share ideas across the projects would have been desirable. The three projects have generated a number of useful lessons (e.g. group participation; the relation between community groups, NGOs/CSOs, and government or the possibilities for community management of environmental resources) that would have been useful for others to know.

2. Development from below can be very successful. A key component is the creation of strong groups at the village/community which can work together to assess local resources and problems, create plans and make budgets, and use participatory/democratic methods to decide on priorities. The creation of successful group affects relationships between villages and tambon (TAO) and higher levels of government. It requires a change in the role of government officials from paternalism to more of a listener/facilitator and in the role of government agencies to being responsive to local problems and providing public support services more relevant to local needs.
3. NGOs/CSOs can be used to further government objectives (e.g. the creation of income generation opportunities, strengthening of community industries, local management of the environment). Village groups appreciated the flexible and participatory approaches used by NGOs/CSOs. A tripartite relationship between line agencies, academic institutions, and NGOs appears to be the appropriate model to consider for the future. The academic institution acts as middleman between government and NGOs/CSOs: this smooths relationships between government and NGOs which have different work styles and these institutions can be used to upgrade the quality of NGOs. This tripartite model was used successfully in the Community Industry Project (THA/99/005) where RDI helped to ease relationships between DIP and CSOs (which were quite strained in the first year) and where RDI helped to upgrade of CSOs to a level where they can now contract directly with the Ministry of Industry, Neither the Sustainable Agriculture (THA/99/004) where NGOs dealt directly with village groups and officials or the Southern Border Provinces (THA/99/006) where the academic institutions dealt directly with officials and village groups used this

approach. Results were still quite good in the first case but cannot be sustained in an expansion because of the likely shortage of suitable NGOs but in the second case the results were quite uneven because the academic institution was stretched thin in dealing with so many groups and officials across five provinces. The lesson is that the tripartite approach—government, academic institution, and NGOs—is a good model to remember for the future.

4. Successful efforts at the local level have benefited from the inputs of government officials and agencies, but the effect these UNDP projects have had in changing government behavior to accord with new "bottom up" approaches is very uneven. Changes are most evident at the most local level (especially when officials have been involved in a successful sub-project) but seem to get progressively weaker as higher levels of government are concerned. Part of the problem is that the projects did not devote enough resources to working with officials (especially in the Southern Border Provinces) and part is also due to the fact that officials/agencies (even if they do appreciate the "new paradigm") continue to work in a government that operates "top down". In future projects more attention needs to be paid to working with officials, perhaps with more emphasis on "learning by doing" than on seminars and classrooms. More attention also will need to be paid to government budget practices which are not flexible and responsive enough to support village/local groups and to government regulations which make working with NGOs/CSOs difficult.
5. TAO will play increasingly important roles in the near future as they receive more budget resources and personnel from decentralization. A number of TAOs, who were associated with the Sustainable Agricultural Project and the five Southern Border Province projects have shown a significant improvement in capacity and a willingness to support local projects where there will be clear benefits to the community. Thailand's 7000 TAOs traditionally were under direct control of regional government officials. Strengthening them would likely have great benefit at the local level, but there is likely to be a major struggle for control with local dark

influences supported by major political parties and regional government officials. In order to prepare all TAOs to put greater efforts into sustainable agriculture, resource management and poverty reduction programs, more emphasis should be on capacity building of TAOs, especially in developing more complex local plans.

6. Money is not the major constraint to a further expansion or replication of these projects. The amounts of money involved are well within the capacity of RTG, perhaps with some external assistance. Far more important constraints are: the capacity of NGOs; the readiness of government officials and departments; and the commitment of the relevant ministries and the RTG. (a) Local NGOs/CSOs do not appear to have the capacity to support a rapid expansion of these project concepts. Any expansion will need to be carefully phased. The tripartite approach—government, research/academic institution, and NGOs/CSOs—is likely to be critical in this case. Direct support to expand the capacity of NGOs will be needed. (b) Government officials and agencies seem unevenly prepared for an expansion of "bottom up". Part of this is a matter of training. Part of the problem will also be increased pressures on government as requests from below make increasing demands on government resources. Both budget practices and regulations will need to be altered. (c) How enthusiastic will RTG be about supporting an expansion of these project concepts? They are very much in keeping with desires to downsize and decentralize, but how well do they compare with other RTG efforts at the local level? The extent of RTG commitment will need to be made clearer.
7. UNDP resources have proven to be very useful for a number of reasons. They have been used to hire major NGO inputs in the Sustainable Agriculture Project (where such use of budget money would have resulted in a cut in MOAC's budget) or to hire CSOs (through RDI) in the Community Industry Projects when these CSOs were not registered by the Ministry of Finance. Or, in the Southern Border Provinces Project, they have been used in place of RTG budget money which would have arrived in a very fragmented way because of the large numbers of government agencies and departments involved. In every case UNDP resources were

for a "pilot project": RTG likes to use external resources for experimental purposes to determine whether it is worthwhile to commit larger amounts of government budget resources. In varying degrees in each case, UNDP resources were used for institution-building—increasing capacity at the village and community and local government levels—often leading to results which can be replicated and/or disseminated elsewhere.

8. All three projects show that community-based projects can make a substantial contribution to income-generation and employment creation. The key ingredients seem to be the creation of strong local groups; the presence of NGOs as listeners/facilitators (at least in the early stage); and support from relevant government officials and departments as needed. "Seed money" may have been important to attract interest at the start but does not appear to have been critical. In any event, seed money could be provided by TAOs or higher levels of provincial government or government lending agencies. Seed money does not need to come from UNDP which would not be getting much leverage for its money. On the other hand, village savings funds or investment programs do seem to make a big contribution in building group participation and solidarity and providing initial funding for projects.
9. Community-based environmental protection is an area worthy of further support. Communities have shown a clear awareness of environmental degradation, particularly if it adversely affects their livelihoods; and have shown a willingness to contribute time, labor and TAO resources to efforts at improvements if it is clear that the group will benefit. This area deserves further RTG and UNDP attention for possible support: it has poverty alleviation and environmental aspects and its results can be replicated in other communities.
10. Overall the "Rural Poverty Alleviation Project" seems to have made a significant impact on reducing rural poverty in the areas affected. This was true because the areas, communities, and activities picked had a fairly large amount of initial poverty attached to them and the project made an impact on income and employment generation. This was less so for the sustainable Agriculture Project where the selection of areas and groups had

less of a poverty focus. Even here, however, the impacts are likely to be favorable since they improve incomes and institutions in rural areas which are normally poorer than urban areas in terms of both income and the quality of public services.

11. The Rural Poverty Alleviation Project had a rather uneven impact on getting increased use of performance and management indicators. In the Community Industry Project, RDI and CSOs place great emphasis on the use of indicators as management tools and in the Southern Border Project, progress reporting strongly reflected the indicator-mentality (inputs-impacts-outcomes). Use of indicators was not as clear feature of the Sustainable Agriculture Project. In the future, greater attention will need to be paid to agreeing on a modest set of indicators at the outset and then making sure that this influences progress reporting.

Potential Areas for Continued Support

1. UNDP should support projects only when there is a strong possibility for institutional reforms. This means that care is given to supporting the creation of groups which have a strong feeling for self-help, participation, and the advantages of collective action to solve problems; it also means that the ideas for projects emerge from the group and do not come from outside or above. Still further it means that government officials, who are the agents assisting change in this project, have a greater appreciation for the participatory approach and act more in the role of listeners/facilitators for group ideas.
2. To ensure that processes do in fact change, UNDP should devote more resources to training government officials in the new participatory approach (both officials at the local level and officials at higher levels in departments that are likely to be providing supporting services to local groups and local governments). UNDP financial support for any proposed sub-projects should be contingent on clear evidence that these have resulted from a bottom-up approach.

3. If the local government system in Thailand becomes more decentralized, UNDP may deal directly with TAOs. TAOs are close to target groups, are already strongly influenced by villagers through democratic processes, and have direct responsibility for village welfare. In one way, TAOs will be heavily involved in making sure their communities get appropriate support from government agencies and TAO support will be critical in many cases to sub-project sustainability once UNDP support fades away. In another way, UNDP project would be enhancing the human capacity of TAOs, enabling them to make greater contributions to poverty alleviation and enabling them to draw up more comprehensive local plans covering agricultural, environmental, industry, tourism, and economic and social infrastructure issues in their areas.
4. Serious consideration should be given to expanding the relatively successful capacity building projects for Sustainable Agriculture and Rural Industry. For the former, part of UNDP assistance ought to be focussed on providing support for the teacher-tambon and the networking concepts. This leverages inputs of both government and UNDP resources by ensuring that lessons learned, technology, and best practices get spread to other tambons quickly and effectively and lessens dependence of these activities on volunteerism and TAO budgets which is unlikely to be sustainable in the long run. In both cases, the tripartite approach—government, academic/research institutions, and NGOs/CSOs—is most likely to be the most effective vehicle for expansion and UNDP resources might most usefully concentrate on expanding the number of qualified NGOs/CSOs since shortages here are likely to be the biggest constraint to expansion [In the case of Rural Industry, UNDP support may not be needed since DIP has resources and may be able to contract with RDI or similar research organizations directly].
5. As was mentioned in Point 9 of the previous section, an expansion of support for community based environmental protection deserves serious consideration. Pilots have proven to be successful and such projects have community building, poverty alleviation, and natural resource conservation implications that make them worthy of UNDP support.

6. The Ministry of Interior, which coordinated the Southern Border Province Project, suggests that future assistance to the five provinces in the south should be in the form of children and youth development. The main idea is that the Thai Buddhist and the Thai Muslim children and youth in the south should be able to interact and understand each other more in the future to the point that the Buddhist Thai will feel more free to go to Mosque for important religious functions and similarly Thai Muslim would feel more welcome to visit Buddhist temples. The problems in the south cannot be solved through poverty reduction programs alone; greater understanding and mutual help among the Thai Muslims, Thai Buddhists and the Thai government officials needs to be created. Efforts should begin at the children and youth stage.
7. The MOAC requested that their successful model of Sustainable Agriculture should be used to demonstrate the potential value of future assistance of the UNDP to neighboring countries such as Myanmar, Laos, Cambodia, and Vietnam illustrating how capacity building for both the officers from the line agencies and for community organizations is possible. The MOAC would like to take the pride of ownership in this endeavor which would be in keeping with UNDP efforts to spread knowledge and best practices across countries. The fact that Thailand has a suitable political environment as well as a shifting paradigm in government bureaucracy that can easily accommodate the idea of development from below, the continuation of UNDP support to programs of various nature discussed above as demonstrating models for Thailand's neighbouring countries as part of lessons for their development efforts should be worth-while activities.