

# EXPECTED RESULTS

*The nature of Market Development projects makes it difficult to measure and report impact that is attributable to the Program. One reason for this is that it takes years before we can expect to see the full potential for increases in farmers' production and income. Early indications are, however, that CAVAC is likely to positively impact the lives of 160,000 farming families in the three provinces in which CAVAC works. The impact on farmers' incomes could be as much as seven times the cost of the Program.*

*Starting in 2013, CAVAC will report updates on its achievements and where necessary will adjust impact projections.*

The Cambodia Agriculture Value Chain Program (CAVAC) is a market development program that is distinctive because it does not support poor smallholder farmers directly. Instead it stimulates systemic improvements in input and other markets that enable farmers to produce rice and vegetables more effectively and efficiently thereby increasing their income as shown in the Figure One.

A market development approach holds great potential for delivering sustainable access to the high-quality inputs, information, equipment and a place to sell produce. However, because CAVAC does not work directly with farmers, it is much harder to assess the impact on their income and therefore on their level of poverty. Much will depend on how and to what degree the businesses and institutions that CAVAC works with take on-board the changes in business practices.

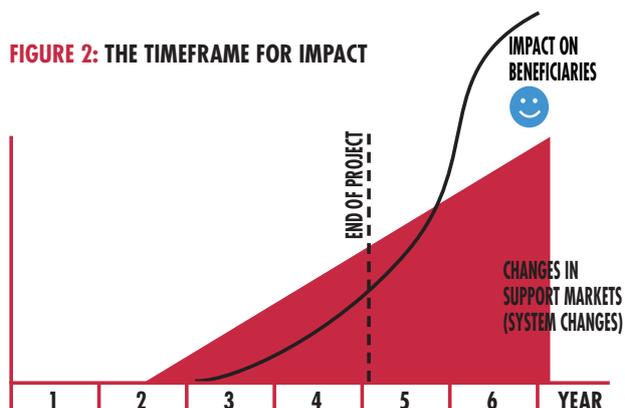
The difficulty in predicting from the outset which farmers will benefit from the initiatives and the impact it will have on their lives is made more difficult due to the time it takes for large numbers of farmers to adopt new practices. Changes in the support markets may start emerging after 1 to 2 years, however it will take longer to gauge the extent of the changes and even longer again to assess the impact on farmers. Early signs of adoption by farmers may start 2 or 3 years after each of CAVAC's initiatives start, but it is unlikely that much evidence of real impact will be measurable in the first 4 to 5 years of any program. Many of CAVAC's results will only be evident after the Program has finished, as is illustrated in the Figure Two below.

**FIGURE 1: THE IMPACT OF CAVAC**



Throughout program implementation, CAVAC's Monitoring and Evaluation (M&E) system functions as an on-going learning loop in which information continuously moves through a cycle of information collection, analysis, dissemination, learning, and adaptation. This allows CAVAC to identify signs of potential impact as well as to respond to any changes and guide individual initiatives back on course.<sup>1</sup>

**FIGURE 2: THE TIMEFRAME FOR IMPACT**

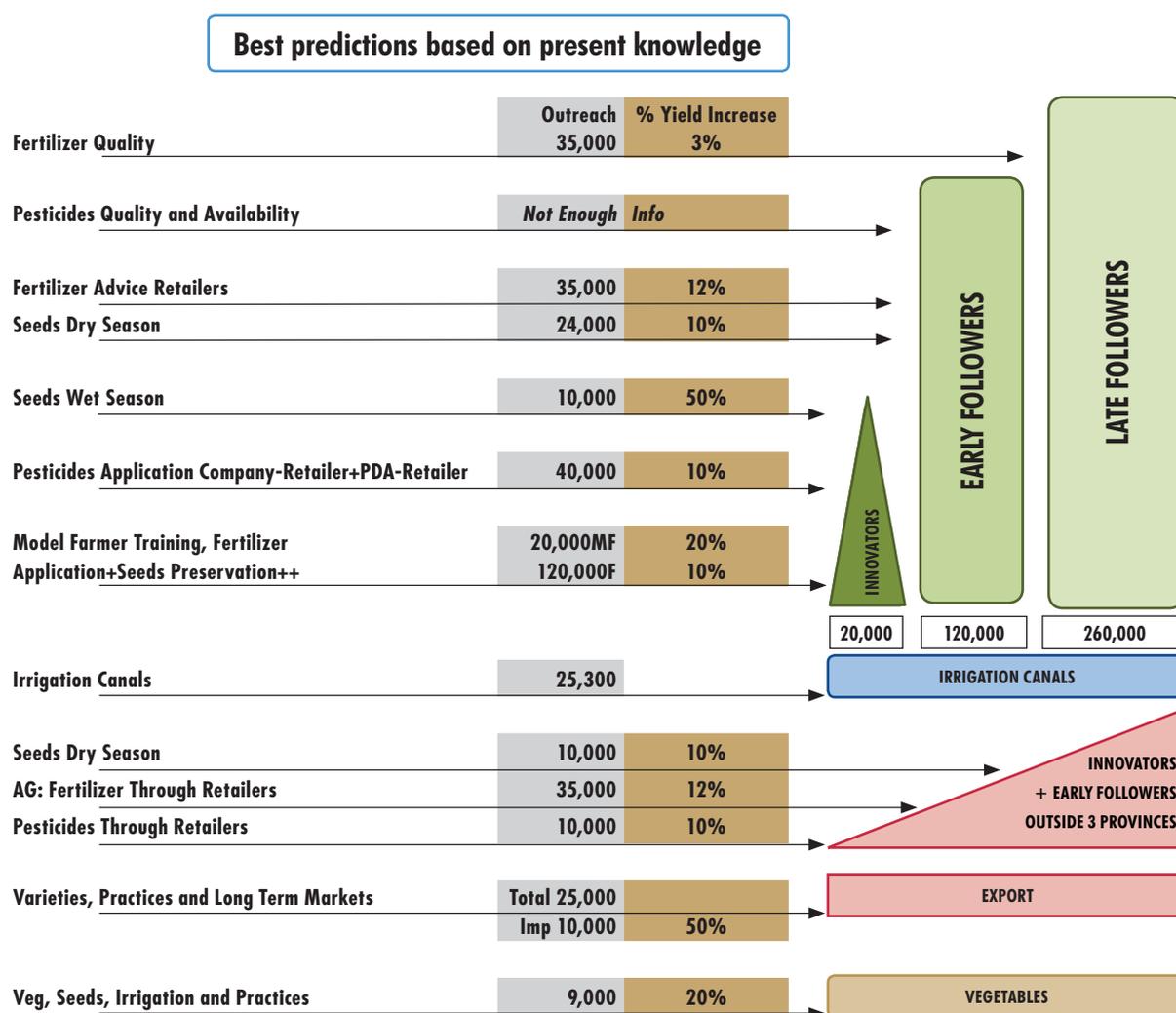


### CHECKING ON PROGRESS

Two years into the program CAVAC conducted an extensive assessment of potential impact. Below is a summary of this report including an explanation of the kinds of impact that *might* result from the program. It is important to note that at the time of the assessment many of the activities were yet to start.

For the assessment CAVAC investigated what changes might be achieved in the agricultural support markets and how they might lead to increased farmer production and higher incomes. The table below shows all the support markets, the intended outcome and the expected levels of change as of January 2012 at 21 months into the 5 year program.

**FIGURE 3: PREDICTIONS OF IMPACT OF CAVAC**



<sup>1</sup> Details of the CAVAC system for M&E can be found in the M&E section of the website at [www.cavackh.org](http://www.cavackh.org)

Based on international good monitoring practices, as described in the DCED standard for M&E, CAVAC assess the impact that is likely to be achieved by June 2016 i.e. two years after the end of the Program. The assessment showed that CAVAC is likely to impact on at least 160,000 households. Some types of potential impact were left out of the calculations as initial evidence was too limited or it was too difficult to credibly attribute impact specifically to some initiatives. Figure Three summarises these projections.

Based on internal assessments CAVAC has devised a potential scenario to predict how many farmers influenced and changes in production. It then corrected these figures to take into account double counting and the likelihood of success. These figures were assessed by an independent Mid-Term Review (MTR) team who came up with the following projections of potential impact attributable to the Program in June 2016:

*“ By 2016, it is expected that approximately AUD40m of additional net income will be generated annually as a result of CAVAC initiatives, benefitting 160,000 small farmers in the three target provinces and an additional 70,000 poor smallholders in other provinces. At least 32,000 hectares of land will be served by new irrigation systems supported by CAVAC, which will produce an additional 200,000 tonnes of paddy a year. Interventions to improve farming practices and inputs on irrigated and non-irrigated land are expected to boost rice farmers’ yields by an average of at least 10%.”*

While clearly acknowledging the early stage of the Program and its unpredictable nature as limitations on its assessment, the MTR team concluded that a 7-to-1 return on investment ratio for CAVAC is not unrealistic to expect.

As the Program progresses, projections and predictions will slowly be replaced by actual data. Each year CAVAC will report updates on its achievements and where necessary will adjust the projections.

## **SUMMARY**

- Not many market development projects have reported reliable impact that are attributable to program initiatives.
- CAVAC has developed a system that will be able to produce credible data, but impact will take time.
- Almost 2 years into the Program CAVAC has assessed indications of potential impact:
  - In many support systems, changes have emerged that were expected at the beginning of the Program. These changes are mainly related to companies’ reactions on the incentives offered by CAVAC. If the expected progress takes place it is not unlikely that:
    - Up to 160,000 farmer households in CAVAC provinces will be positively affected and maybe another 70,000 households outside the 3 provinces.
    - CAVAC’s Value-for-money ratio could be as high as 7-to-1.
- From 2013, CAVAC will be reporting annually on progress in its core indicators.

## ATTACHMENT

Below are 2 tables from the 2012 assessment report that illustrate progress in support systems and what is included in the calculation.

**TABLE 1: EXPECTED & ACHIEVED CHANGES IN SUPPORT SYSTEMS AFTER 2 YEARS**

Support systems		Intended outcome	Level of Change Expected	Achieved?
Input markets	Rice seed	Quality, availability, information on benefits	Seed producers start production	Yes
	Fertiliser	Quality, embedded knowledge through input suppliers	Companies train retailers	Yes
	Insecticides and herbicides	Quality, availability of embedded information through retailers	Interest, agreements	Yes
Agritools	Pumps	Higher efficiency and availability	Interest and action use?	No
	Levelers, dryers, drum seeders	More farmers use them to improve yield	Never started	
Physical market places	Public / Private dialogue	Better enabling environment	Agreement and plan	Stopped
Knowledge	Government as source (research)	Innovation suitable for support providers	Action, initial results with potential to 'market'	Yes
	Embedded information	Combined with other support systems		
	Model farmers	Improved farmer knowledge	Training and interaction; good practice by farmers	Yes
	Wider market systems	Better support for support providers	Interest, first signs of action	Yes
	Associations and traders	Improved farmer knowledge	Interest	Yes
	Media	Programs that Get key information to farmers	Agreement, broadcast programs	Yes
Irrigation	New canals	Farmers have access to irrigation; Owners support this	Canals constructed, Farmer Water User Community (FWUC) formed, fees paid for use	Yes
	Ownership of existing canals (Supplementary Investment Fund [SIF])	Ownership of irrigation schemes has improved	Action, proposals approved.	Yes
	Government overview role	Government better executes if public role	Interest in using Water Availability Studies	No
Business Enabling Environment (BEE)	Government as improvers	Some BEE issues addressed	Interest and agreement	No
Non-paddy markets	Rice export trading and processing	Increased Exports	Agreements	Yes
	Vegetables input markets	Increased production volume	Action	Yes
	Cassava input and processing markets	Increase quality and quantity	Action	Stopped
	Cambodian Agriculture Research Fund (CARF)	Increased research capacity	Action	Yes

**TABLE 2: TYPE & EXPECTED TIMING OF IMPACT, INCLUSION IN CAVAC'S IMPACT DATA FOR DIFFERENT ACTIVITIES.**

Activity	Type of impact	Timing	Consequences for projections
Research	Only indirect impact on farmers through various intermediaries	Major results expected in 2014 or later	No impact captured in the projections
Agribusiness	Impacts on farmers only after agribusinesses have innovated	Will take at least 2-3 years	Impact will increase and maybe double between 2016 and 2021 when markets develop further
Agribusiness (activities not yet started)	Same as above	If started now, impact will take even longer	Presently no impact is predicted
Media	Though media may reach very large numbers (easily > 1million households), it will be very hard to understand what changes are achieved, how these can be attributed and where there needs to be a correction for overlap	First activities may result in large outreach, from 2012	Outreach will be separately documented and impact on yields will be ignored in the projections
Model farmer trainings	Training triggers innovation with model farmers. Early followers follow and then (hopefully) large numbers of risk-averse farmers innovate later.	After each training, model farmers may try innovations during the following season and the first followers 1year later; for at least 50% of farmers to follow it could take 4-5 years	Captured in the projections
Wider information system	Rather than capturing impact on farmers, this should be seen as an indication of the sustainability of the systems	Wider information is less relevant in the first years but should allow the system to innovate in the long run	Will not quantify the impact on farmers in the projections
Irrigation	The big question remains the ability of the system to sustain itself- will canals be maintained and will conflicts be resolved.  If so, long-term impact can be claimed. If not, impact should only be captured for five years	Most impact will be measurable 1-2 years after completion	Quantifying direct impact soon / assessing 'ownership' over time
BEE	Difficult to capture and attribute, potentially large impact	With present scope of work, it is unlikely much impact can be captured during the program	Not included in the projections
Capacity building of govt staff	The theory of change is complex and dependent on many variables	Though some impact will be quick, it is expected that results take a long time	Not included in the projections.
Support to facilitation by PDA	As most activities only start now, it is difficult for CAVAC to estimate if government methods are effective	Impact may be quick	There are no impact logics for this and impact is not included in this assessment



The Cambodia Agricultural Value Chain Program (CAVAC) is an initiative funded by AusAID and jointly implemented by the Royal Government of Cambodia and Cardno Emerging Markets. For more information about CAVAC please visit our webpage [www.cavac.kh.org](http://www.cavac.kh.org)