

Credit Union Foundation of Australia

Credit Union Development (CUD) Project

Cambodia

Evaluation Report

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Executive Summary

This report presents findings from an evaluation of the first 18 months of design and implementation of CUFA's Credit Union Development (CUD) project in Cambodia. Commencing in August 2011, CUD is the second core project of CUFA's Building Institutional Capacity (BIC) program which has been implemented in Cambodia since 2007. Evaluation findings demonstrate the CUD project is making good progress and its initial phases have laid a solid foundation for the effectiveness and sustainability of this 5 to 7 year project.

The Cambodian financial sector is underdeveloped, particularly in rural areas. Many poor Cambodians lack access to appropriate savings and loans products. A feature of the post-conflict period has been the emergence of village-based savings banks and rural-focused finance institutions. However many savings banks are weak due to poor operational practices, whilst microfinance programs are largely credit driven and do not provide community development benefits. The core objective of BIC is the extension of appropriate financial services to rural poor in Cambodia through the promotion and development of the credit union movement. Program activities support savings banks and federations to strengthen their organisational and financial capacities through the provision of trainings, technical assistance and regular on-site support. Whilst the program has had some successes, the sustainability of savings banks aligned to credit union principles remains weak. This is due to a lack of savings and membership growth which are the result of poor operational practices and competition from alternative finance providers. In response to these issues, CUD project was designed to facilitate the development of savings banks operating in accordance with true credit union principles. These groups will demonstrate the importance of membership and savings growth for the achievement of financial and operational sustainability. The target area includes 22 villages across 3 provinces, and includes the participation of indigenous and minority groups in Cambodia.

This project is tracking well and is satisfactory overall. Effective identification of target areas has provided a strong foundation for a successful program. Project staff are responsive to community feedback and have established good levels of trust with local authorities and project participants. The importance of savings is widely understood and can be attributed to the trainings provided in villages by CUFA. CUD activities include education on basic financial literacy and cooperative principles: new concepts for most participants. To ensure sufficient retention and further development of knowledge, these education activities should continue as the project develops and attracts more participants. The efficacy of village-based trainings can be improved through increased sensitivity to literacy and language barriers in project design and implementation. Simplifying training materials will increase efficiency, whilst incorporating more systematic monitoring will support CUFA to highlight successes and identify areas for improvement. Women's participation and the inclusion of people with disability is being addressed through CUFA inclusion strategies. Project efficiency is generally strong and the phased project cycle is ahead of schedule. This allows sufficient time to slow the pace of implementation, a necessary step for consolidating progress made to date and addressing areas where the project can be strengthened. The incorporation of these recommendations will allow CUFA to maintain an effective project and strengthen the sustainability of these model village-based savings banks.

1.0 Background

1.1 Financial Sector in Cambodia

The Cambodian financial sector is underdeveloped, particularly in rural areas where development banks are few and the finance network is weak. The development of regular commercial lending activities has been constrained in rural areas by the high costs of operations, the inability to verify and enforce property rights, and the low levels of economic activity. A 2006 sustainability study undertaken by CUFA found that commercial and specialised banks only operate in the capital Phnom Penh and the major provincial centres. There are a number of microfinance service providers in Cambodia however most are only operational in urban and easily accessible rural areas, with limited reach in more remote rural regions. Where they are active, these providers mostly offer similar products in the same areas in which they are competing for members. For the overwhelming majority of rural people, there is little if any access to formal financial services.

1.2 Credit Unions in Cambodia

In Cambodia there is a weak level of voluntary savings mobilisation in rural areas and high levels of people keeping their savings at home. This impacts negatively in two main areas as the rural poor do not have access to formal deposit services and there is a lack of local funding to finance the expansion of Community Finance Institutions (CFIs, or Federations) and the services they are able to offer members.

The post-conflict period of the last two decades has seen the emergence of village-based savings banks and finance institutions (CFIs) throughout rural Cambodia. Many of these local groups and institutions were developed with the help of national and International NGOs who were strong advocates of micro credit but neglectful of institutional building. Microfinance programs in the country have been largely credit driven rather than building up the capacity of their clients and the institutions themselves. This has often created a dependency cycle for participants, leading to depleted microfinance resources and the withdrawal of some programs from Cambodia which has meant many have lost their savings. In general, credit portfolios are still financed by external donors or investors, and not by depositors. This means that many credit schemes in Cambodia are unsustainable.

The credit union movement offers a pro-poor alternative to the finance services of other providers in rural areas. Savings banks operating according to credit union principles are savings oriented and offer members access to appropriate credit products. The interest from loans remains in the community, thus developing individual and group savings as opposed to profits going to external institutions. These savings banks are owned and run by members. Regular meetings and Annual General Meetings (AGMs) provide members with the opportunity to review the policies and procedures of their group and ensure transparency and accountability in the management of their savings. Savings banks generally emerge as grass roots organisations and their development offers communities greater opportunities to develop enterprise, diversify or improve livelihood options, and provide access to low-interest credit including in time of emergencies and ill health. In rural

and geographically isolated communities, these savings banks may be the only line of credit available for individuals and families living in poverty.

Cambodian Federations acting according to credit union principles have a crucial role in developing the capacity of savings banks¹ as well as developing sustainability and trust in the movement. There are a number of CFIs in Cambodia who act as federations which provide services and support to member savings banks at village and commune level. Currently, CFIs struggle to professionalise and increase membership, as rural people remain wary of the competence levels of CFI management and staff. Also effecting trust in CFIs is that some Federations have diverged from credit union principles toward an operating model more akin to that of Micro-Finance Institutions (MFIs). This contributes to the overall distrust of the CFI movement, as villagers do not view the organisations as safe and reliable places to keep their money. CFIs have a pivotal role to play in promoting financial inclusion and extending much-needed financial services to poor Cambodians, particularly those in rural and geographically isolated areas. The development of CFIs with stronger institutional capacity in alignment with credit union principles is an important driver of extending access to finance for poor people in rural areas in Cambodia.

The Cambodian credit union movement has not achieved sustainability due to a lack of significant membership and savings growth as well as a number of operational practices that deviate away from the pure credit union philosophy. Many of the existing credit union networks in Cambodia have introduced some elements of non-cooperative model microfinance [e.g. with external loan capital, the use of collateral for loans, and a focus on member shares rather than savings] that has impacted on their ability to successfully grow to be financially sustainable. Cambodian credit unions also focus on accumulating member shares rather than member savings and this presents a disincentive to members because not only do they not receive interest on their shares, they also need to leave the credit union in order to withdraw their money. With a number of micro-finance organisations operating in Cambodia, the credit unions have also developed a focus on obtaining outside grants rather than applying a savings mobilisation approach. CFIs require support to operate in alignment with credit union principles if the movement is to become sustainable in Cambodia.

¹ Many terms are used to refer to village-level savings banks, including: credit unions; cooperatives; self-help groups; savings groups. For purposes of consistency the term 'savings banks' is used in this evaluation

1.3 The Building Institutional Capacity Program

The CUFA Building Institutional Capacity (BIC) program commenced in 2007 and implementation continues in 2013. The overarching objective of the program is to promote access to appropriate financial services for women and men in Cambodia, particularly in rural and geographically isolated areas. This program now includes two separate but complementary projects: Credit Union Outreach (CUO); and the Credit Union Development (CUD) which commenced in 2011. Both projects are implemented with support from AusAID ANCP funding, with additional funds from CUFA resources.

1.3.1 Credit Union Outreach Project

The CUO project has provided training and technical support to active savings banks whilst also supporting the strengthening of federations. Commencing in 2007, CUFA provided training in Phnom Penh to representatives of savings bank committees. Learning outcomes were designed to strengthen the capacity of savings banks in key areas of operation, from bookkeeping to savings mobilisation, membership growth and more. With a pedagogical model of cascade training, the intent was for training participants to share these learnings with their respective committees and members. A 2010 evaluation indicated this model was not producing the desired effect and so at that time the project design shifted to the provision of on-site support to individual savings banks and these activities continue to date. The other aspect of the CUO project has been the provision of technical and financial support to 5 federations, designed to strengthen their systems and effectiveness whilst contributing to the sustainability of the movement in Cambodia. Promoting credit union principles has proved difficult in this instance, largely due to the context of financial services in Cambodia in which a multitude of actors are operational and the practices of some federations deviate from, or are inconsistent with, credit union principles (see above, section 1.2). The provision of support to a number of federations proved operationally complex in this context, and CUFA has since moved toward providing more robust support to one federation only: the Cooperative Association of Cambodia (CAC). The CUO project now includes the provision of financial and technical support to CAC, whilst CUFA continues providing direct on-site technical assistance to 22 credit unions across 7 provinces.

1.3.2 Credit Union Development Project

Credit Union Development (CUD) is the second core project of the BIC program and is directly aimed at addressing some of the challenges associated with the promotion and development of the credit union in Cambodia, as discussed above. The design and implementation of this project is inspired and informed by learnings from CUFA's experience with the CUO project. The two projects are complementary components of a broader strategy to promote and strengthen the credit union movement in Cambodia.

This project is designed to develop model credit unions to demonstrate the importance of membership and savings growth for the achievement of financial and operational sustainability. CUD is implemented in four communes across three Provinces in Cambodia where there is currently no presence of credit unions and limited penetration by other finance service providers. The project area includes geographically remote sites where marginalised people are living. One commune is in a minority area where Lao language is dominant; another commune is in an predominantly indigenous area where Tompoun language is dominant. Each commune has a number of villages which are being individually targeted. Across the four communes the CUD project is targeting a total of 22 villages (see Appendix A: target villages).

The intention is for these groups to become best practice models of savings banks operating according to credit union principles. Once sustainability has been achieved, the model groups can act as a platform for improving the effectiveness and sustainability of savings banks and federations in other parts of Cambodia. It is expected this can provide a catalyst to motivate members of the credit union movement to reform operational models toward pure credit union principles.

Summary of project objectives:

- 1) Increase access to financial services for rural poor living in areas without a credit union;
- 2) Work with communities to develop trust and cohesion and build a credit union from the ground up;
- 3) Demonstrate to existing credit unions that sustainability can be achieved over a period of time using pure credit union philosophy.

Summary of project outcomes:

- 1) Build community trust and awareness in the credit union model as a safe place to save and attract interest to help money keep pace with inflation and potentially borrow money in the future at a low interest rate to establish or expand a micro-enterprise;
- 2) Increase community awareness and knowledge of financial literacy concepts;
- 3) Provide an example of a model credit union operating according to pure international credit union principles to serve as an example of operational best practice for existing credit unions in Cambodia.

2.0 Evaluation Methodology

2.1 Evaluation Purpose

At the end of January 2013 the CUD project had been active for 18 months. This period has mainly included the design and implementation of initial project activities. The formation of village-level groups began in mid-January.

The objective of this preliminary evaluation is to assess the performance of CUD project implementation to date, evaluate challenges and opportunities, and provide recommendations for future project design and implementation. This is an opportunity to facilitate the incorporation of participant voices into decision-making processes so that project design and implementation can best meet the needs and demands of targeted communities.

2.2 Evaluation Scope

The primary focus of this evaluation is to assess the implementation and performance of project phases 1 to 6 conducted from based upon a data review and in-field verification and research. A secondary focus is the implementation and performance of phase 7, which is analysed through in-field observation of implementation activities and individual interviews with project participants.

Because the project is still in its formative stages in terms of moving toward objectives, the capacity to measure results is limited. The evaluation thus constitutes an assessment of performance rather than of results. Some attention will be given to results where possible, however this project is in its formative stages and therefore it is premature to draw conclusive assessment. This report serves as a monitoring mechanism to track progress against intended outcomes, make findings and provide appropriate recommendations.

2.3 Research Team

An independent evaluator was hired for the purpose of conducting a series of project evaluations for CUFA. The evaluator was accompanied to project sites by a CUFA staff member who acted as both research assistant and translator. This two person team consisted of an equal gender balance. Whilst the research assistant had good background knowledge of the project, both team members had been independent from project delivery activities. Further assistance was provided by CUD project officers who supported the organisation of Focus Group Discussions (FGD), individual interviews and additional non-Khmer translation where required. Local CUFA project officers assisted with translation in 2 of the 3 FGDs and 4 of the 11 individual interviews. Prior to field research, all members of the CUD team were briefed by the evaluator and research assistant in Phnom Penh, where they were invited to review the methodological process, raise ideas and concerns and input into the process.

2.4 Research Tools

Evaluation findings are most reliant upon the analysis of qualitative data. A mixed-methods approach was undertaken combining quantitative data and qualitative data, comprising four components: review of project documentation and information; FGDs with project participants; semi-structured individual interviews with project participants (leaders and potential members); and observation of project implementation (group formation workshops). As mentioned above, the evaluation process was discussed at a meeting with all CUD project staff in Phnom Penh, and their feedback was incorporated into the design of research tools. FGDs and interviews were semi-structured and questions open-ended, with a format for prompts to ensure key information was gathered, but in a way in which conversation could flow to enable information to come out. This approach is accommodating to thought processes so easier for participants to follow as it is more natural: if people started discussing an area which wasn't part of the current questioning but did inform a different section of questioning, this flexibility and adaptability (not a rigid format) meant the interviewee or participant could continue for as long as relevant information was being captured.

The review of project documentation and information included: 1) project design documents – project plans, annual development plan, phase-by-phase implementation toolkits; and 2) project information – quantitative and qualitative project data, monthly reports, phase-by-phase reports. This review has informed assessments of the quality of project design and implementation.

FGDs were conducted with project participants at sampled project sites. At the suggestion of CUD project staff concerned that participants had limited time to engage, FGDs were restricted to 30 minutes in duration and took place prior to CUFA workshops conducted for Project Phase 7: Group Formation. This took advantage of participants coming together and not creating an additional meeting which could have an adverse impact on project activities as the ability to attract participants was identified in project data as being a challenge, partly due to the interest of community members but mainly because of their schedules and labour patterns. A semi-structured approach was taken to enable information, ideas and feedback to take the natural course of discussion. Core questions were devised to prompt discussion and assess 4 areas relevant to CUD phased activities to date: verification of CUFA community scoping and project site selection; participant understanding of financial cooperative principles; participant understanding of basic financial literacy; and cross-cutting themes including gender. Finally, a fifth area of discussion encouraged participants to provide feedback about the project and prioritise their needs.

Observation of CUD phase 7 workshops facilitated by CUFA staff enabled observation of the process, including: group dynamics; facilitation techniques of CUFA staff; and the efficacy of project design materials in implementation.

Individual interviews were conducted with 3 to 4 group members at each site. No specific criteria was used for the selection of interviewees. Considerations included: gender, language, status in the community, status in the group, age, level of participation in FGD, and availability for interview. These considerations were made to maximise time

effectiveness and identify key informants whilst constituting a sample representative of the group: a mix of women and men, committee members and regular members, and youth. This targeting enabled inclusion of beneficiary voices from both key informants and persons typically marginalised from development processes. The rationale of individual interviews is to capture the voices of those who may not be comfortable speaking in a group, but for whom it was identified by observation that they had something to say. Individual interviews also provide an example to further examine the capabilities of leaders and their existing roles in the community. It is also useful for measuring trust – something people may be less open about discussing in a group forum. Interviews were semi-structured to enable the logical flow of thought and natural discussion. There were four key areas of focus, each of which had a number of prompt questions which may or may not have been used, depending on how the discussion proceeded: participation; knowledge of financial cooperatives and financial literacy; trust; and leadership.

2.5 Sampling

The evaluation sample consisted of field visits to 3 villages, undertaken over 5 consecutive days in mid-January 2013 during implementation of phase seven activities. Sampling size was based upon time constraints, particularly given the great distances between project areas, balanced against the need to find a sample representative of the project.

This sample includes three of the four communes where the CUD project is active: Sekong in Stung Treng; Laming in Ratanakiri; and Memot in Kampong Cham. These provinces vary considerably due to demography, language and geography. The fourth commune targeted by the project, Ou Mlu was excluded due to time constraints and based on the assumption that results would be similar to that of Memot commune: both are communities of majority Khmer ethnicity, and a desk analysis of project data indicated similar demographics and experiences with finance and development processes.

In each commune the project facilitates a number of separate villages to establish credit unions. Due to time constraints, only one village was selected in each of the three communes. These were selected on the basis of implementation schedules of the CUD team – as the evaluation visits were aligned with phase seven workshops. The villages also constitute a representative sample, as two groups have higher participation rates and are advanced in the process of group formation whilst the third group is less advanced.

Table I: Evaluation Participants & Coverage

High-level participation numbers			
Number of Provinces visited:	3	Number of FGD:	3
Number of Villages visited:	3	Number of individual interviews:	11 (5 F; 6 M)
Number of Workshops Observed:	3	Total participants:	125 (81 F; 44 M)
Interviewees		Type	Date
Memot District, Kampong Cham Province			
Demographic characteristics:	Majority Khmer ethnicity language		
1.	Thmor Da Village, Choam Krovien Commune		
	• 30 Community members (16 Females; 14 Males)	FGD	15 January 2013
	• 4 Community members (2 F & 2 M; 1 leader & 3 members)	Individual interviews	15 January 2013
Bar Kiev District, Ratanakiri Province			
Demographic characteristics:	Approx. 25% commune have indigenous ethnicity and language		
2.	K mang Village, Laming Commune		
	• 24 Community members (14 F; 10 M)	FGD	16 January 2013
	• 3 Community members (1 F & 2 M; 0 leaders & 3 members)	Individual interviews	16 January 2013
Siem Pang District, Stung Treng Province			
Demographic characteristics:	Majority minority group – Lao language		
3.	Keng Ngai Village, Sekong Commune		
	• 71 Community members (51 F; 20 men)	FGD	17 January 2013
	• 4 Community members (2 M & 2 F; 2 leaders & 2 members)	Individual interviews	17 January 2013

2.6 Evaluation Frameworks

This evaluation integrates AusAID frameworks for measuring program quality relating to implementation and achievements:

AusAID's NGO Quality Assessment Framework (QAF)

A framework to assess the quality of NGO project implementation employed by AusAID's Quality Assurance Group for:

- Relevance: the extent to which activity objectives and designs are appropriate;
- Efficiency: the extent to which activities have been managed in a professional manner;
- Effectiveness: evidence that the activity is likely to achieve the desired results;
- Sustainability: evidence that the activity is likely to foster sustainable outcomes.

AusAID's NGO Quality Ratings Guide

A framework developed to report on the achievement of project objectives as required in AusAID's Annual Development Plan Performance Report as:

- **Best Practice:** represents a situation where something over and above normal good aid practice has occurred, particularly something innovative.
- **Fully Satisfactory:** there are only a few minor weaknesses in the program as a whole.
- **Satisfactory Overall:** there are weaknesses as well as strengths but that the weaknesses are not severe enough to threaten the program.
- **Marginally Satisfactory:** there are serious weaknesses which require early action if the program is to continue to progress.
- **Weak:** the program is seriously deficient. Problems are widespread throughout the project/program and that immediate and decisive action is needed to address them.

2.7 Limitations

There were some limitations related to the parameters of time allocated to prepare, conduct and present this evaluation. These limitations were compounded by the long periods of time to travel between sites, and therefore only 3 of 22 villages were sampled for in-field research. An attempt was made to offset this by utilising project data covering a wider area in order to make general assessments about wider project performance.

CUFA staff, with involvement in the project, acted as translators and research assistants during the course of conducting field research. Considered attempts were made to safeguard the integrity of information against the potential for staff to unknowingly or knowingly influence the impartiality of responses. These included: pre-interview briefings with staff about translation standards; probing questions asked by the evaluator; and participant observation.

Due to translation needs, in two instances women were interviewed by a team of one female and two men: not an ideal dynamic but hopefully somewhat offset by the familiarity of the male local field officer with community members, and the presence of at least one female interviewer.

Time allocated to FGDs was limited to half an hour for each. CUD project staff had expressed concern that communities would only join consultations for a limited amount of time, due to various other obligations including livelihood obligations and family responsibilities. These concerns were integrated into the evaluation approach and are reflected in its methodology. FGDs were complemented by observation and individual interviews.

3.0 Findings

3.1 *Summary of Project Findings*

This project is tracking well and is **satisfactory overall**. The effective identification of target areas has provided a strong foundation for a successful program. Project staff are responsive to community feedback and have already established good levels of trust with local authorities and project participants. The phased project cycle is currently three months ahead of schedule and savings groups are now forming. This should allow time to slow the pace of implementation in order to consolidate progress made already and address areas where the project can be strengthened.

The importance of savings is widely understood and can be recognised as a success. Generally financial literacy and cooperative principles are new concepts for participants and their understanding is limited. Many participants have only decided to join groups at formation stage and so have not had any training, whilst past participants have not yet had enough education to understand the basics to a satisfactory level. Financial and cooperative education should be repeated in the short term, and in the long term integrated as learning outcomes for reinforcement in all future project phases. This could in part be enabled by an improvement in project design documents (phase toolkits). These should be useful for staff in the field, simple enough to promote learning outcomes, and sensitive to literacy and language barriers. Implementation of the disability inclusion policy and a strategic approach to the participation of women will complement progress made in these areas to date.

Further detail about successes and areas for improvement is presented in the following findings. Specific recommendations for CUFA may be found in section 4, below.

3.2.1 Overview of Phased Implementation Model

The phased implementation model is an incremental project approach designed to identify appropriate target areas, gather baseline data, and lay the foundations required for the formation and development of model credit unions (hereafter referred to as groups). Whilst each phase has had different objectives there are some common themes linking them, primarily: building trust and basic financial literacy. Twelve phases were developed in the initial project design (see section 1.3, above). The phased implementation model has generally been appropriate and effective for the initial 18 months of the CUD project. In January 2013, the CUD team began supporting the facilitation of phase seven: group formation.

Overview of Project Phases:

- 1) Community Networking and Research;
- 2) Community Scoping;
- 3) Community Consultation and Individual Community Research;
- 4) Community Development;
- 5) Financial Cooperative Education;
- 6) Financial Literacy Education;
- 7) Group Formation & Initial Savings Product Development;
- 8) Formalising Initial Institutional and Operational Practices;
- 9) Development of Initial Loan Products;
- 10) Savings Mobilisation;
- 11) Product Development;
- 12) Product Implementation and Member Mobilisation.

As the project has been structured in phases, this report presents most of its findings as phase-by-phase assessments. Phases 1 to 6 have been completed according to project design, and implementation activities are currently taking place for Phase 7 (see table II, below).

Table II: Phased Implementation Timeframe (actual)

Phase	Period of implementation
1 – 2	August – December 2011
3	January – February 2012
4	March – August 2012
5	September 2012
6	October – December 2012 (with 1 month break) ²
7	January 2013 – ongoing

Due to some overlap between phases, there are some findings that are common to a number of phases. Key findings inform the summary of evaluation recommendations (see section 4, below).

² Including a one month break from project implementation for targeted staff capacity building activities

Table III: Overall Quality Ratings, Project Phases 1 – 6

	Best Practice	Fully Satisfactory	Satisfactory Overall	Marginally Satisfactory	Weak
Phase 1		√			
Phase 2		√			
Phase 3				√	
Phase 4				√	
Phase 5			√		
Phase 6			√		

3.2.2 Phase 1: Community Networking and Research; &

Phase 2: Community Scoping

Project data and the evaluation sample indicate the selection and targeting of communes for the project is **fully satisfactory**. Whilst phases one and two constitute different steps of the target selection process, they are closely linked and therefore appraised together for the purpose of this evaluation report.

Activities involved the collation of socio-economic data and consultations with community organisations in potential target areas: long-list then short-listing of communes during phase one; followed by scoping and consultation with shortlisted communes during phase two. Data and analysis was assessed using two categories of criteria for the selection of communes appropriate for targeting: essential and considerations (see table IV, below). These criteria included both poverty indicators and consideration of the extent to which conditions would be compatible with the overarching project objective of facilitating the establishment of best-practice model groups.

Table IV: Selection Criteria for Target Communes

Commune population of over 3000 people (except for indigenous areas)	Essential (E)
No Credit Unions present in the commune	(E)
Geographically accessible for CUFA staff	(E)
Incidence of poverty above 30% of the population	(E)
No serious security issues (eg. volatile land disputes)	(E)
Less than 20% rate of migration (eg. for seasonal work outside commune)	(E)
Incidence of social issues (eg. domestic violence; issues of trust)	Consideration (C)
Levels of political engagement	(C)
Status of women	(C)
Physical infrastructure, including schools	(C)
Presence of existing networks (eg. NGOs; religious groups; self-help groups)	(C)
Cultural activities/obligations	(C)
History of engagement with credit unions	(C)
Dominant decision making processes in the commune	(C)

Target selection criteria included a number of selection biases appropriate to ensure that conditions in program areas would be most conducive to success given the overarching objective or creating a model for duplication elsewhere. One appropriate selection bias was that toward communities determined the least patriarchal, on the basis that it was important to identify conditions most suited to women's participation. The incidence of conflict was also a consideration. Considerations taken into account also included the need for

community buy-in and the absence of other actors such as NGOs implementing finance-related activities that could undermine the promotion of groups operating according to credit union principles. The evaluation sample indicates these selection biases were appropriately considered and incorporated into the target selection process.

Table V: Participant Numbers in Community Scoping Consultations

District	Sub-District	Number of Consultations	Total Participants
Ainaro	Maubisse	3	74
Aileu	Remexio	3	38
Ermera	Letefoho	2	75
TOTALS		8	187

Overall, the selection process required a balancing act between the needs-based responsibility to target poor communities with the practical consideration of identifying communes with conditions most conducive to project success. A review of research and scoping data collected in phase one and two indicates this balance was managed effectively. The evaluation sample verifies that targeted communes were selected consistent with appropriate criteria.

Table VI: Project Quality Ratings, Phases 1 & 2

Phases 1 & 2: satisfactory overall					
	Best Practice	Fully Satisfactory	Satisfactory Overall	Marginally Satisfactory	Weak
Relevance		√			
Efficiency		√			
Effectiveness		√			
Sustainability		√			

Relevance has been demonstrated by appropriate activity objectives and design, as discussed above. A newly recruited team demonstrated a high level of efficiency by professionally managing the significant undertaking of project design, selection of project areas, and establishing links with target communities – all within a period of only 4 months for a 5-7 year project. The evaluation sample indicates effectiveness in achieving the desired results of phase one and two, at the same time establishing an essential underpinning for project sustainability.

3.2.3 Phase 3: Community Asset Mapping and Baseline Data Collection

Performance of this phase was **marginally satisfactory**. Essential baseline data was collected however the presentation of information makes it difficult to use for monitoring and evaluation purposes. Clarity of objectives and methods in the design of future data collection may be an area for improvement, particularly as the project develops further complexity and monitoring becomes more important for tracking village-specific progress.

The core activity was a small group consultation in each village to identify community assets through group discussion and a process of mapping social, physical and topographical data. Based on these consultations a study report was prepared for each of the four communes. These reports are the key output of phase three and represent baseline data for targeted villages. The consultation study reports identify two key objectives: 1) to determine baseline data regarding community assets, including human, material, financial, entrepreneurial and other resources; and 2) to promote the participation of marginalised people in the community mapping process. An additional output was the amalgamation of basic demographic information into a succinct table. Overall, the most important data collected through this process was information livelihoods strategies and human resources each targeted village.³

The presentation of this data may make it difficult to use in future monitoring and evaluation. The format of narrative reports is somewhat disorganized and cluttered, and the information gathered through mapping exercises does not appear to have informed these reports. The toolkit document was sparse, and unlike for other phases was understood by CUD staff as a strategy/approach rather than a set of modules to guide trainings.⁴ There is scope for improvement by ensuring future information gathering has clear objectives and parameters, as well as a simple and useful template for collating quantitative and qualitative data. A simple table for each province, with separate tabs for each village, would provide a centralised place to store and analyse information, track targets, manage risk, and monitor progress. Data already collected could be migrated into this table. The addition of a centralised information system with clear guidelines for its use could assist improvements in monitoring and lay a stronger foundation for evaluation.

Table VII: Project Quality Ratings, Phase 3

Phase 3: marginally satisfactory					
	Best Practice	Fully Satisfactory	Satisfactory Overall	Marginally Satisfactory	Weak
Relevance				√	
Efficiency			√		
Effectiveness				√	
Sustainability				√	

Overall implementation of this phase is marginally satisfactory and primarily due to weaknesses in the presentation of data and the limited relevance of some activities. Community mapping was a key component of the approach to data collection but information gathered was not integrated into baseline reports and the activity was not appropriately aligned with the overarching objective of collecting relevant information. In contrast, the consultation studies produced valuable baseline information about livelihoods and human resources for specific villages which is compiled in the reports for each commune. This information was collected efficiently given the number of villages surveyed

³ 7 of the 22 villages joined CUD activities following the conclusion of phase 3 and are therefore not represented in the baseline data collected at this time

⁴ Skype correspondence with CUD team member, 8 February 2013

and the limited inputs of time and staff resources into the process. Besides the mapping exercise, the core limitation to effectiveness is the presentation of this data, which in its current form may be difficult to use for monitoring and evaluation purposes. Improvements in the collection and collation of data would serve as enablers for greater sustainability of the project, particularly as the years progress and monitoring becomes more important.

3.2.4 Phase 4: Community Development Skills Audit

Design and implementation of phase four is considered **marginally satisfactory**. The primary reason for this rating is that the phase toolkit diverged from the project plan in terms of its emphasis on different components and objectives, and there were various weaknesses in efficiency and effectiveness. Whilst a skills audit was not produced, activities did successfully contribute to the development of other important enabler of project success – specifically, trust in the program and among participants. Evidence from sample villages indicates that levels of trust within groups are strong and conducive to successfully facilitating the establishment and sustainability of groups.

Regarding the community skills audit, it appears the understanding of the term ‘audit’ by the CUD team was different to that which had been included in the project plan. The process and output of the audit is not clearly specified in the project plan, and was perhaps interpreted differently to its original intended meaning. The understanding of the CUD project team was that this was a module aimed at showing communities how to go through a process of self-audit, rather than a process that would produce a documented account of community skills. This can be attributed to working across different languages and cultures with people who have different experiences regarding usage of this term. In any case, through the trust building workshops CUD teams and participants developed a greater understanding and awareness of skills in the community even though this did not result in a documented output. In this case the activities and outputs somewhat diverged from the project plan but the outcomes are generally similar in terms of building trust and awareness of skills in the community. In future, greater specification of outputs in the project plan and project implementation toolkits will help to ensure activities are in alignment.

Monthly project reporting indicates that building trust was seen as the overarching objective of phase four. Participants have good levels of trust in the CUD project. In sample villages this was made apparent through interviews and FGDs. CUD project staff have a good relationship with community leaders and participants. This can be attributed to the project design of ongoing contact and long-term commitment, as well as the quality of support and relationship building by the locally-recruited Field Officer and the Phnom Penh-recruited Project Officer. The strength of these relations is no doubt assisted by CUFA’s employment of an appropriate person to be local project officer in each commune. Whilst the relationship between project activities and levels of trust within the community is difficult to measure; the high degree of trust in CUD can be directly attributed to the project approach and the leadership skills of staff.

There are general perceptions of trust and solidarity among regular members, particularly in indigenous and remote communities where people already engage in informal cooperation. Perceptions and understandings of trust are based upon knowledge and experience within

the community: people generally know each other. It is widely believed by current members that if they can develop a well-functioning group they will gain the trust of non-members who will then be willing to join. A common saying by respondents was that community members not currently participating were 'just watching, waiting to see what happens'. This is a positive signal that significant membership growth is possible if current groups can establish themselves as functioning and trustworthy. It also demonstrates the importance of facilitation support to establish an effective and sustainable group in each village. All respondents indicated that both regular members and committee members required further support to develop the competencies required to effectively manage the group in order to, among other things, maintain and develop community trust.

Inclusion of monitoring tools to track progress against objectives and assess the impact of trainings was a strength of project design for this phase. Ultimately the mechanism of pre- and post- training questionnaires did not gather the data it had been expected to. Lessons learned are that for monitoring to be appropriate and effective its format should not be time intensive, and data collation needs to be specified as an output. This leaves some room for improvement in future program design to ensure monitoring activities are appropriate.

Table VIII: Project Quality Ratings, Phase 4

Phase 4: marginally satisfactory					
	Best Practice	Fully Satisfactory	Satisfactory Overall	Marginally Satisfactory	Weak
Relevance				√	
Efficiency				√	
Effectiveness				√	
Sustainability			√		

A rating of marginally satisfactory gives consideration to the extended implementation timeframe and some divergence of activities from the original intent of project planning and design. The bulk of activities implemented during phase four were generally beneficial but not wholly relevant to the overarching objective of producing a community skills audit as set out in the project plan. Efficiency is weaker than other phases, and can be considered only marginally satisfactory given the extended implementation time of six months. As discussed above, trust building exercises were effective. However the measurement of overall effectiveness is considered marginally satisfactory when taking into consideration the limited progress toward the overarching phase objective of producing an audit. Finally, it can be recognised that progress toward developing trust in CUFA and among participants is a noteworthy success that supports overall sustainability of this project.

3.2.5 Phase 5: Financial Cooperative Education

Progress toward learning objectives of phase five was **satisfactory overall**. Respondents in sampled villages demonstrated knowledge of key financial cooperative principles. Despite CUD contractual obligations being achieved, the inputs were limited and participation was low compared to recent figures. Many group members did not participate in this training therefore it will be important for key learnings to be reintroduced and reinforced in future implementation phases.

The CUD team delivered 1 financial cooperative training in each of the 22 target villages. The training focused on supporting participants to develop an understanding of the international credit union principles – including member services and democratic values – and strategies for group sustainability. The evaluation sample indicates that key learnings were the principles of open membership and democratic process.

In sample villages the principle of open membership within the village is widely supported and understood as important for capital growth and sustainability. There were reservations about extending membership beyond the village (up-scaling through merging with other village-level groups). Trust is the key issue here. Whilst people in the village know each other – as families and/or individuals – there are limited social connections with people in other commune villages. Most said that merging/up-scaling would be something they would be prepared to consider only once the village level group had proven itself as established and well-functioning. Some expressed concern that mergers would be difficult if other groups had different bookkeeping and governance processes. In any case, a process of networking and ‘getting to know each other’ was deemed an important precondition to building the trust necessary to merge with other village groups.

Table IX: Project Quality Ratings, Phase 5

Phase 5: satisfactory overall					
	Best Practice	Fully Satisfactory	Satisfactory Overall	Marginally Satisfactory	Weak
Relevance		√			
Efficiency		√			
Effectiveness				√	
Sustainability				√	

Democratic principles appear to be at least moderately understood. Observations during phase seven implementation demonstrate that participants understand the concept of electing leaders (see below, section 3.2.7). Qualitative data from FGDs and interviews indicates transparency and accountability are seen as important and viewed as enablers for group sustainability. This demonstrates that participants do have knowledge of key cooperative principles related to democracy. Determining the extent to which these principles are applied is difficult within the scope of this study. With that qualification in mind, two preliminary assessments can be made: 1) participants understand democratic principles but are not yet sure how to actively participate in decision-making outside the committee election process; and 2) the efficacy of an open committee election process is diluted by the existence of hierarchical social structures and the limited pool of individuals who have the necessary competencies to fulfil functions of the role. The latter challenge is largely beyond the scope of CUD project interventions, and is further addressed in discussion of phase seven (see below, section 3.2.7). The first assessment suggests there is scope for further attention to be given to strategies for active member participation in future phases of the project.

3.2.6 Phase 6: Financial Literacy Education

In general, the progress of CUD toward the objective of increased financial literacy is **satisfactory overall**. Evidence from sampled villages indicates participants understand the basic importance of savings and some of the benefits of group formation. In many cases, participants directly attribute this to the CUD project. Yet most participants are not yet confident in their knowledge and competencies beyond very basic financial concepts. This includes both regular members and the newly elected committee members. There is strong demand for further ongoing financial literacy education. This should be incorporated into future project design in order to be responsive to beneficiary needs and safeguard project sustainability.

The CUD project provided 41 trainings on financial literacy over a two month period between October and December.⁵ Most target villages received two trainings in this phase. Basic financial concepts had already been introduced informally in earlier phases. The average participation rate at financial literacy education sessions was 18 people, and the total accumulative number of participants was 736 (see: table VI, below). These figures suggest participation falls just short of expectations, however recent activities suggest participation has subsequently increased (see: table VII, below).

Feedback from respondents indicates good progress has been made toward developing financial literacy skills in target villages. All interview respondents in sampled villages indicated they have an improved understanding of financial literacy, in particular the importance of savings and improved access to appropriate loan products. However, most group leaders and regular members expressed that they do not yet have confidence in their capacity to manage personal and group finances, respectively. Interview respondents and FGD participants consistently expressed a wish to acquire further financial literacy training.

There was a general acknowledgement, often unprompted, that committee members required different kinds of support than regular members. Most committee members interviewed indicated they did not yet have the confidence to manage the group, and highlighted bookkeeping and organisational skills as specific skills for development. Whilst these committee members demonstrated varying degrees of financial literacy, it was evident that all required support in these areas. Regular members reiterated the need for further support to be provided to committee members, whose role is uniformly viewed as essential for the success and sustainability of groups. Regular members also called for further support to assist them to understand savings, loans and group governance processes. This was identified as important to ensure genuine transparency whilst maximising benefits to their family and community. Finally, a theme in FGDs and among all respondents was a belief that skills and knowledge development, particularly financial literacy, is essential for the maintenance and development of trust within the group, and perceptions of trust by community members observing the process from outside.

Project design for phase six was somewhat overambitious in setting learning targets. This may have been due to assumptions about participant's existing financial literacy, or an

⁵ One month during this time was dedicated to CUD staff learning and development in Australia & Phnom Penh

overestimation of their capacity to quickly understand new concepts. The CUD financial literacy toolkit is a comprehensive document consisting of five learning modules, covering: planning, savings mobilisation, loans, budgeting, and business operations. All modules are relevant to developing financial literacy. However it appears that the investment of time was insufficient to enable participants to gain a basic understanding of all these concepts. There was a lot of material to cover in a limited amount of time in places where there are many barriers to learning. More training may have provided a stronger foundation, however at the time there were upward pressures to progress toward the next phase and the CUD team had to adapt (see section 3.2.7).

CUD scoping and baseline data indicates that most project participants have low financial literacy and little to no experience of savings. This was verified in evaluation FGDs and by interview respondents, many of whom said the concept of savings was little understood before the CUD project. In sampled communities, general knowledge of financial literacy is minimal whilst the barriers to learning are many. Lack of formal education opportunities and high illiteracy rates means the learning process is challenging and the pace is slow. In two of the four targeted communes many people do not speak Khmer. This compounds learning difficulties, particularly when CUD workshops are largely delivered in Khmer language.⁶ The language barrier is a particular challenge that constitutes a barrier to learning, and requires addressing in future activities (see section 3.3.3, below). Given this challenging context, an assessment can be made that 2 trainings in each village was not sufficient to fully achieve project objectives and thus further financial literacy education will be required.

Table X: Project Quality Ratings, Phase 6

Phase 6: satisfactory overall					
	Best Practice	Fully Satisfactory	Satisfactory Overall	Marginally Satisfactory	Weak
Relevance		√			
Efficiency		√			
Effectiveness				√	
Sustainability				√	

Overall, there is evidence that good progress has been made in the area of financial literacy. Project activities were relevant and conducted efficiently, however only marginally effective due to the limited amount of inputs which were insufficient to accomplish expected outcomes of this phase. Given the low prior knowledge base and significant barriers to learning, it was overambitious to expect strong progress toward achieving sufficient levels of financial literacy in the community during the implementation period of phase six alone. Sampled communities clearly articulated a demand for further support in this area. In future project phases, the integration of inputs focusing on financial literacy education will be crucial to safeguard the sustainability of progress made to date.

⁶ Observation from workshops in: Kmung village, 16 January 2013; and Keng Ngai village, 17 January 2013

Table XI: Implementation and Participation Data for Phase 6, Financial Literacy Education⁷

Choam Krovien commune						
Village:	Satum	Dorngtheth	Doung	<i>Thmor Da</i>	Kravien Cherng	Kravien Thom
Workshops:	2	2	2	2	2	2
Average no. participants	13	25	15	24	18.5	16.5
Total average participants						18.7
Total participants (accumulative)⁸						224
Male						113 (50.4%)
Female						111 (49.6%)
PWD						3 (1.3%)
Laming commune						
Village:	<i>Kmang</i>	Trom	Nhol	Sou		
Workshops:	4	1	3	2 (3 rd cancelled due to harvest)		
Average no. participants	19.5	14	17.3	19.5		
Total average participants						17.6
Total participants (accumulative)						183
Male						168 (91.8%)
Female						15 (8.2%)
PWD						4 (2.2%)
Sekong commune						
Villages	<i>Keng Nhai</i>	Lun	Dorn Long	Ban Huy	Simpang	Ban Morng
Workshops	2	2	2	2	2	2
Average no. participants	13	23	13	20	5	13.5
Total average participants						14.6
Total participants (accumulative)						175
Male						34 (19.4%)
Female						141 (80.6%)
PWD						No data
Ou Mlu commune (non-sampled commune, high level data)						
Total workshops – all villages						9
Total average participants						17.1
Total participants (accumulative)						154
Male						66 (42.9%)
Female						88 (57.1%)
PWD						No data

⁷ Evaluation sample villages in italics

⁸ This is an accumulative total of participants in different trainings, and does not represent total number of individual participants (people who attended two meetings are counted twice)

3.2.7 Phase 7: Group Formation

A preliminary assessment finds the CUD project to be making strong progress toward fulfilling project objectives in phase seven. This is based upon the observation of implementation activities and individual interviews with participants.

Table XII: Sample Group Participation Data, Phase 6 to 7

Village	Phase 6 (average)	Phase 7 (meeting #1)	Increase
Thmor Da, Choam Krovien	24 persons	30 persons	25%
Kmang, Laming	19.5 persons	24 persons	23%
Keng Nhai, Sekong	13 persons	71 persons	446%

The experience of sample groups indicates there is increased interest in the CUD project now that groups are in the process of being formed. Each of the three sample villages experienced a significant increase in participation between phase six and phase seven (see: table VI, below).⁹ This increase was perhaps not overly surprising because CUD staff had indicated that participants in many villages were eager to start the groups, given that engagement had spanned a period of 12 months already.¹⁰ (In one sample village, savings had already commenced without governance or bookkeeping structures in place).¹¹ This sentiment and the upward participation trend represented in these preliminary figures may suggest that members will have greater interest in future activities now that the forming of groups has begun and the commencement of savings is pending. The rush to form groups (this phase is not scheduled until April 2013 in the 12/13 project plan) shows that the CUD team was responsive to the mood and demands of communities and worked to maintain interest by fast-tracking the project cycle. Now that groups are being formed and the program timeframe has exceeded expected targets, this is a good opportunity to slow the pace of phase-implementation. This would enable the time to consolidate learnings to date and address skill and knowledge gaps. Financial literacy education is a particular area in which further activities are in demand, and new committee members will require a lot of support to establish basic accounting and governance systems and practices.

⁹ Note: community members had no prior knowledge of an evaluation team (including a foreigner) visiting the sample sites, so this can be discounted as a possible influencing factor upon attendance

¹⁰ Personal communications with various CUD project staff, January 2013

¹¹ Kmang village, Laming commune. For further detail in this report, see: section 3.3.5

3.3 Cross-Cutting Participation Issues

3.3.1 Gender

Women’s participation in CUD activities is **satisfactory overall**. Overall data presents a balance between women and men but there are significant imbalances at village level which will need to be addressed. Context-specific strategies will be required to enable greater female attendance and a higher quality of participation.

Most whole-of-project data indicates that women represent 48.2% of participants (total average from phase six data, see above). However the appearance of a levelled balance disguises a significant imbalance in participation at village level. When calculating participation figures for the total sample group, the female/male ratio drops to 36: 64 (see table XIII, below). Upon examining individual villages this ratio becomes even more disproportionate. The table shows that in whilst in one village female participation is very high (Keng Nhai, Sekong Commune); in another participation of women is astoundingly low (K mang, Laming commune). These numbers are consistent with figures at commune level: from October to December, female participation was 80% in Sekong but only 8% in Laming (see table XI, above). In particular villages these imbalances are unacceptably high. Sekong commune performs worst for inclusion women and requires special and immediate attention. In Laming, where women’s participation is remarkably high, the CUD project team should be aware of ensuring men also feel included (it may be they are represented by their wives) in order to safeguard group legitimacy and sustainability.¹²

Table XIII: Sample Group Participation Data for Phase 6, Gender Disaggregated

Village	Men	Women	M	W	M	W	M	W	M	W
	Workshop 1		Workshop 2		Workshop 3		Workshop 4		Total ratio	
Thmor Da	6	24	6	12	-	-	-	-	25	75
K mang	22	1	18	0	19	0	18	0	98.7	1.3
Keng Nhai	7	8	6	12	-	-	-	-	39.4	60.6
									64.2	35.8

These figures are indications of attendance at meetings and do not represent any detail about the quality of participation by women. General observations in FGDs suggest that men dominate the discussion and direction of meetings. However non-gendered social hierarchies also impact upon women’s participation. The group with the lowest participation of women has actually nominated a woman to be their leader: K mang, Laming. This suggests that non-gendered social hierarchies also impact on the status of women as well as the level and quality of their participation in CUD activities. The election of women to committees in 2 of the 3 sample groups may indicate that participants do see a role for women in decision making (see table XIV, below).

¹² In Keng Nhai village, the new group has significant support from the male village chief and deputy village chief. The case may be similar in other Laming villages. If not, Keng Nhai may serve as a good example of how to ensue men give legitimacy to the project. (Evaluator Observations, phase seven implementation activities: 17 January 2013)

Table XIV: Gendered Representation of Newly Elected Committees

Village	Men	Women
Thmor Da, Memot	3	0
Kmang, Laming ¹³	-	1
Keng Nhai, Sekong	1	2

In summary, whilst gender participation is satisfactory overall in some cases there are significant gendered gaps appearing in participation at village level. Regarding the targeting bias toward women as expected beneficiaries, it may be appropriate for CUFA to consider revising this downward to a more realistic level.¹⁴ To support participation, the provision of development opportunities should be considered for CUFA staff. This would include but should not be limited to training on special facilitation techniques to encourage and enable an improved quality of participation for women. The CUFA gender inclusion officer and CUD coordinator should consider working together to improve the frequency and quality of women's participation in CUD activities. Activities for consideration should be: 1) socialising the benefits of women's participation to CUD staff and participants; and 2) development of commune and/or village-specific gender inclusion plans that include the identification of barriers and the development of strategies to promote women's participation.

3.3.2 Disability

At this stage of project implementation it is deemed too early to make an effective rating assessment of progress toward the inclusion of people with disability. However based upon available data it can be said the participation of people with disabilities in the CUD project appears low and there is much room for improvement in data collection. People with disability are underrepresented in the most recent available dataset (see table XI, above). In two of the four communes there is no data on PWD participation. Given the participation data is accumulative, the total number of individual people with a disability participating in phase six activities was 7 at best, 3 at worse.

According to the CUFA gender and disability inclusion specialist, a disability inclusion strategy was finalised following workshops with project coordinators in late 2012. This strategy is being integrated into CUD project implementation in early 2013.¹⁵ This evaluation finds that priority should be given to participation and data collection. In line with the inclusion strategy it would be appropriate to include awareness training for CUD staff, management oversight to ensure collection of appropriate data, and in-home outreach in communities.

¹³ A committee was not elected on the date of the evaluation site visit however community members indicated they had already chosen a woman to lead the group. An election did not occur on this day because the leader was out of the province to participate in an event at the invitation of Government

¹⁴ The 2012-13 Annual Development Plan has a 65:35 targeting bias toward women (350 of 538 direct beneficiaries)

¹⁵ Meeting with Gender and Disability Inclusion Specialist, Phnom Penh: 4 January 2013

3.3.3 Language and Literacy

Project design and implementation could be improved to better facilitate the participation of people with low or no literacy competencies. Elections for village committees are an example of an activity that could be more literacy-sensitive. In each instance in sample villages, the names of members were written on a wall next to a corresponding number. Each participant was handed a piece of paper with which to cast their vote, but pens were few and had to be shared. It was observed that some participants were not sure the number of their preferred candidate, and many handed their voting slips to a person with a pen (presumably someone more familiar with writing). This second person would complete the voting slip. Whilst votes were read out it became apparent that some were illegible, indicating some failed attempts at writing. There are many alternative methods which would have better enabled the genuine participation of people literacy skills. It would be appropriate if future activities were designed with greater sensitivity to the low levels of literacy in many of the CUD target communities.

Facilitation of CUD activities must be consistently and overwhelmingly conducted in a language that the majority of participants can understand and is conducive to learning. For most people in two of the four targeted communes, Khmer is not their first language. Many people do not speak any Khmer or are not proficient enough to use it as a language of learning. Yet in the two sample villages where this applies, the majority of facilitation for phase seven was conducted in Khmer language. Many, perhaps most, participants will not have understood much of the meeting content. This is particularly an issue when new financial concepts are being introduced through group trainings. Some committee members also do not understand Khmer, such as a woman in Keng Nhai, Sekong who is about 30 years of age. For CUD activities to be effective, regular members and committee members must be able to learn in their own language. This may require a change in the balance of facilitation within CUD project teams.

Both language and illiteracy, especially the former, have been highlighted in various monthly reports as barriers to the effective provision of trainings. The above observations from phase seven activities indicate these are still issues. In response to these challenges, strategies should be employed to support CUD project staff to facilitate trainings appropriate to language and sensitive to illiteracy.

3.3.4 Livelihood, Family and other Obligations

Mobilising community members to participate in meetings and trainings is regularly cited as a challenge in project reports. The CUD team have employed patience and flexibility to successfully meet training targets but participation levels are affected by people's engagement in livelihood activities, family responsibilities or other obligations ranging from supporting other community members (eg. housing upgrades, natal care) to making representation with authorities. This is not an issue uncommon for community development projects but nonetheless it has an impact on participation and must be noted.

Non-attendance at meetings and trainings poses a particular risk to the CUD project if there are committee members who are frequently absent. In one sample village, the nominated leader was not present as she had other duties in Phnom Penh. Group members said the meeting objectives (to elect a committee) could not proceed without her. Although unavoidable in this instance, a similar scenario could be mitigated against in future by having regular contact with committee members in the lead-up to an arranged training. Evidence from other CUFA project evaluations indicates that committee members will often be people in the community who have many obligations because of their skills and competencies.¹⁶ CUD project staff will no doubt continue to be responsive to the schedules of members, and closely liaising with the newly elected committee members will be an important strategy for finding the best times to facilitate trainings.

¹⁶ See: CUFA, Credit Union Outreach Project: 2013 Evaluation

4.0 Summary of Recommendations

1. Slow the speed of phased implementation to allow sufficient time to consolidate progress made already and address areas where the project can be strengthened.
2. Regularly reinforce core concepts by mainstreaming financial literacy and cooperative education into all phases of project implementation:
 - a. Provide regular and ongoing financial literacy education for all participants;
 - b. Prioritise regular and ongoing specialised training for committee members (and nominated assistants, as applicable) that focuses on: financial literacy, credit union principles, and organisational skills including bookkeeping.
3. Actively promote and facilitate the inclusion of women and persons with disability, low levels of literacy, and those who are not confident learning in Khmer language:
 - a. Gender:
 - i. Socialise the CUFA gender inclusion strategy to CUD staff and provide directed training in methods to promote improved frequency and quality of women's participation;
 - ii. Develop commune or village-specific gender inclusion plans identifying simple and practical methods to promote women's participation.
 - b. Disability:
 - i. Socialise the CUFA disability inclusion strategy to CUD staff and provide directed training and support to assist its implementation;
 - ii. Direct CUD staff to ensure the appropriate collection of data relating to the participation of people with disability.
 - c. Literacy:
 - i. Provide training for CUD staff in literacy-sensitive pedagogical methods;
 - ii. Ensure project design and learning plans are literacy-sensitive.
 - d. Language:
 - i. Deliver trainings and facilitate workshops in a language that people fully understand and can best learn in;
 - ii. Consider that this may require a shift in the roles and responsibilities of CUD staff working in target areas.
4. Simplify project design documents (phase toolkits) to increase their utility, and ensure activities are appropriately aligned to clearly defined objectives and outputs:
 - a. Encourage use of the toolkits by keeping them no more than 2 – 3 pages and translate them to Khmer so that CUD local officers are able to utilise them;
 - b. Consider the inclusion of appropriately designed flexible and semi-structured lesson plans with clear objectives, outputs and guidance on activities: this may be included in the body of the toolkit or as an annex;
 - c. Ensure activities include education priorities, inclusion strategies, and monitoring mechanisms;
 - d. Safeguard project effectiveness through a management review of final toolkit drafts to ensure activities, objectives and outputs are clear and appropriate.

5. Establish an improved information framework for project tracking, monitoring, and evaluation:
 - a. Consider designing a simple and user-friendly format of spread-sheets where information including monitoring data, outputs and outcomes can be stored centrally making this information easy to access and analyse;
 - b. Consider delegating CUD project officers to update commune-specific information (with separate tabs or columns for each village) on a monthly basis and produce basic quarterly reports that enable readers to view a comparison of site-specific data over a period of time;
 - c. Consider delegating the CUD coordinator to produce a high-level quarterly report to provide an overview of outputs and progress, for use by the CUD team and CUFA management as a tool to track progress against objectives.

Annex A: CUD Target Villages

Province	District	Commune	Villages
Stung Treng	Siem Pang	Sekong	Ban Huy
			Ban Morng
			Dorn Long
			Keng Nhai
			Lun
			Siem Pang
Ratanak Kiri	Bar Kaev	Laming	Nhol
			Sou
			Trom
			Kmang
Kampong Cham	Memot	Choam Krovien	Thmorda
			Kravien Cherng
			Kravien Thom
			Doung
			Dorng Heth
			Satom
Kampong Cham	Steung Trang	Ou Mlu	Cham Bak
			Kthouy III
			Kthouy IV
			Kthouy I
			Kthouy II
			Ou Ta Sek

Appendix B: Research Framework for Focus Group Discussions

	Core Questions	Follow-up Questions
1	Community Scoping	
a)	Why did you decide to attend this meeting today?	- Why are you interested in saving together?
b)	Does your family already save money?	- (If yes), What do you do with the savings? Do you spend it or keep it?
c)	Does your family save money together, with other people in the village?	- (If yes,) why did you decide to collect savings together? - (If yes), is there someone responsible for collecting the money?
2	Understanding of financial cooperative principles	
a)	Today you will decide who the leaders of your group are, is that correct?	- How do you feel about this? Are you happy with the democratic process? Why? - What kind of skills does a good leader have? - How can members and leaders ensure the group is well managed? - How can leaders ensure members trust the CU, and want to save with the CU?
b)	In the future, would you like your group to have more members?	- Why is membership growth a good thing? - One strategy to increase membership is to join together with other villages.. 1) How do you feel about this? 2) Is this something you are comfortable with?
c)	Why is participation important?	
d)	What services do you want your group to provide?	
3	Understanding of basic financial literacy	
a)	Why are savings important?	- What is the benefit of saving as a group? - Are there problems if people don't save?
b)	Do you plan to take loans?	- What would you do with the loan? - How would you pay back the loan?
4	Cross-cutting: participation of women, youth and PWD	
a)	Can everyone becomes a member?	- What about PWD? - What about young people and children?
b)	What makes it difficult for some people to participate as a member?	- Do women face any challenges? Are they too busy? - Are young people interested in saving? - Is it important to include young people? - Can PWD be members?
5	Community feedback and suggestions	
a)	Have the CUFA trainings benefited you?	- What have you learnt from CUFA trainings? - Have you been available for many meetings? What do you think about the length of trainings? - What would you like to have more information about? What would you like to learn more about?
b)	What do you hope the community can do with a CU?	- What changes would you like to see in your community when you have a credit union?
c)	What are the challenges in forming a CU?	- How can CUFA continue to support the group?

Appendix C: Research Framework for Individual Interviews

Community & Date:		
Respondent:		
Gender:		
Approximate age:		
Status (leader/member):		
Core Questions		Follow-up Questions
1	Participation	
a)	Have you attended some of the trainings conducted by CUFA?	<ul style="list-style-type: none"> - Did you find the training useful? - What information did you learn about? - Where trainings in the morning or afternoon? - Was it easy or difficult for you to attend? - (If applicable) were you able to bring your children to the training? - (If applicable) do you feel comfortable participating? How have you participated?
2	Knowledge of Financial Cooperatives	
a)	Do you plan to save money with the group?	<ul style="list-style-type: none"> - Why do you – want to/not want to – save money with the group? - Are savings important? Why?
b)	Do you think you will take a loan, if they are available?	<ul style="list-style-type: none"> - Have you taken a loan before? - What might you use a loan for? - How might you pay the loan back to the group?
c)	Do you think your community can benefit from having a credit union?	<ul style="list-style-type: none"> - What might the benefits be for you and your family? - Will your community benefit from having a group? How?
3	Trust	
a)	Do you feel comfortable with you savings being managed in a group?	-
a)	Other people in the community might want to join the group. Do you think it is ok to have more members?	- What about members from other villages?
b)	(If applicable) Today the group elected leaders, what do you think are their strengths?	-
c)	Do you think there is trust among members?	- (If applicable) How can leaders and members maintain trust?
4	(For Leaders only)	
a)	Why did you decide to volunteer to support this group?	-
b)	What do you think are some of the benefits of forming this group?	-
c)	What do you think is different about a Credit Union, rather than a savings group or MFI?	-
d)	Do you think members are comfortable saving together	-
e)	Do you think more people will want to become members?	- Is this a good thing?
f)	Do you think people have the trust to save in a group?	-

g)	Is it important to include women and PWD?	- How might women and PWD be supported to join the group?
h)	How can CUFA support you as a leader?	-
5	Other	
a)	Outstanding follow-ups questions or clarifications...	-
b)	Is there anything else you would like to say?	-