

# STIMULATING PRO-POOR POLICY AND INSTITUTIONAL INNOVATION: FROM PRESCRIPTION TO CAPACITY

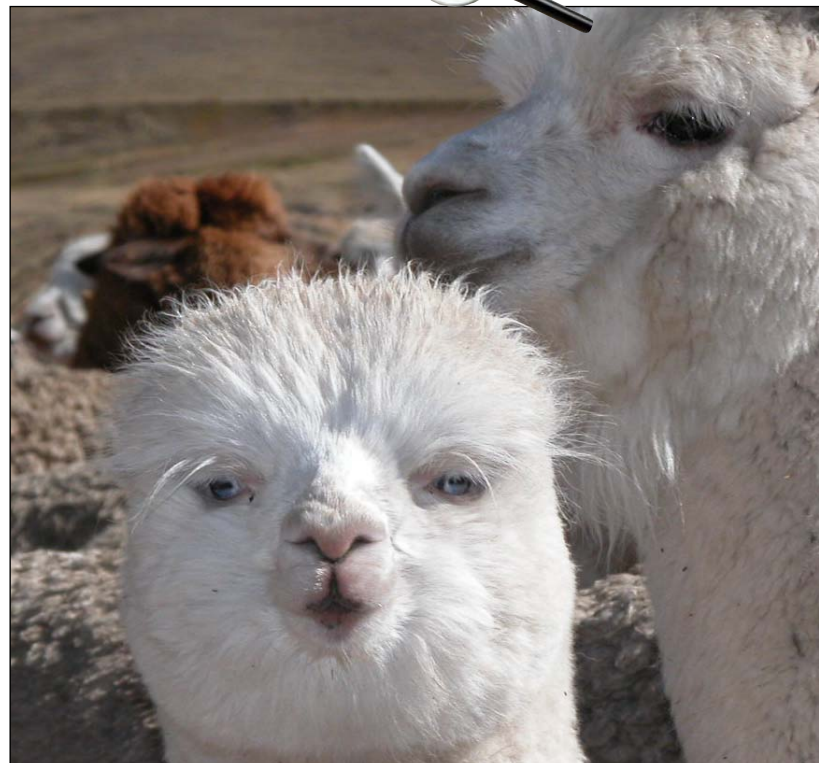
*In this new feature **Jeroen Dijkman** shares some lessons from one of the founding bodies of LINK, the Pro-poor Livestock Policy Initiative (PPLPI) of the United Nation's Food and Agriculture Organization (FAO).*

A critical shift in development thinking in the 1990s was the sudden realisation that technology alone was not going to transform agricultural development in ways that would necessarily help the poor. This was partially a backlash against the failure of technology to deliver, but also reflected a more nuanced understanding of technical change and development. The role of policy and institutional change, in particular, was flagged as a way of creating the framework conditions in which sector development could be steered towards the needs of the poor.

This led to a large number of policy and institutional change projects. Sadly, all too often this simply signalled a shift from research-driven technology to research-driven policy and institutional change recommendations. The underlying paradigm hadn't changed and research, policy, and practice remained detached from each other and indeed from the needs of the poor.

The Pro-poor Livestock Policy Initiative (PPLPI) was launched in 2001 by

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FAO backed by DFID and with the intention to facilitate and support the formulation and implementation of policies and institutional changes that would have a positive impact on the livelihoods of a large number of the world's poor. The

livestock focus reflected the fact that the sector contributes to the livelihoods of an estimated 70% of the world's rural poor, and that the predicted *Livestock Revolution* could provide new livelihood opportunities for them.

The nature of livestock farming, however, is determined by policy and institutional frameworks that are rarely pro-poor and that sometimes encourage forms of production that threaten long-term environmental stability and public

health. Similarly, livestock sector/ public goods interface issues such as communicable diseases or food safety are often determined by policies and processes that require international agreement and cooperation, or are subject to international norms and protocols that need to be informed from a regional or global perspective.

So while technology-oriented projects in the sector had largely failed, an enabling institutional and policy environment still held out the promise of enhancing impact on the poor.

### Origins

The original project design involved the establishment of a central facility based at the FAO in Rome, complemented by five regional Pro-Poor Livestock Policy 'hubs' to represent different agro-ecological, socio-economic and policy environments. However, due to budgetary shifts at the donor end, funds for these 'regional hubs' in South and East Asia, East and West Africa, and the Andean region could not be made available under the project

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Visit the new LINKLook blog at [www.link-look.blogspot.com](http://www.link-look.blogspot.com) for more views and join in the ongoing debate.

## LATEST AT LINK

### LINK PRESENTATION AT INRA-CIRAD MEETING IN PARIS



LINK coordinator Andy Hall presented at the INRA conference on



"Partnerships-Innovation-Agriculture Open Science" in Paris on June 3. Andy's presentation, titled "Agricultural Innovation Systems: The strengthening of diversity", will be

uploaded onto the LINK website at [www.innovation-studies.org](http://www.innovation-studies.org). LINK was a member of the steering committee for the INRA (French National Institute for Agricultural Research) and CIRAD (Centre de Coopération Internationale en Recherche Agronomique pour le Développement) conference, which aimed to explore the need for and nature of open, composite innovation architectures to deal with contemporary agricultural themes such as pest management or food safety that demonstrate a high degree of integration of different scientific disciplines as well as different social and economic concerns. The conference intended to use the metaphor of different innovation ecologies to convey the evolving diversity of ways of organising innovation that are needed in a fast-changing world. For more on the conference, visit the INRA website at [http://www.inra.fr/audiovisuel/a\\_la\\_une/open\\_science\\_network\\_meeting\\_partnerships\\_innovation\\_agriculture](http://www.inra.fr/audiovisuel/a_la_une/open_science_network_meeting_partnerships_innovation_agriculture).

### PPLPI 'INFLUENCES GLOBAL THINKING IN PRO-POOR POLICY'



In the recent independent external evaluation of FAO in Rome, PPLPI's work on policies with respect to the poor was acknowledged to have "influenced global thinking in these areas." Launched in 2001, with funding from DFID, the rationale for the Pro-Poor Livestock Policy Initiative (PPLPI)'s focus derived from the experience that technology-oriented livestock projects had failed to deliver significant improvements in the livelihoods of the poor. The recent meeting began and ended with a presentation by Professor William Easterly, a former World Bank economist and author of *The White Man's Burden*. Easterly is a renowned critic of the lack of impact of the US\$2.3 trillion spent on foreign aid over the last 50 years, particularly on agriculture and alleviating poverty in Africa. He attributes this poor record mainly to "planners", who see poverty as a technical engineering problem, and apply blueprints to determine what to supply. For more on the evaluation visit [ftp://ftp.fao.org/docrep/fao/meeting/012/k0827e\\_rev1.pdf](ftp://ftp.fao.org/docrep/fao/meeting/012/k0827e_rev1.pdf).

PPLPI's work was also featured in the May issue of the *New Agriculturalist*. The article quotes William Easterly as saying, "PPLPI may have found a more constructive way to facilitate change desired by insiders". Easterly added that it was refreshing to see that project staff did not assume they knew the answers in advance and yet, through its work, "PPLPI seems to have stimulated policy and institutional changes affecting the livestock sector as a whole." To read the article in its entirety, visit the *New Agriculturalist* website at <http://www.new-ag.info/08/03/develop/dev3.php>.

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agreement and PPLPI had to look for funding for each of the 'hubs' through other sources. In the mean time, PPLPI engaged in policy processes in selected countries in each of the five regions. The objective for PPLPI country engagement was threefold:

- To provide the opportunity for closer contact with policy-makers and livestock-dependent poor, allowing the project to get a grounded understanding of their concerns and constraints;
- To learn first-hand how the project could more effectively engage in, inform and influence national, and subsequently, international policy-making, to achieve pro-poor outcomes;
- To succeed in effecting pro-poor policy change at the country and/or regional levels in order to gain wider recognition, and to attract investors.

The programme strategy involved four major elements: (a) an assessment of where livestock is a livelihood priority, (b) the evaluation of the policy and institutional context within which livestock-dependent poor have to make their living, (c) the identification of the political economy, policy measures — or gaps — that affect livestock-dependent poor people, and (d) the formation of a network of partners to create or capitalise on opportunities to achieve pro-poor policy shifts.

The programme measured its success through indications of shifts on its selected policy agenda, and new or revised, officially endorsed 'policy' underpinned by legal and other policy instruments such as public investment.

### Experiences from Peru

Activities in Peru started early in the project with the interest of the *Consortio para el Desarrollo Sostenible de la Ecorregión Andina* (CONDESAN-CIP) to prepare an Andean Region Hub proposal. As part of this process CONDESAN implemented country case-studies and stakeholder dialogues on livestock sector poverty dynamics and current policy and institutional frameworks in Bolivia, Ecuador and Peru. In addition, studies on the political economy of livestock sector policy-making were carried out in Bolivia and Peru. This process resulted in the preparation of a detailed Andean Hub proposal (*Apoyo a la Instrumentación de Políticas Para la Reducción de la Pobreza en Zonas Ganaderas Alto Andinas*). However, since this hub proposal remained unfunded, from mid-2004 the PPLPI decided to restrict its activities in the region to Peru.

Following this change in strategy, PPLPI focused its attention on the further expansion of the network and partnerships it had been building as part of a broader move

towards creating linkages within the Peruvian livestock sector. The project was also instrumental in raising awareness in a number of political and development fora about the specific importance of livestock to the livelihoods of highland dwellers, as well as to the Peruvian economy in general (the policy focus was previously on lowland, coastal production systems, and ignored the high Andes or *Sierra* areas of the country). This also resonated well with the process of decentralised governance being introduced in the country.

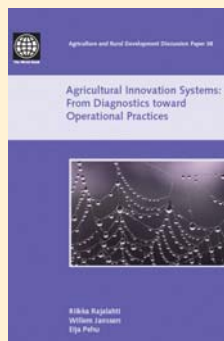
Despite this overall shift in policy goals, effective pro-poor policies and programmes are not in place. For example, the domestic camelid sub-sector (alpaca and llama), in particular, has suffered from neglect by policy-makers and now faced ever-increasing challenges: the growing competition in the world market from other 'non-traditional' fibre-producing nations; the weakness of patterns of interaction between and among different sector actors and sources of knowledge such as research, markets and livestock services; the erosion of the natural resource base; the deterioration of its genetic diversity, and thus fibre quality; the export of fibre with limited added-value, and the scarce appropriation of benefits by smallholder producers.

The renewed interest in rural development issues in the highlands stimulated a number of dialogues that led to a broad-based formulation process for a development strategy for the camelid sector. To ensure that the ensuing political and institutional changes — and the accompanying investment portfolios — adequately reflect sector needs, PPLPI has been actively contributing to the strengthening of relevant capacity, concentrating on the facilitation of interactions, dialogues, and joint experimentation on the application of broad policy and operational principles with policy-makers and practitioners.

This process not only led to the endorsement of a wide-ranging sector development strategy by all sector stakeholders — including central government — but, more importantly, has built sector capacity which, among other things, manifests itself through:

- Continued effective interaction and dialogue among sector actors in the absence of outside facilitation
- Rules that shape the nature of these relationships and patterns of linkage between actors that have evolved from dominance by the processing industry and the public sector to the joint responsibility of all actors
- Renewed focus of a number of new rural development initiatives in the Andean region that recognise the livestock sector's contribution to economic

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## FROM DIAGNOSTICS TOWARDS OPERATIONAL PRACTICE



The Agriculture and Rural Development Department of the World Bank has published a discussion paper, titled “Agricultural Innovation Systems: From Diagnostics towards Operational Practices” (see <http://siteresources.worldbank.org/EXTARD/Resources/ARDDiscussionPaper38.pdf>). The paper presents the proceedings of a workshop held in March 2007 to present and discuss the World Bank-UNU-MERIT collaborative study, published as “Enabling Agricultural innovation: How to go beyond strengthening Agricultural Innovation Systems” (see [http://siteresources.worldbank.org/INTARD/Resources/Enhancing\\_Ag\\_Innovation.pdf](http://siteresources.worldbank.org/INTARD/Resources/Enhancing_Ag_Innovation.pdf)). This new paper reiterates the message that the task of strengthening innovation capacity is predominantly one of addressing the institutional and policy setting of innovation that enables and facilitates the development of skills, links and partnerships. The paper points to three next steps: Improve the understanding and communication of the agricultural innovation concept and approach; develop tools for studying and evaluating impact; and establish a community of practice.

## DFID POSTS WIDE RANGE OF EXPERT OPINIONS ON NEW STRATEGY ON BLOG



Following up their recently launched research strategy ([www.dfid.gov.uk/research/newresearch.asp](http://www.dfid.gov.uk/research/newresearch.asp)) the UK’s Department for International Development (DFID) bravely invited reactions from experts, which it posted on a blog. Opinions differed. One expert saw a major shift in direction and said that this could best be demonstrated by mentally replacing the word “research” with the word “innovation”; others were concerned that the new strategy wasn’t adventurous enough and that DFID’s research programme was “already over-determined” without space for the observation of “black swans”. The director of a leading UK development think-tank commented that while the strategy had largely succeeded in keeping most of the vested interests happy, “the big losers are the UK institutions”. He also worried that innovation and “research into use” objectives will water down how many days are actually spent on research. In contrast, perhaps, were a number of comments urging DFID to recognise that learning how to embed research in a wider set of processes and politics to make it work is as important as identifying research priorities. Continuously upgrading ways of working are always going to be at the heart of making science and innovation count for development. It looks like DFID has made a good start.

(<http://r4dconsult.wordpress.com/commentaries/>)

## GFAR PROJECT DURAS ENDS WITH ROME MEET



Project DURAS (Promotion du Développement Durable dans les systèmes de Recherche Agricole du Sud), a joint GFAR (Global Forum on Agricultural Research) and Agropolis International initiative, held its closing seminar at the headquarters of the United Nations Food and Agriculture Organization (FAO) in Rome between June 11 and 13. DURAS aims to strengthen the involvement and enhance the scientific potential of southern stakeholders in agricultural research for development (AR4D). The workshop discussed the experiences of and lessons learned from 12 DURAS-funded projects in countries such as Vietnam, Cameroon, Benin and Burkina Faso. For further details visit [www.egfar.org](http://www.egfar.org).

## IDS CONFERENCE ON PRO-POOR POLICY



The Institute of Development Studies (IDS) is organising an international conference on “How research brokers and intermediaries support evidence-based pro-poor policy and practice” on July 1 and 2 in Pretoria, South Africa. The conference will shine a spotlight on the role of research brokers, knowledge and information intermediaries and info-mediaries, and the contribution they can make to supporting and enabling evidence-based, pro-poor policy and practice. Through the event, IDS hopes to “raise awareness about the ways and contexts in which this role is being played, share and generate knowledge about this role and initiate debate and catalyse future action”. For further information contact [c.fisher@ids.ac.uk](mailto:c.fisher@ids.ac.uk).

## GTZ READER ANALYSES TRENDS IN FUNDING FOR AGRICULTURE



Agricultural research and extension services may have dominated the international development support agenda for years, but today, however, they have almost vanished from the portfolios of international donors and national public budgets, contradicting the trend of rising financial allocations towards reaching the Millennium Development Goals. German agency GTZ has come out with an interesting and topical reader — on the heels of the IAASTD report which called for radical agricultural change — analysing the change in the nature of funding for rural development services. According to the reader, the agricultural component of official developmental assistance (ODA) from the Development Assistance Committee (DAC) countries, including both multilateral and bilateral assistance, declined from a peak of \$6.5 billion in 1988 to just \$2.0 billion in 2003. The data



suggests a strong shift away from agriculture in funding priorities. According to GTZ, one reason for the shift away from agriculture is because many rural development programmes consider research and extension as services that can be contracted out and that do not need to be developed as such. GTZ also charts the ideological shift in the World Bank’s agricultural research and extension approach toward the concept of agricultural innovation systems. This focus lends itself to new investment principles in agricultural research, namely:

- **Promoting pluralistic systems:** While public research agencies will remain central to research efforts, strategies must enhance participation by a full range of research providers.
- **Strengthening demand for research products:** Research systems must become more responsive to client demands, encouraging participation of various actors and decentralising and deconcentrating research.
- **Sustainability of R&D investments:** The Bank has found that financing a recurrent cycle of expansion and decline of public research organisations is inefficient. Instead greater attention must be given to (a) right-sizing (b) ensuring sustainable financing (c) improving management and (d) accountability. Deutsche Gesellschaft für Technische Zusammenarbeit or GTZ is a Germany-based international cooperation enterprise for sustainable development. The document can be found online at <http://www.gtz.de/de/dokumente/en-Funding-Reader-2007.pdf>

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growth and poverty reduction; and

- Broad recognition of and attention to the need for policy and institutional frameworks to evolve in synergy with changing rural development contexts.

**Is policy and institutional change a viable entry point?**

The experiences gained by PPLPI in policy work at the country-level fully confirmed the project's underlying rationale that policies and institutions are far stronger determinants of poor people's livelihoods than technology. In Andhra Pradesh, India, for example, it was shown clearly that veterinary and other production technologies were able to contribute effectively to the livelihoods of livestock-dependent poor people only following significant shifts in the framework conditions created by legislative instruments and the norms and standards that shape relations among alternative service suppliers.

The project's work at the country-level also provided evidence that, despite increasing international interdependencies, national governments have sufficient space for policy reforms that can significantly reduce poverty. In Peru, for example, the capacity to provide locally-specific responses to rapidly-evolving international quality standards and patterns of competition in the natural fibre market secures international market share whilst at the same time increasing the income of smallholder fibre producers.

In most instances countries do not deliberately formulate policies that are 'anti-poor' but rather fail to realise that economic growth, although necessary, is not always sufficient for poverty reduction. In Vietnam, for example, prior to the project's facilitation of an institutional mechanism and policy dialogue that integrates the interest and potential of the pig sector to the expansion of the rural economy and poverty reduction, such dimensions had not been included in the overall growth and development strategy of the livestock sector.

Therefore, there is ample scope for pro-poor policy reform at the country-level to complement policy reform at regional and global levels.

**Lessons**

Two broad categories of lessons emerge. The first includes operational lessons relat-



ed to approach and prerequisites to engage in policy and institutional change processes *per se*. The second includes conceptual lessons and concerns the need to rethink the way policy and institutional change is assessed and how such change can be stimulated.

**Operational lessons:** Conventional approaches — where policy advice is simply transferred to policy-makers and practitioners — are unlikely to have much impact, and partnerships and knowledge exchange networks and mechanisms have to be established rather than relying on one's 'authority' as a source of policy advice. In practice, this may involve facilitation of a policy process, which includes helping stakeholders to access different knowledge stocks, managing conflicting interests and ideologies, learning from experiences of other stakeholders within and outside the country, and incorporation of those lessons in policy and implementation. Such processes are by nature iterative and lengthy and thus require long-term engagement and setbacks have to be expected. Ideally such a process of policy learning and change should be initiated and driven by local actors and use existing fora, mechanisms and procedures, with 'outsiders' playing a supporting rather than a leading role.





Another important operational lesson relates to

ensuring that networked capacity is pro-poor. Whilst the quality of the interaction among other stakeholders and the poor and the inclusion of their views and concerns is an essential part of this, focussing policy and institutional change processes on their potential benefits to the poor only diverts attention from vital process-related issues that determine whether such change builds or contributes to the required sector policy innovation capacity. It is thus in the interplay of experiences of distinct actor groups, and in the convergence of diverse domains, that the framework conditions required for the achievement of socially desirable outputs can flourish.

**Conceptual lessons:** In a world characterised by rapidly changing market, technological, social and environmental conditions that are evolving in often unpredictable ways, the argument is that it is not the changes in policy and institutional circumstances that need to be assessed, but rather the underlying process that bring about such changes and builds the capacity to cope with and exploit change. In other words the lesson is that understanding and promoting policy and institutional change is actually concerned with underlying capacities for change and that this capacity is largely a function of the patterns of linkages and the quality of the associated relationships among actors in the sector.

**The new agenda: Building the capacity for policy and institutional innovation**

This capacity-strengthening perspective on policy and institutional change has a number of implications on how to proceed. For example, projects on policy and institutional change that are geared towards the solution of one specific problem will need to be superseded by interventions that focus on strengthening institutional and policy learning. In other words, this refers to the incremental, iterative process by which policy and institutional changes are tried out and evaluated, and through which different stakeholder perspectives are brought to bear on the direction of policy and institutional change. As already mentioned this will involve a policy process that has much stronger operational and information links to sector actors. For this to be pro-poor it must include actors who can advocate in an informed manner on behalf of the poor.

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