



Sector Network Rural Development



World Bank



German Development Cooperation

International Workshop

Sector Investment Programmes in Agriculture

12 to 14 February 1997, Lusaka

Summary report

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Sector Investment Programme (SIP) in Agriculture

Objectives and background

The international workshop on Sector Investment Programme (SIP) in Agriculture was held between 12-14 February at the Intercontinental Hotel, Lusaka, Zambia. It was organised in response to the increasing interest and attention which are given to Sector Investment Programme as a new instrument to improve the effectiveness of development assistance and the delivery of public sector services.

The event was the first to focus on Sector Investment Programmes in Agriculture. It was attended by 82 participants from 28 organisations and 21 countries. Out of 15 countries in Africa which are currently preparing ASIPs, eight were represented.

The workshop was organised by the World Bank and the German Development Co-operation (GTZ), in close collaboration with the Policy and Planning Department of the Ministry of Agriculture in Zambia. Additional support was provided by FAO (co-financing of a network study) and IFAD.

The decision about the workshop was based on the notion, that

- there is little experience in preparation and implementation of SIP in agriculture,
- the concept and key issues are not firmly established, and
- the exchange of information among various actors involved is still very limited.

Accordingly, the workshop pursued three main objectives:

1. a review of SIP experiences and SIP concept,
2. the identification and further elaboration of key issues, and
3. a discussion on further networking and follow-up activities on SIP in agriculture.

A working definition for agricultural sector investment programme was suggested:

“ASIP is a National Program (not a project) of a country’s public expenditures in the agricultural sector. It is based on coherent macroeconomic and sectoral policies, appropriate institutional framework, and focuses on priority activities resulting from detailed public expenditure review. ASIP does not include individual private sector entities’ investments in the agricultural sector. While ASIP expenditures are included in the national budget, the implementation of some aspects of the Program could be contracted out to the private sector and NGOs. It is prepared and managed by the respective country while donors are invited to finance time slices for the program and provide implementation support.”

SIP activities in agriculture are currently being prepared or implemented in 18 countries worldwide. Out of these 15 are located in Africa. Zambia is the only country, where a SIP in the agricultural sector has already reached implementation stage.

Sector Investment Programmes in Agriculture: Current Status

Zambia	Implementation
Mozambique	Pre-appraisal
Pakistan	Pre-appraisal
Bangladesh	Preparation
Kenya	Preparation
Lesotho	Preparation
Benin	Formulation
Columbia	Formulation
Ethiopia	Formulation
Ghana	Formulation
Malawi	Formulation
Mali	Formulation
Senegal	Formulation
Sierra Leone	Formulation
Swaziland	Formulation
Tanzania	Formulation
Uganda	Formulation
Zimbabwe	Formulation

Review of SIP Experiences and Concept

Key decision makers from six ASIP implementing institutions presented their experiences in ASIP formulation, preparation and implementation:

1. ASIP Zambia,
2. ASIP Mozambique (PROAGRI),
3. ASIP Kenya,
4. ASIP Zimbabwe,
5. ASIP Lesotho, and
6. ASIP Malawi.

Growing **support for SIPs** was evident among representatives from African Governments and donors. Participants reached a broad consensus about the need for a programme approach which is driven by the respective countries. However, there is still a considerable lack of analyses of specific experiences, critical assessment of the SIP concept, and practical guidelines for identification, design and implementation.

Various **preconditions** for SIP have been established, but concern was raised, that an excessive number of preconditions might lead to major delays in the preparation process. A subsequent delay in funding may undermine the acceptance and success of the process (credibility). Participants proposed to concentrate on two crucial preconditions:

- (a) a suitable macroeconomic framework and coherent sector policy and
- (b) clear commitment by the government for embarking on a process of developing and implementing a sector investment programme.

Care should be taken not to push SIPs too fast. The ASIP Zambia is considered as a pilot from which useful lessons could be learnt. The high number of SIPs in the agriculture sector currently under preparation in Africa raised some concern and should be watched closely,

because they might lead to **capacity problems**. This might be aggravated, if several SIPs in different sectors are pursued simultaneously.

Sequencing and rolling planning as approaches towards ASIP should receive more attention. An example was provided by Mozambique. The Ministry started out with a "projectization phase" which was still characterised by scattered projects. From there the process continued into a "pre-programme phase" with aggregation of sub-sectoral activities, before entering the "PROAGRI formulation phase" in which sub-sectoral strategies were developed on the basis of a national agricultural policy.

Agricultural **sector policies** must create a suitable institutional environment for key services, such as input supply, marketing and rural finance. Thus they should contribute to an enabling environment in the sector. In particular, sectoral policies must demarcate the limits of public interventions and services and devise arrangements for efficient and cost-effective service delivery.

ASIPs need to be supported by a **range of external financing mechanisms**. These include multilateral and bilateral sector or subsector investment loans, as well as technical assistance grants. A reform of the World Bank project cycle might lead to long term development agreements. Ultimately, most financing in the agricultural sector as a whole must come from tax revenues, private domestic savings and private capital inflows.

Governments should focus on creating an **enabling environment** for small-scale farmers and rural businesses as well as private investments in the formal sector. Sound institutional arrangements need to be in place.

Successful **stakeholder participation** will bring about the major qualitative advancement in agricultural and rural development interventions. Although it is easy to demand that in any SIPs the "local stakeholder should take the driver seat" - we seem far away from knowing how to do it. A rolling planning approach, involvement of stakeholders in monitoring and the replanning exercises are important steps. In addition, ASIP implementers have to invest in better communication channels, in the development of participatory methods and skills, particularly of the most disadvantaged stakeholders and of the administrative and technical staff in the field.

SIPs should be managed using **local capacity**. Capacity building plays an important role in this context. Technical assistance can provide crucial support in capacity building measures, but should be demand-driven, not supply-driven. A general change in technical assistance requirements was observed towards policy advice, organisational development and managerial advice.

Donor co-ordination is still weak. ASIP Zambia experiences demonstrated the need for rationalising evaluations and reviews. Currently, there are still various review missions, which are overlapping and tying up capacities of the Policy and Planning Department of the Ministry. The main co-ordinating function for SIPs should rest with Governments, but the capacity for

this is generally weak and should receive more attention in future programmes. Current efforts of harmonising donor efforts through “lead donors” are also not successful yet. Role and functions of such “lead donors” are not well defined.

The ASIP Zambia case provided for some concern regarding a perceived lack of emphasis on **poverty alleviation**, food security and smallholder farmers. This needs further investigation and possibly adjustment in the strategy.

Fragmented **institutional arrangements** and responsibilities are a difficult issue facing the ASIP preparations in Kenya. This poses the question what kind of minimal institutional reform is necessary prior to an ASIP. The delays of the restructuring exercise of the Ministry of Agriculture in Zambia demonstrated how difficult it is to get appropriate institutional arrangement in place.

An ideal ASIP will probably never exist. There is the **need for country-specific approaches in line with agreed general principles**.

Identification of Key Issues

Group discussions concentrated on three thematic themes¹:

1. Conceptualisation and preparation of SIP in agriculture;
2. Implementation issues;
3. Impact and monitoring issues.

The success of the ASIP conceptualisation and preparation process can be marked by some important **milestones** related to:

- the political and administrative will,
- Government initiative,
- early consultations between Government and donors with subsequent agreement on prerequisites, and
- donor commitments.

Broad participation is a key to the success of SIP operations. Stakeholder forums must be established, which involve Central Government, Local Government, private sector, farmers, NGOs, donors, academics and politicians. Consensus must be reached on overall strategy, the role of the private sector versus public sector and on SIP priorities. A dialogue between major stakeholders is to be initiated on crucial aspects of the sector expenditure plan, institutional reform, policy measures and particular management arrangements.

Key actions in the ASIP preparation phase include:

- identification and mobilisation of stakeholders,
- defining the scope,
- consensus building, confidence building and piloting,

¹ See Annex for visualised group work results.

- capacity building,
- adequate involvement of consultant expertise,
- sectoral realignment of ongoing operations,
- streamlining of ongoing operations, and
- strengthening of support services.

Participants identified a number of **risk factors** associated with SIP operations. Macroeconomic instability, external or domestic shocks may undermine SIP implementation. Rivalries among donors (for example concerning subsectoral priorities, regional focus, etc.), policy changes by donor countries or within donor organisations as well as donor obstinacy from SIP may occur. The electoral cycle, domestic political change, “hijacking”, “bulldozing” or vested interests may contribute to a failure to reach an agreement or consensus on SIP.

Discussion of implementation issues concentrated on funding, co-ordination, policy, organisation/management, public relations and capacity building.

Funding arrangements need to be agreed upon at an early stage. Adequate budget allocations, including adequate counterpart funding need to be secured at an early stage and appropriate disbursement procedures are to be in place. The SIP concept needs some clarification on the realistic treatment of recurrent costs. These need to be put in practice, under consideration of the reservations among some of the donors as well as of the partner countries on this issue. The importance of a “lender of last resort” was identified, but this role remains to be clarified.

The large number of stakeholder involved in SIPs complicate the **co-ordination** tasks. Important areas for co-ordination are securing of stakeholder participation, co-ordination within Government as well as donor co-ordination. Overall co-ordination should be secured by a national ASIP steering committee. The creation of parallel structures (“District Agricultural Committees”) to Local Government institutions should be approached carefully, but in some cases these may be important as interim solutions towards decentralised decision-making on ASIP operations. Possible conflicts with decentralisation policies and the mandate of Local Government institutions need to be observed.

The example of ASIP Zambia demonstrated, that the setting-up of appropriate **organisation and management structures**, especially regarding financial management, procurement and management of privatisation is an important condition for successful implementation. This has to go along with a streamlining of Government procedures and a capacity and willingness to implement policies.

Public relations efforts must aim at transparency of the SIP process and securing of widespread support beyond Government structures. A decentralised annual planning cycle and the broad involvement of stakeholders can contribute to this task.

Capacity building should not concentrate on headquarters level only. Emphasis should be given to lower (district) levels and non-governmental stakeholders should be included.

Despite their sectoral orientation, ASIPs should make substantial contributions to a broad rural development. In order to secure an adequate rural development impact, ASIPs strategies need to adequately consider **cross-cutting issues**. Governments must make certain that objectives regarding, e.g. gender, poverty alleviation, or natural resource preservation, are allowed for as required in the respective national policies.

Follow-up activities and networking

There was a broad agreement on the need for a continued dialogue on SIP in agriculture. ASIP experiences need to be synthesised and disseminated further. Initially, this should proceed with a series of seminars and workshops on specific topics. National and regional networking will be organised. Through these events a "bottom-up" momentum will be instigated and further development and refinement of the SIP concept promoted, with particular emphasis on the agriculture sector. A more formal ASIP network might follow when a sufficient information base has been generated. However, some aspects for a more formalised networking and information exchange can already proceed, such as the establishment of a mailing list and a web page on SIP in agriculture.

National networking should secure information links with SIPs in other sectors (e.g. roads, health, environment SIPs in Zambia). Examples of issues of common concern which need to be addressed include the effects of SIPs on decentralisation processes, the creation of parallel structures and stakeholder involvement.

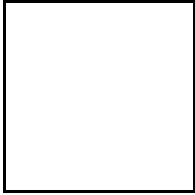
A follow-up event to the Lusaka international workshop was scheduled. It will be held in September 1997 in Nairobi. The Ministry of Agriculture Kenya, together with the office of the European Commission in Nairobi will take the lead in organising the event. Emphasis will be on issues of (a) stakeholder participation and (b) institutional arrangements.

A steering group (Ministry of Agriculture Kenya, Tanzania, Zambia, EU, GTZ, IFAD, FAO, World Bank) met immediately after the Lusaka workshop and discussed preparations for this follow-up workshop. It was agreed that the Ministry of Agriculture, Kenya and EU will prepare a concept paper on the workshop for circulation among members of the Steering Group for comments.

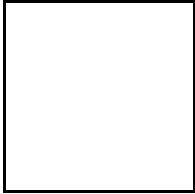
ANNEXES

Visualised results Group 1: Conceptualisation and preparation of ASIP

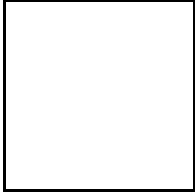
Visualised results Group 1: Conceptualisation and preparation of ASIP (cont.)



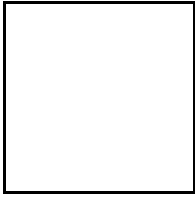
Visualised results Group 2: Implementation issues



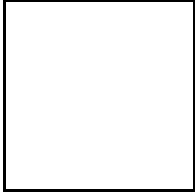
Visualised results Group 2: Implementation issues (cont.)



Visualised results Group 3: Impact and monitoring issues



Visualised results Group 3: Impact and monitoring issues (cont.)



Agenda of workshop

Wednesday, 12 February 1997

Review of SIP Experiences and Concept (*Chair: Hans Binswanger, World Bank*)

09:00 - 09:15	Opening statement	Minister of Agriculture, Zambia
09:15 - 09:30	Objectives and agenda of workshop	Engel, GTZ
09:30 - 10:00	Overview of SIP in agriculture	Okidegbe, World Bank
10:00 - 10:15	Briefing: SPA Seminar on SIP (Paris meeting)	Cleaver, World Bank
10:15 - 10:45	Donor comments on SIP	Donor representatives
10:45 - 11:15	Coffee	
11:15 - 13:00	<i>SIP in agriculture - sharing of experiences:</i> ASIP Zambia ASIP Mozambique ASIP Kenya	Sichinga, Zambia Mucavele, Mozambique Muthewe, Kenya
13:00 - 14:00	Lunch	
14:00 - 15:30	Donor comments on SIP (continued)	Donor representatives
15:30 - 16:00	Coffee	
16:00 - 16:30	ASIP Zimbabwe	Sithole, Zimbabwe
16:30 - 17:00	ASIP Lesotho	Molumeli, Lesotho
17:00 - 17:30	ASIP Malawi	Kamwendo, Malawi
17:30 - 18:30	Discussion	
19:00	Reception	

Thursday, 13 February 1997

Identification of Key Issues and Elaboration in Working Groups (*Chair: Howe, IFAD*)

09:00 - 09:45	Issues and challenges facing SIP in Agriculture	Binswanger, World Bank
09:45 - 10:45	Coffee	
10:45 - 13:00	Group work	
13:00 - 14:00	Lunch	
14:00 - 15:30	Continuation of group work	
15:30 - 16:00	Coffee	
16:00 - 17:00	Presentation of group work results	
17:00 - 18:00	Discussion	

Friday, 14 February 1997

Launching of SIP network (*Chair: Hubert, GTZ*)

09:00 - 09:30	Presentation of consultants report on ASIP network	Goericke, Consultant
09:30 - 11:00	Discussion of consultant report, next steps	
11:00 - 11:30	Coffee	
11:30 - 12:30	Discussion of consultant report, next steps	
12:30 - 13:00	Concluding remarks	

List of participants

Name	Institution	Country
Agren	Swedish Embassy	Zambia
Antezana, Y.	Rural Development Consultant	Zambia
Banda, A.K.	Ministry of Agric. Zambia	Zambia
Beardmore	World Bank Zambia	Zambia
Bergstrom, M.	Finnida / Finnish Embassy	Zambia
Binswanger, Hans	World Bank AGR	U.S.A.
Brinks	German Embassy, Zambia	Zambia
Bulwani, Gideon	Workshop Facilitator	Zambia
Cabanas, Fernanda	Ministry of Agric. Mozambique	Mozambique
Chele, Barua	Ministry of Agric. Kenya	Kenya
Chiwele, Dennis	Institute of Econ. and Social Research, Zambia	Zambia
Cleaver, Kevin	World Bank	U.S.A.
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Sithole, Gordon	Ministry of Agric. Zimbabwe	Zimbabwe
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