



Sector Network Rural Development

International Workshop

Agricultural Sector Investment Programs

12 to 14 November, 1997, Lilongwe, Malawi

Summary Report

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PROGRAM

Wednesday, November 12	Topic	Resources
9:00 - 10:00	Participant registration	
10:00 - 11:00	Official opening	Honourable Uladi Mussa, MP. Deputy Minister of Agriculture and Irrigation, Malawi
11:20 - 12:30	Participant introductions and workshop overview	Michael Wales, FAO
	ASIP review and update	Nwanze Okidegbe, World Bank
12:45 - 14:00	<i>Lunch</i>	
14:00 - 15:30	The ASIP Institutional Framework	Michael Wales
15:45 - 17:00	Country presentations	Representatives from Malawi, Zambia, Kenya, Zimbabwe, Lesotho, Benin, and Senegal

Thursday, November 13	Topic	Resources
9:30 - 11:00	Country panel on institutional reforms under ASIP	Representatives from Malawi, Zambia, Kenya, Zimbabwe, Lesotho, and Benin
11:20 - 12:45	Stakeholder participation in ASIPs	Alice Carloni, FAO
12:45 - 14:00	<i>Lunch</i>	
14:00 - 17:00	Group work on selected issues	Working groups
19:00 - 21:00	<i>Cocktail Party, Malawi National Dancing Troupe</i>	

Friday, November 14	Topic	Resources
9:30 - 11:00	Working group presentations on selected issues	Working group chairs
11:20 - 12:45	Donor Panel	Representatives from DANIDA, EU, FAO, World Bank, GTZ, DFID, IFAD, and ADB
12:45 - 14:00	<i>Lunch</i>	
14:00 - 17:00	Closing ceremony	Mr. Chande, Principal Secretary, Ministry of Agriculture and Irrigation, Malawi
	Workshop summary and next steps	Michael Wales, FAO, and Daniel Sellen, EDI, presiding

OBJECTIVES AND BACKGROUND

In February 1997, the first international workshop on Agricultural Sector Investment Programs (ASIPs) was held in Lusaka, Zambia. It was attended by 82 participants, including most donors and African countries involved in ASIPs. The workshop had three objectives: to review ASIP rationale and experience; identify key issues in preparation and implementation; and discuss networking and follow-up activities. Participants recommended follow-up in the form of a second workshop which would concentrate on themes of institutional reform and stakeholder participation in relation to ASIP.

The second international workshop, summarized in this document, was held nine months later at the Malawi Institute of Management, in Lilongwe, on November 12 - 14, 1997. Hosted by the Malawi Ministry of Agriculture and Irrigation (MAI), the workshop materials and facilitation were provided by FAO and financed by DANIDA and the European Union.

Sixty-one participants came from eight African countries and eight donor organizations (see Annex A). The programme included an ASIP update, plenary presentations on the two major themes, country updates, panel presentations, and group work based on stakeholder participation, institutional framework, decentralization, and core functions of the Ministry of Agriculture. This summary report presents some of the highlights of this workshop.

SESSION 1

Opening address

The opening address was given by Mr. Uladi Mussa, Deputy Minister of Agriculture and Irrigation (MAI), Malawi. Introductory remarks were given by Mr. E.S. Kabuye (MAI), Mr. Michael Wales (FAO), and Mr. Zimmer (EU).

The Hon. Deputy Minister expressed his pleasure that the Government of Malawi was able to host this second international workshop on ASIPs. He related the workshop's goals to Malawi's strategy document for the sector, which outlined ways to achieve poverty alleviation and promote broad-based agricultural development. ASIP, he believed, is required to operationalize such strategies. Since SIPs are a new concept in Malawi and other countries in region, the time was ripe to share ideas and avoid possible pitfalls. He hoped the workshop would permit close examination of ways to include key stakeholders in the process, especially those lower down. Institutional arrangements and capacity-building arrangements are crucial to making the program succeed but should be designed in the context of existing capacity. He concluded by thanking FAO, the EU, and DANIDA for logistical and financial support of the workshop.

SESSION 2

Workshop overview

Mr. Michael Wales of FAO presided over participant introductions and then presented an overview of the workshop, which would focus on (a) the institutional framework for ASIP design and implementation, and (b) stakeholder participation. The objectives of the workshop were to make recommendations on best

practices for ASIP design and implementation in these areas, to identify skill or knowledge gaps, and propose ways of rectifying them.

The structure of the workshop included country and donor introductions, an ASIP update, country presentations, sessions on the institutional framework theme, sessions on stakeholder participation, group work, and conclusions on potential follow-up.

ASIP update

Mr. Nwanze Okidegbe of the World Bank presented an update on ASIPs in Africa. A SIP is country's medium-term development program in a particular sector. It is based on a coherent sector framework and an appropriate institutional framework, and funds priority sector activities consistent with a country's medium-term expenditure program. A "sector" is defined by the scope covered by the line ministry. SIPs are prepared and managed by the country while donors are invited to support the program. An effective ASIP needs a sensible vision with associated strategies and guiding principles. It also requires a coherent sector policy framework on macro- and micro- policy dimensions. Implementing the ASIP needs an appropriate institutional framework.

Why SIP? There is general dissatisfaction among clients and donors alike over the poor results of traditional investment projects. Although ASIP is not the only way forward, it is a promising alternative to the project approach. SIPs are intended to correct the problem of lack of ownership; projects have often been perceived as donor-driven initiatives. Donor coordination is another hallmark of SIPs. Governments have often pursued conflicting strategies because of pressures and variable prescriptions from different donors. SIPs are intended to enhance capacity building. In the past, special project units have tended to weaken government's capacity by luring away good staff, who are often difficult to integrate back into the government. ASIPs are currently underway in Zambia, Mozambique, Pakistan, Bangladesh, Kenya, Lesotho, Benin, Ghana, Malawi, Mali, Senegal, Swaziland, and Zimbabwe.

In summary, SIPs:

- are sector-wide in scope and based on coherent sector framework;
- use local institutions to develop and manage the program;
- encourage all donors to sign on; and
- seek to achieve common implementation arrangements.

Mr. Okidegbe then presented an update on developments in SIP in the donor community. A multi-donor meeting in Washington DC in June 1997 dealt not only on agriculture, but also with SIPs in health, education, infrastructure, and environment. Donors unanimously agreed that SIPs are one of the best ways of providing development assistance, at least at the conceptual level. As for practice, it was agreed that SIPs are difficult to implement when institutions are weak. Also, different donors have different implementation arrangements. There was agreement that donors should work with recipient countries to take on SIPs, and should work together to harmonize implementation arrangements. A task force was created to consider this issue.

This task force aimed at harmonizing donors' procedures met in Brussels recently and agreed that clients and donors should:

- identify areas for improving execution and clients' institutional capacity;
- identify common procedures already in place or being considered in different SIPs;
- identify donor procedures that have negative impact on SIP execution;
- identify priorities where streamlining/harmonization have highest payoff;
- identify constraints to changing current requirements; and

- pilot SIPs in selected countries.

Mr. Okidegbe then summarized issues that were arising with respect to ASIP preparation and implementation. It was clear that a methodology must be developed for prioritizing ASIP, including linking ASIP budget to MTEP. In order to measure whether progress is being made non-reducible key indicators must be developed. Achieving local ownership and sustaining broad participation of ASIP was one of the greatest challenges, and the presenter was hopeful that this workshop can help work toward solution of this problem.

Obstacles to successful implementation included delays in institutional reform (restructuring of the Ministry of Agriculture), weak financial management and procurement, inadequate donor coordination, poor program management, and weak interaction with key stakeholders. On the positive side, ASIP had helped to produce a policy and regulatory environment for private sector participation, deconcentration of powers and responsibilities to the district, and government commitment and disbursement of counterpart funds.

Next steps for donors in support of ASIP include the following:

- pilot common implementation arrangement in few countries;
- establish trust fund for ASIP work;
- initiate regular training for ASIP partners (donors and client countries); and
- publish and disseminate research findings on ASIP.

SESSION 3

ASIP: The institutional framework

Mr. Michael Wales of FAO presented the institutional background to ASIP in the form of questions that would help guide discussion in the workshop. Many of the questions he raised echoed the concerns expressed by donors in the previous presentation.

Which institutions should be involved in ASIP and what are their characteristics? Typically, they are usually the MOA, and Ministries of Finance, Planning, Public works. Other institutions include local level counterparts of central agencies, the private sector, NGOs, civil society, and farmers. How do we work with the institutions involved? How do we encourage participation and consultation?

Which gaps in capacity need to be filled? What restructuring or re-engineering of public sector is required? Most people agree that procedural change is necessary, but how far to change procedures? Should we try to change institutions outside the public sector? In general, how much has to be done before ASIP is started? Beyond political will and stability, what are the preconditions for ASIP? Mr. Wales concluded his presentation by leading a discussion to lead to subjects of discussion for working groups on the next day.

SESSION 4

Country presentations

Presentations by Malawi, Kenya, Zimbabwe, Lesotho, Zambia, Bénin, and Sénégal.

Malawi (presented by Mr. Kabuye)

Malawi is among the countries involved in ASIP formulation. The starting point for Malawi's ASIP (the "MASIP") was the 1994 strategy and action plan. It is hoped that MASIP will achieve 4 main objectives: to improve effectiveness of MOAI programs with respect to the market; to work toward the overall goals of government; to ensure that government will effectively implement programs; and to streamline implementation.

In June 1997 MASIP came under review from stakeholders and donor community. At this point government aimed at sensitizing stakeholders on ASIP and, through blending local and international expertise, attempted to instill ownership of the program document by locals. Major problems at this stage remain, such as:

- Undefined role of private sector in a liberalized economy;
- Lack of sound understanding of ASIP between donors and stakeholders (not all donors approve of the way Malawi is formulating the program);
- Lack of guarantees of budgetary support once ASIP is in place (need to be sure that MOF will provide finance over and above donor funding);
- Capacity to develop program using local expertise; and
- Need to train teams and national and subprogram levels.

Kenya (presented by Mr. Kariuki and Dr. Von der Ohe)

ASIP started in Kenya as ASMP2 in 1994 to restructure the MOA, and to develop certain subsectors (sugar, oilseeds, cotton, cooperatives, remote sensing). As a result of restructuring, government undertook participatory consultation. There were four elements of this restructuring:

- putting the government in the driver's seat;
- rural sector focus and decentralization;
- fiscal restraint policy; and
- a sessional paper to achieve new status by 2020.

The next exercise involved definition of public goods, i.e. the services that government should continue to provide. A list was defined with 46 activities currently being done by government which could be done by private sector. Private sector entry plans were then developed. The next step was to formulate a vision for the sector ("Everybody at all times should have access to healthy and sufficient food produced in an environmentally friendly way") and a mission for the MOA. One bone of contention was the principal of unified management of extension. There was then a review of the agricultural sector for each subsector. Institutional analysis was used to identify the key constraints. As it turned out, the constraints weren't just MOA problems, but cross-cutting issues (a situation which lends itself to ASIP). One study which is currently ongoing is on budgetary process. Another is a beneficiary assessment of extension services. A status review mission in October gave them a clean bill of health. Kenya stills needs significant strengthening of the information management system.

Zimbabwe (presented by Mr. F.B. Simango and Dr. Gordon Sithole)

When the ASIP started, there were already clear reforms in progress (e.g. pricing policy, macro-economic adjustment). The initial paper on ASIP focussed on the need for institutional reform and capacity-building and the need to adopt a consultative approach. Major actors included farmers, MOA departments, Ministry of Lands, technical services, other ministries, universities, and other parastatals. The first question was who should be consulted and at what level. Five working groups were put together to manage the change process, with each group having a chairperson from outside the ministry.

A growth prospects study and client satisfaction survey still need to be completed. Capacity-building exercise in MOA and outside must continue. The client satisfaction survey will ask stakeholders about what kind of products or services they are getting from the government and how satisfied they are with them. Documents will be public. Security of resources very important in Zimbabwe. ASIP will also need to look at cost-recovery and privatization.

Lesotho (Mrs. Motsamai)

ASIP in Lesotho began in 1996 as a long-term agricultural development framework (over 12-15 years but breaking it into 3 year periods). Work began by forming a task force, with working groups based on departments in MOA and a small secretariat in MOA. There were also participants from other ministries, government, and donors. Government undertook a sector institutional assessment which essentially asked how useful services are to the people. A strategy paper was developed that contained the policies that MOA planned to implement. Eleven working papers elaborated on subsector plans.

Capacity building is currently the main focus. Management review focussed on strengthening financial management. A proposal has been developed for MOA at central and district levels. This is the process whereby MOA is being restructured. Recently there was a pre-appraisal of the program. The next steps include prioritizing activities and integrating them within existing district structures. ASIP will be implemented in May 1998. Problems include securing full involvement of key ministries, such as finance. Divestiture to private sector remains a major task. Institutional restructuring first requires inventory-taking. Financial management is still a problem. An environmental impact assessment is also needed.

Zambia (Dr. Anthony Mwanauomo)

Why was Zambia embarking on ASIP? Why not something else? The Zambian ASIP is essentially driven by unfavourable sector performance. The main problem was management of public resources and lack of well-coordinated sector strategy. Institutional arrangements were at the core; Zambia had over 200 projects and needed to integrated resources. The strategy was to start with the framework of our domestic resources, build in donor resources, and include an exit strategy.

ASIP is a tool to develop the sector. It started with a good sector policy framework, one prepared and owned by Zambians. The program was launched by president and expectations were very high. This plan is still in place because it is owned locally. There was consultation during and before implementation. Technical assistance is demand-driven.. ASIP is not just about agriculture, but private sector in general, so the MOA convened a stakeholder workshop. It proved to be hard to get the private sector on board because opportunity cost was very high. Decentralization was slow. We initially wanted a new structure by the end of 1995, but it is still not completed. Funds are constrained under project approach. It takes a long time to create a transparent and accountable financial management unit. One needs a big pot with smaller pots inside! Procurement has been too slow. It is difficult to harmonize government and country guidelines.

Bénin (M. Laurent Adiyemi)

The Benin ASIP was preceded by agricultural services restructuring project. Until 1990 the country was under a socialist regime and all services, including extension, marketing, and trade, were centralized and carried out by government . A new rural development policy was then set up. The first step was to divest resources and hand over activities to private sector, leaving the public sector with regulation and environmental responsibilities. In 1992, there was a reduction in personnel though the agricultural services restructuring project.

Prior to ASIPs, many projects were developed in parallel to others and financed by the same donors. So it became important to harmonize them within a single program. So as the end of the projects was reached, Benin needed something like ASIP. Benin is now in preparation phase, which is very difficult because many lack a clear idea of what the program will be. The new program is to start in June or July 1998. In each district there is a farmers' organization, and the same for the subdistricts, and each village. The presenter had come to Malawi to look for lessons to use to accelerate their program at home.

Senegal (M. Sonko Lamine)

Senegal's ASIP started 1995. It has reached stage of work plan and budget but was not properly based on consultation. The farmers' association was not satisfied with composition of Task Force so requested that the process be started again. Government initially refused. Failure of previous investments in irrigation had led to overemphasis on rainfed agriculture. Government is now setting up new committees and using a lot of external consultants. So much time and money has been lost because farmers had not been involved from the start. The farmers' association is source of farmer empowerment. In Malawi -- from what was presented earlier -- farmers say government knows better. This is not really so in Senegal; farmers have more confidence to say what they really want and think. Formal farmers' organizations are receiving public resources to ensure consultation at all levels.

SESSION 5

Country Panel on Institutional Reforms

Chair: Kwame Nyanteng (Ghana). Panelists: Tony Mwanauomo (Zambia), Gordon Sithole (Zimbabwe), J.G. Kariuki (Kenya), M. L. Fagbohoun (Benin), M. Motsamai (Lesotho)

This session was designed to permit elaboration of the country cases presented on the first day, and an opportunity to link these cases with issue of institutional reform. The format of this panel was questions by the audience to the panel, answered in the plenary. In the interests of brevity, only a few highlights of the discussion are presented here.

* * *

Q: How important is it to have common implementation problems? Should ASIP be started up fast at expense of common implementation problems?

A: ASIP has been a learning process. If we had to do it over again, we would have focussed more on procurement and financial management issues. Speedy procurement is a very important, more so than harmonization of procedures.

A: Without common procedures it is hard for countries to have ownership because they have to comply with so many different regulations.

A: Government has done a study on this and found bottlenecks and relationships between donors and MOA. We need to get rid of bottlenecks which are identified and remove them. Even with several pots of money, we can increase efficiency.

A: Procurement is difficult but not the biggest bottleneck. Most of the bilaterals make things difficult because they have their own methods. The area with greatest difficulty is financial management, in particular counterpart funds in special accounts. We need greater flexibility here. It generally boils down to simple accounting problems which are minute in many cases.

A: In the absence of a common pool of resources, it is very difficult to have common procedural arrangements. Governments are too bureaucratic and cumbersome. It takes several months to get computers. You need to be pragmatic and not wait for common procedures.

* * *

Q: Who is driving the ASIP process? Who is the beneficiary of restructuring? Do we need sticks or carrots to get departments in line?

A: There are two types of ownership -- by the farmers and the Ministry. The Ministry is owner of control, but is being asked to be the owner of the change process! This type of restructuring involves a turnover of senior staff. So it is not easy to proceed this way. The civil service reform program put the cart before the horse. Rather than first finding out which services could be privatized, they decided how many people to let go.

A: There are two ways from yesterday that describe the need for change. Some emphasized change to better serve the needs of farmers. The other group emphasized the need to change from perspective of ministry itself. These are very different and maybe opposing intentions.

A: The second scenario is unfortunate. We must remember that the client is the farmer. There are elements of serving both stakeholders in ASIP, but it is difficult to separate. We can't change agricultural policies in isolation.

A: The primary beneficiary is farmer. But there are lots of other beneficiaries too. We can't divorce the delivery system with the beneficiary. We must keep a balance. However, the farmer needs more attention.

A: The MOA must serve farmers interests. They are illiterate and need technical advice for production, which the MOA must provide. During our restructuring, the farmers were not ready for such a role. The farmers nor private sector did not move in to replace government. MOA is now orgznized to work with the farmers.

* * *

Q: What measures being put in place to mobilize private sector?

A: The private sector is weak because government has crowded it out. We are now focusing on training - - developing extension packages on commercialization of agriculture. Participation in irrigation schemes is also being encouraged.

A: We cannot assume that the private sector is there and active. We must help it along.

A: Private sector development is one of the components of our ASIP. We are providing an enabling environment thought policy and involving them in fora on management and delivery of ASIP. We have set up a trust for accesss by private sector. This is done with collateral and isfinancially sustainable -- a rural investement fund. We are thus injecting liquidity into the private sector.

SESSION 6

Stakeholder Participation in ASIP

Alice Carloni of FAO presented this session, which was based on a background paper presented to participants. Her presentation began by evaluating the the stakeholders in ASIP using analysis that examined each potential category in terms if influence and importance. Some categories, like urban elites, may be very influential, but not important in terms of numbers of people or as targets of a particular project or program. Other categories, like small farmers or other disadvantaged groups may have no influence but may be very important. One must ask who are the stakeholders that are likely to be left out? The answer to this question must come before the process of consultation.

The next issue was the ASIP Task Force composition. Should the private sector be member? Farmers? If so who? If so, can we sustain private sector participation throughout the process? Earlier presentations at the workshop mentioned that not all countries were able to achieve this. There have been NGOs, policy analysts, universities, but not much participation by the private sector. For the private sector, the planning process is time consuming and lacks immediate financial incentives.

Ms. Carloni ended her presentation with questions to the participants. How did they address the issue of stakeholder participation? Participants admitted that meetings with stakeholders tended to be long and protracted. There was acknowledgement that participation is expensive. In one case, when they tried to consult the farmers, they say “you (Government) know better”.

Ms. Carloni noted that earlier in the day, many said that farmers should drive the ASIP. But how do you do this? M. Adeyemi presented Bénin’s expericnce with participation. It began one year ago, with consultation at village level, which they classified their problems into subprograms. Participants expressed their own solutions to the problems they had articulated. The ministry recorded their solutions, without modification. Government now has a report that contains all their comments, and they have now formed a working group to discuss the results. In each group there is a representative from the Chamber of Commerce, from MOA, and from faculty of agronomy. This team analyses the solutions that the farmers proposed to see if they are reasonable. Documents were circulated within MOA, and an unbiased, foreign consultant was hired to evaluate the findings. This provisional document was returned to grassroots organizations ask their opinion and it was accepted.

SESSIONS7 & 8

Group Work

This afternoon was used for group work in break-out rooms. Two groups dealt with the issue of stakeholder participation. One group each focussed on decentralization, institutional reform, and definition of the core functions of the Ministry of Agriculture. The results were presented the following morning and are summarized below.

SESSIONS 9 & 10

Group 1: Stakeholder Participation

The focal question for this group was “*How can effective stakeholder participation be ensured?*”.

Definition of stakeholders:

- Primary stakeholders are *all* farmers, not just smallholders
- Must include non-farm rural population, especially the landless, since poverty alleviation is a key objective
- Non-elected local authorities – village headmen, local chiefs, religious leaders - are key part of civil society. Local NGOs also important.
- Politicians and public sector
- Donors, being a shorthand term for any external source of funds
- In effect, everyone is a stakeholder!

Participation with primary stakeholders

- Most important part of consultation is with farmers
- For many years have been ignored – received decisions made from above.
- Empowerment most important. Importance of information as part of empowerment.
- RRA across the country – maybe for formulation stage only
- Participatory extension – institutionalised but too slow for ASIP formulation
- Need system for giving and receiving information – extension? Need to ensure that the information received is used.
- Need to separate the need for information or consultation for short-term needs of ASIP planning, from longer term empowerment, which is essentially political.
- Using existing sources of information which may have much greater coverage, such as extension campaigns or field days (Malawi), agricultural shows (Kenya & Lesotho).
- Systematic client consultation.
- District Agricultural Committees (Zambia) to be private sector driven – problem over composition which might not be representative
- Kenya DACs also – DDCs which cover all aspects of rural sector – but controlled by DC and no control over setting priorities.
- Use of independent agencies (e.g. university in collaboration with MOA - Zambia) for doing aspects of the consultative work, to avoid bias on the part of MOA.

Participation and the Private Sector

- Commodity associations can be used as point of contact.
- Involve them in TFs in areas in which they have direct interest – privatisation, removal of restrictions etc.
- Support for private sector as core function (Kenya) - mainly to stimulate provision of services by private sector.

Participation and the Public Sector

- Workshops with other ministries and agencies on concept papers (Kenya – 14 ministries and agencies are involved)

- Problem of lack of continuity of staff when many agencies involved, making it difficult to obtain commitments.
- Need to make sure that information is disseminated more effectively within the public sector. Better use of briefing notes for colleagues.
- Leadership vital in getting formulation of ASIP moving ahead
- Abolished ASIP Steering Committee (Zambia) and replaced with sub-programme committees. Donors can choose in which ones to participate.

Participation and Civil Society

- Importance of traditional leaders at all stages (Lesotho).
- Politicians must be involved because of need for political commitment to policy changes.
- Need for institutional (rather than individual) commitment to ASIP
- Get NGOs involved on working groups, contract out consultation services etc
- Sometimes government might not want to work with them if strong political mission, carry out activities which conflict with policy.

Participation with Donors

- ASIP started with donor initiative, so participation ensured
- Suspicions exist about donor motives
- Need for countries to take responsibility for their own actions, with donors providing a helping hand

Capacity Building

- General importance of information flows at all levels, and need to strengthen information management
- Management training for those responsible for implementation
- Training that will be really useful and not just a “bonus”
- Training locally rather than abroad
- Problem that if incentive structures are not improved, training becomes a way out of the public sector
- Training for front line staff (extension) who are most important in working with farmers

Group 2: Stakeholder participation

This group, like the previous one, focussed on the question “*How can effective stakeholder participation be ensured?*“. This group’s approach was to (a) agree on stakeholders and categories, and (b) agree on practical types of forms of participation for different stakeholders or categories in ASIP formulation and implementation.

A. Stakeholder Categories

Primary Stakeholders

- All farmers (smallholders, commercial farmers, pastoralists)
- Rural non-farming households

Private Sector

- Input suppliers
- Agro-processors
- Cooperatives and Farmer Associations
- Farm lobbies

- Universities
- Consulting firms
- Transporters
- Financial institutions

Public Sector

- Line Ministry directly in charge of agriculture
- Other government ministries (eg Finance, Planning, etc.)
- Parastatals

Civil Society

- Parliamentarians
- Other politicians
- Local leaders
- Traditional leaders
- Religious leaders
- Interest groups
- Local and international NGOs
- Women's groups, youth groups, etc.

Donors

- Donors who provide grant aid
- Lending agencies

B. Critical Elements of Participation

Government depts

- political will must be there
- should form of task force
- capacity building emphasis

Farmers

- Where farmers are organized through unions or other groups, then representatives from various levels of these unions could represent their fellow farmers
- researchers could be advocates for farmers though their separate interests should be kept in mind
- traditional leaders

Private sector

- all driven by the market -- excluding farmers (for the purposes of this discussion)
- how to involve, interest them?
- involving them through their organizations
- private sector are risk takers and will attend looking for commercial opportunities.

NGOs

- Differentiate donor NGOs and local NGOs. All have a role to play and can be represented through umbrella organizations that already exist.
- High staff turnover problem.
- Supported inside or outside of ASIP?
- food security, attention to vulnerable groups.

Donors

- differentiate between lender donors and grantee donors
- lack local country specific information about what is going on on the ground in all countries
- can only come into the ASIP process if invited by government

Non-lender Donors

- Non lenders such as DFID and GTZ. Have their own agenda, and want to influence policy. And due to large sums involved have a right, and responsibility to their taxpayers, to do so.
- Have good contacts in the ministries. Issue may be how to keep them out.

Group 3: Institutional Arrangements

The focal question for this group was “*How to secure adequate institutional arrangements prior to and during ASIP implementation?*”

A. Prior to implementation

1. Undertake a management audit review
2. Undertake a skills inventory
3. Identify stakeholders to be involved at National, Regional (Province) and local levels. Develop a pre-ASIP Action Plan to facilitate the planning process, including:
 - Human resource development
 - Service delivery
 - Policy and Coordination
 - Financial Management Systems (planning, budgeting, control)
 - Identify private and public goods
 - Private sector development
5. Identification of institutions for specific responsibilities
6. Capacity-building for private, public and NGOs, including:
 - Development financial management systems (procurement, disbursement)
 - Re-structuring and re-organisation
 - Management Information Systems for monitoring and evaluation
7. Identify functions to be subcontracted out of Government
8. Secure funding from government beneficiaries and donors
9. Planning and Implementation to be overseen by at national, regional (provincial) and district levels as follows (see diagram)

B. During Implementation:

10. Annual stakeholder consultative review meeting
11. Monitoring and evaluation strengthened

12. Mid-term review

13. Internalize incentives for implementing and steering committees

{INSERT PICTURE HERE}

Group 4: Core functions

The central question for this group was *"How can the core functions of the state be identified and linked to ASIP?"*

A. Steps in identifying core functions

1) Analysis of the MoA to:

- list every good and service that MoA provides
- evaluate the current cost of providing these goods and services

2) Apply economic criteria to determine *nature* of the good, i.e.

- public good (government), private good (market), toll goods (cost recovery)
- common pool goods like forests, pasture (community control)

3) Apply social criteria (non-efficiency objectives)

- poverty reduction, safety nets, women in development
- food security, price stability

4) Make policy decision on core functions based on

- economic considerations
- non-efficiency objectives
- costs and budget constraint
- the national development plan, vision for the sector, and MoA mission statement

Prerequisites for the exercise

- 1) There is vision for the sector (an ideal picture of agriculture at some point in the future)
- 2) There is a mission statement for the MoA.
- 3) There is an ASIP Task Force composed of key stakeholders in the sector.

Who will carry out these steps?

- The ASIP task force will instruct departments to carry out steps 1 and 2 (i.e. inventory and costing exercises).
- Each department will bring in the relevant stakeholders and will determine the needs of the farmers
- Information must come up from villages and districts.
- These findings are transferred to a log frame in a facilitation process.
- The ASIP Task Force makes recommendations to the Minister based on these findings.

- The Cabinet will then make the final decision.
- Minister will publicize the decision.

Group 5: Decentralization

The focal issues for this group were “*Is decentralization necessary for ASIP?*” and “*What kinds of decentralized institutional arrangements can facilitate ASIP?*”

This group identified decentralization of functions or activities from headquarters of Ministry of Agriculture to the regional and district levels. In doing this, the group recognized the activities or functions that should remain at the level of headquarters. The functions and activities identified and where they should be carried out are as follows (where a function should be at the different levels, and double “X” is used to indicate where it should occur most).

Function or Activity	Central	Regional	District
1. Tendering/Procurement	XX		X
1. Monitoring and Evaluation	X		XX
1. Policy Formulation	X		
1. Identify funding sources	X		
1. Approval of district budget	XX	X	
1. ASIP Appraisal	X		
1. Sector Programme Analysis	X		
1. Donor coordination	X		
1. Manpower review	XX		X
1. Training	XX		X
1. Financial and human resource decisions			
1. Budgeting			X
1. Implementation			X
1. Problem identification			X
1. Prioritization of activities			X
1. Target group mobilization			X
1. Stakeholder concentration	X		XX

The group then focussed the discussion on obstacles that are likely to constrain the decentralization process. The obstacles were identified at the national and district levels.

The **national** levels obstacles are as follows:

- Donor regulations and conditionalities
- Government policies and regulations (obsolete rules and regulations)
- Fear of loss of jobs of headquarter staff
- Fear of headquarters’ staff losing power or control
- Headquarters staff resisting posting to regional and district offices
- Inadequate guidelines for district planners
- Career and incentive systems favour headquarters staff
- Bureaucracy

The **district** level obstacles identified were the following:

- Lack of capacity at district level
- District staff not familiar with planning tools

- Lack of power to make decisions at district level
- Lack of facilities and service providers
- Lack of or inadequate resources
- Lack of or inadequate communication technology
- ASIP not coordinated with activities of other sectors
- Poor infrastructure
- Limited knowledge about ASIP
- Difficulty of coordination (work plans, budgets, etc.)
- District staff not responsible towards local government

SESSION 11

Donor panel

Panelists included Austin Ngirwa (DANIDA), Phil Young (IFAD), John Hansell (DFID), Nwanze Okidegbe (World Bank), Albert Engel (GTZ), Ben Kanu (ADB), and Anne De Ligne, (EU). Questions for the panelists were prepared prior to this session and organized thematically. Time constraints, however, prevented the panelists from dealing with all of these questions. However, the questions and comments raised below are an interesting reflection of concerns about ASIPs.

- How do we make donor funding more speedy -- There are many bureaucratic obstacles to approving budgeted items in the proposals and allowing the funds to flow timely. Don't we need reforms within the donor community?
- Now that most of the funding from the EU is to be monitored by Brussels, won't the total package shrink?
- Donors do not firm up their pledges -- there is lack of commitment of funds.
- Why do donors insist on sourcing of machinery/vehicles and TA from their home countries when some of them are not appropriate?
- For how long are donors willing to dish out money? Is donor money necessarily a good thing? Can we learn Eritrea (who rejected donors' offers)?
- At the Lusaka meeting, GTZ expressed reservations on harmonized procedures for donors. Is this feeling still prevalent?
- What is the extent to which donors can commit themselves to long-term funding of ASIP?
- What is the lending donors' commitment to ASIP? Sometimes funding is suspended due to administrative issues thereby affecting implementation of key activities.
- What do donors perceive as the necessary conditions for recipient countries to develop acceptable financial management systems?
- How do donors envisage improving disbursement of funds?
- What do donors say about their role in driving the ASIP process?
- Are donors serious about letting the process be driven by government?
- How are the donors going to avoid interfering with countries' ASIPs?
- Donor influence: is it a necessity in the formulation and implementation of ASIP?
- How do donors expect to be involved in ASIP formulation?
- Is ASIP expected to solve the basic problem of poverty alleviation, food security, and good governance?
- How do donors see themselves financing ASIPs? At what point do funds start flowing?
- Is it possible to assist other sectors that have direct bearing on ASIP? (e.g. Ministry of Local Government in facilitating the decentralization process).

- If farmers want roads, water, and electricity, can an ASIP help them to acquire these?
- If extension is a private good, how should donors react if the ministry insists on it? If cost recovery fails, then what?
- What are donors' views on long-term training?
- How would Africa perform without donor assistance?
- What are the elements of a viable ASIP?
- When donor support is linked to certain conditionalities, are you doing justice to the majority of the poor who are struggling to survive at least one day more?
- What sort of review process do you want to see measured? Efficiency? Effectiveness? Equity?
- Do you feel that ASIP is World Bank empire-building?
- To what extent do donors have a common understanding of ASIP?
- How are donors to assure common implementation agreements against the background of their domestic priorities? (ie political and economic considerations).

Discussion highlights:

- Are donors stakeholders? Yes, they should be thought of as partners. However, being a partner does not mean that donors drive the process. Donors are invited to assist. If you do not do your thinking, others might do your thinking for you.
- An ASIP may not be able to tackle poverty at the roots. But once SIPs are well coordinated, they can contribute to poverty alleviation.
- Donors aren't invited in, they're already in.
- Donors are fly-by-night operators in ASIP or other development efforts. Most donors want long-term commitments in the countries they work in.

SESSION 12

Workshop Summary

Michael Wales (FAO) presented a brief summary of his impressions on what took place during the workshop. He was impressed by the interest and commitment by all participants. He noted the following:

- There were divergent perceptions of ASIP evident throughout the workshop.
- Recurrent themes were the need for flexibility in ASIP design and on the part of donors.
- Appropriately, there was considerable discussion on who was driving ASIP, and considerable ambivalence about donors' role in ASIP. Despite donors' insistence that the country is "in the driver's seat" with respect to control of ASIP, the workshop presented the ASIP as a "carrot", as if the country does everything that donors suggest, there will be money at the end (although, interestingly, in the Zambia case funding was reduced).
- Has anyone really asked the farmers what they want? There was general agreement that there was no evidence that the intended beneficiary of ASIP -- farmers -- were driving the process.
- A commitment to common implementation arrangements would be nice but it is not necessary.
- Sequencing of institutional reforms and ASIP implementation remains a question; Is it reasonable to restructure and have ASIP at same time?
- On stakeholder participation and consultation; There was agreement on its importance but it is not clear how to do it (especially with farmers). Are there workable models for stakeholder participation
- Empowerment can be feared as threat to power structure.
- Need for information flow. There is lots out there, but one has to find it and use it. It is the secret to success if you want to empower people.

- On core functions: most agreed on need to define core functions, but not on which public goods really are. And what happens if the private sector is not able to take place of government?
- On decentralization: agreed taht it is crucial to ASIP but a lot of obstacles.
- On private sector participation; It was agreed that this is the main beneficiary of ASIP but it was not clear how to ensure participation in formulation.

ANNEXE A

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Summary of participation:

Total:		61
	donors	17
	EDI partners	3
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