



Project for Sustainable Agriculture and Rural Development in Mountain Regions (SARD-M)

Towards a methodological framework for the rapid assessment of SARD policies in mountain regions

**Assessment of Sustainable Agriculture and Rural Development Policies in Hillside Regions:
The case of Central America**

Summary

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Introduction

The SDC Programme for Sustainable Agriculture in the Hillsides of Central America (PASOLAC), being executed by INTERCOOPERATION, and the FAO Project for Sustainable Agriculture and Rural Development in Mountain Regions (SARD-M) under a cooperation agreement, has completed an assessment of the strengths and weaknesses of policies of relevance to sustainable agriculture and rural development in hillsides in Central America, focusing on Costa Rica and Nicaragua. The other countries in the region have been indirectly assessed based on their replies to questionnaires administered to civil servants and private participants attending the Regional Workshop held in Managua on 16-17 November 2005 within the framework of this study.

Because of the specific features of mountain zones, the assessment has set out to gain a better understanding of how the SARD framework is applicable in these regions. It examines the types and the sets of policies, institutions and processes involved in the formulation, implementation and evaluation that are important to achieve SARD in mountain regions, paying attention to the comparative advantages and on diminishing the constraints of mountains in order to foster their sustainable development.

This study is an important contribution to the SARD-M project in Central America, and makes it possible to steer future research and drive policy-generating processes relating to mountain zones. It has also contributed to the evaluation of an initial conceptual and methodological approach to tackle the importance of, and the constraints imposed by, mountains within the framework of SARD-M policies.

I. The conceptual and methodological framework

In accordance with the conceptual and methodological document prepared by the Project for Sustainable Agriculture and Rural Development in Mountain Regions or Hillsides¹, hereafter SARD-M, coordinated by FAO in Rome, this study is an initial attempt to design a methodological framework for evaluating sustainable agriculture and rural development policies in mountain zones of Central America, placing emphasis on a field survey of SARD-M policies in Nicaragua and Costa Rica.

Mountain zones typically generate a wide variety of goods and services that are essential for guaranteeing vital resources to the rest of society, such as water, biodiversity, the landscape, specific commodities, etc. They are key zones for risk-prevention, and possess cultural elements offering a series of comparative advantages and interdependency relations between the highlands and the lowlands, that have yet to be promoted or used.

They also possess great geophysical, economic, social and cultural and institutional diversity, which influences the constraints, differences in and approaches to and methods of managing collective assets and community resources. They still lack communication facilities and infrastructure and road network, and have highly fragile and erosion-prone soils, high levels of marginality, and low productivity, job-creation and income-generation potential. This is at odds with their great biological diversity, preventing them from being sustainably exploited to raise the living standards of the majority of the people living there.

The study of the application of the concept of, and policies for, sustainable agriculture and rural development became a challenge for the public institutions and organizations fostering development in these areas, because it entailed learning how to apply the concept of sustainable development that was introduced in 1987 by the World Commission on Environment and Development (the Brundtland Commission), which defined sustainable development as: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". It is a concept which has moved beyond the sectoral sphere to incorporate environmental, social and economic objectives and pillars, seeking inter-generational equity, citizen participation and a focus on the poorest people.²

1.1 Objectives of the study

- to build an initial methodological framework to assess policies for sustainable agriculture³ and rural development in mountain regions
- to assess the strengths and weaknesses of policies for hillsides in Central America, based on national-level surveys in Costa Rica and Nicaragua.

1.2 Main SARD policy instruments and processes

Applying the concept of sustainability, which is implicit in SARD, the study analysed the following policies:

1. **General economic and social policies:** these influence global economic growth, trade, price levels, employment, public and private investment, and population policies, using mainly monetary and fiscal instruments.

¹ The term "hillside" is synonymous with mountains. It refers to land with slopes or undulations.

² Adapted from Munasinghe y Cruz, 1995, pp, 8-9; Source: FAO (1997b).

³ The FAO Constitution defines agriculture in a broad context and states that, "the term 'agriculture' and its derivatives include fisheries, marine products, forestry and primary forest products".

2. ***Agriculture and rural development-related policies:*** these influence factors such as rural incomes, the agricultural resource base, agricultural production, agricultural product consumption, agricultural product price levels and variability, and quality of food.
3. ***Market-related policies:*** these are based on establishing market institutions and rules, and circumscription of property rights.
4. ***Policies to foster democratic and participatory processes:*** promotes the participation of all the interested groups and stakeholders in decision-making and in implementing SARD.
5. ***Policies intended specifically to influence natural resource-use and environmental protection:*** a) command and control systems, b) financial incentives, such as taxes and subsidies; c) means of persuasion, such as education campaigns and publicity.

The importance of this study is based on its identification of sustainable agriculture and rural development policies and/or strategies; establishing whether some of them are specific, or refer, to mountains, and identifying their substance. Another achievement is that the stakeholders assessed in a participatory manner the processes of managing these policies, by taking into consideration the following processes and characteristics: political processes, participatory processes, technical procedures and financial resource mobilization (Annex 1).

1.3 The methodological process used for the study

This survey was a dynamic process of validating a number of tools and becoming familiar with others by consulting various web pages. The methodology used was highly participatory, which is consistent with one of the intrinsic elements of SARD, and thus directly involved the following parties:

- Civil servants involved in managing SARD public policies at the central and departmental/regional level of ministries and institutions operating in the agricultural and environmental sector, or with basic services, tourism etc, in all the countries of Central America
- Mayors and municipal government employees
- Representatives of associations, cooperatives, producers' unions, artisans, women and indigenous peoples
- Non-governmental organizations providing technical and financial support services for rural production and trade
- Regional and national consultants and experts
- Officials from international agencies and cooperation programmes: FAO, SDC and PASOLAC
- Representatives of coordinating bodies between government and civil society: Departmental and Municipal Development Committees, the Regional Sectoral Agricultural Commission
- The private horticultural corporation of Costa Rica.

Implementing this study entailed applying various different techniques in accordance with the draft FAO methodological framework and others designed by the principal consultant. The following methodological process was adopted (annex 2):

1.3.1 Collecting Basic Materials

In this phase, key information was gathered from documents and interviews with a group of people closely involved in the issue to obtain their perceptions and appraisals of SARD policies. The steps that were followed included: preliminary working sessions with experts, individual interviews, and the drafting of an anthology of policies.

1.3.2 Departmental/Regional and National workshops in hillside zones

a. The workshops

In order to assess the advantages and disadvantages of public policies for sustainable agriculture and rural development from the perspective of governmental, non-governmental, municipal and producers' institutions, several workshops were organised with key stakeholders.

In Nicaragua two departmental workshops were held: one in Jinotega (with 25 participants) and another in Ocotol Nueva Segovia with 40 participants. The National Workshop convened in Estelí was attended by 17 delegates from central and departmental institutions, and from local governments and producers' organizations.

Four workshops were held in Costa Rica: 3 with producers, NGOs and civil servants from the agricultural sector of the Central Eastern Region of Cartago (two workshops with the participation of 22 people) and one in the Central South Region, Puriscal, attended by 27 people. The National Workshop was held in the "hall of the former MAG ministers", attended by 18 people.

b. Administration and processing of individual questionnaires for key officials

In order to obtain information on the level of familiarity with SARD-M policies, an individual questionnaire was designed and administered to each participant at the departmental/regional and national workshops. The questionnaires sought to assess the state of policy management, identify the institutions and non-governmental organizations which support their implementation and assess the mechanisms existing for participation, coordination and communication.

58 questionnaires were processed in Nicaragua and 47 in Costa Rica, the results of which form the basis of the analysis.

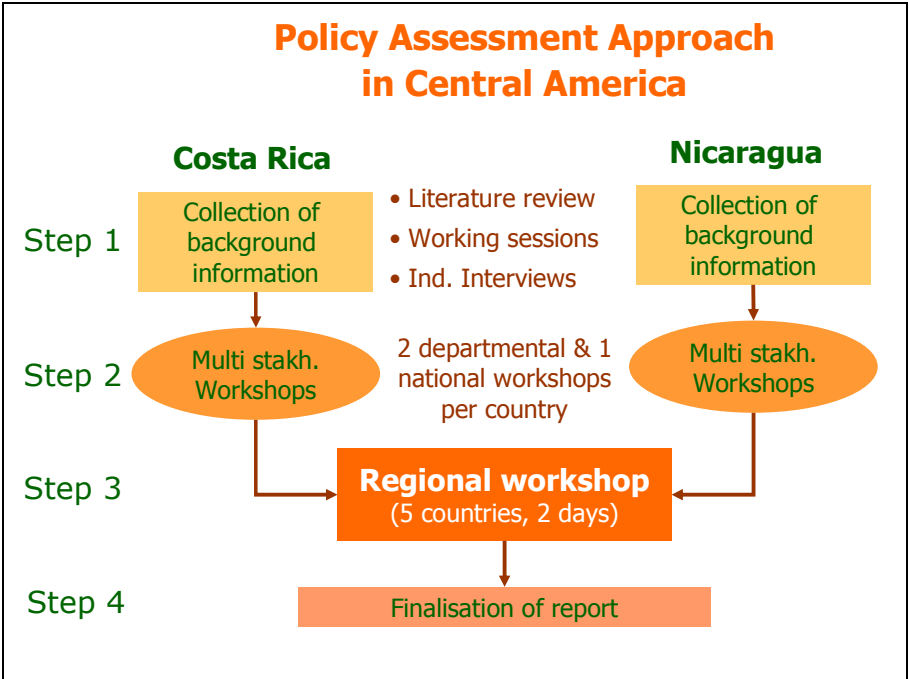
c. Documentation on the results of the Workshops in each country

1.3.3 Regional Workshop

To obtain a much broader opinion regarding the management of SARD-M policies in other countries of Central America (Guatemala, El Salvador, and Honduras) and to present the findings on Nicaragua and Costa Rica, a regional workshop was convened. The workshop was attended by 29 civil servants from the institutions responsible for agriculture and the environment.

1.3.4 Outputs produced within the framework of the study

In order to make up for the lack of knowledge on the part of most of the people involved regarding the management of public policies in general, and the policies being implemented in each of the countries concerned, and to improve tools on assessment methodologies and techniques underpinning the construction of methodologies, various products have been designed as part of the study: an interactive CD-ROM and the final evaluation document.



II. Central America: the potential and marginal features of its hillside zones

Central America, comprising Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, lies between North America and South America. It is characterized by its great biodiversity and large areas of tropical rainforest; forest cover in 1996 was 181,000,000 ha (35% of the territory). It possesses 80% of the world's mangrove swamps, and the second largest coral reefs in the world; it comprises about 12% of the Latin American and Caribbean coastline, including 567,000,000 ha of mangrove swamps, 1,600 km of coral reefs and about 237,000 square kilometres of continental shelf (CCAD, 1998).

Central America is mostly made up of high mountains, rivers and volcanoes. Its geography makes it prone to natural hazards: hurricanes, earthquakes, floods, droughts, landslides, and volcanic eruptions, among other things. Its position, geographic configuration and biodiversity provide it with its own mechanisms to reduce its vulnerability. Its warm tropical climate provides far more water resources than many other developing countries, and annual rainfall levels are comparatively high, reaching 7,500 mm in some zones.

It is estimated that 27% of the territory of the region is overexploited, almost 22% is underutilized, and 51% is properly used. Between 1990 and 1995 more than 2,000,000 ha of woodland were lost. Deforestation has various deep-seated causes, ranging from cropping patterns to economic causes: forest clearing for agriculture and livestock farming, logging, the use of wood for cooking, and urbanization. For example, in 1996, 92% of total timber production was used as fuel wood and the remaining 8% for industrial uses (CCAD, 1998). The destruction of the forests has impacted on the fauna, which have lost their natural habitat, and has led to overexploitation of resources, very often supported by the legal and illegal trafficking of wild species.

The population of the region is almost 35 million, with a population density of 65/km²; half are women, one in about five are indigenous people, and almost one in three are Guatemalans. Four out of 10 people are children or young persons aged 14 and under, and six out of 100 elderly adults (60 years and above). Just over one-half of the people live in the rural areas, and one in five live in the 26 cities with more than 100,000 inhabitants.

Central American agriculture is now being built up on different bases for growth from those adopted in earlier decades. The processes of democratization, integration, opening up of the economy and liberalizing trade, concern about environmental impacts and a more diversified local, national and regional institutional infrastructure, are all part of the great changes that the region is now undergoing. Agricultural policies implemented in Central America since the 1950s reflect the predominance of a sectoral approach, which views agriculture as a primary sector designed to supply the national food market, generate foreign exchange, create jobs and, more recently, conserve natural resources.

The increase in agricultural production in high potential regions and their national economic impact has also been accompanied by a process of expanding the agricultural frontier, moving towards areas with less potential. This pattern has generated a marked polarity and dichotomy between industrialized agriculture organised around export crops (localized in areas with a high agricultural potential), and family subsistence farming to produce food (localized in the "marginal" regions). The configuration and development of Central America's institutions has been determined by two main factors: the economic importance of agricultural production, falling living standards and the political mobilization of the rural populations.

The history of Central America has an agricultural base, which has been an area of disputes over political power as it has been for a long time the principal source of economic wealth. This role is currently shifting away from the agriculture to areas of financial and commercial brokerage. The countryside and the people living there are losing their importance and presence in national policies,

and economic policies are beginning to take on a marked anti-agricultural slant, favouring the import of commodities – including agricultural commodities – in addition to fostering the installation of assembly industries (maquilas) and incorporation into the main avenues of world trade within the framework of globalization. Market supremacy, with such policies as deregulation, liberalization, the privatization of state property, the development of exportable products, controlling inflation and the public deficit, and encouraging foreign investment, are not helping to reduce the imbalances and the lack of social equity in the rural sector.

2.1 The potentials of the hillsides

During the course of the study, emphasis was placed on the economic, environmental, energy and production aspects. A wide range of goods and services that are essential for guaranteeing crucial resources for the rest of society were identified: water, biodiversity, landscape, risk prevention, specific products, and culture. These create a series of comparative benefits and economic and environmental interdependency between the highlands and the lowlands that are yet to be promoted.

Despite the fact that the value and economic contribution of natural resources in the region are recognized by the market, the role that they can play in fostering national development is not fully appreciated. In order to quantify them, biological and economic indicators are needed. Recognizing the existence of these values, and on the assumption that many benefits exist but have not yet been seized, a number of studies have been conducted⁴ in order to be able to estimate them.

The biological wealth of these countries is mainly concentrated in protected areas which generate major environmental goods and services. The benefits that could be derived from the sound management of farms in protected areas, requires certification and other more transparent production procedures. This demonstrates the need to promote a set of policies and incentives that bring about their economic exploitation, encourage producers to introduce changes into their production methods invest in agricultural systems that rehabilitate the environment.

The potentials offered by hillsides to the development of the region are essential for sustainable development and are reflected in different ways:

a. Economic

- **Coffee** is grown in the hillside zones. According to the Policies Office of the El Salvador Ministry of Agriculture and Livestock in a survey conducted by CAFCA,⁵ coffee is a sector of great importance to the economic and social life of the Central American countries. With the sole exception of Panama, coffee accounts for between 2% and 6% of GDP. In El Salvador coffee production accounts for 40% of the aggregate value of the agricultural sector as a whole. Even though coffee as a share of GDP has fallen since 1985, it still continues to contribute heavily to agricultural output. In Guatemala and Nicaragua, coffee accounts for between 25% and 30% of total agricultural production. In Costa Rica this percentage has been declining, but it still represents about 20% of total national agricultural output. In Honduras, coffee substantially increased its share of national agricultural output in the latter half of the 1990s to reach about one-half of the gross agricultural output. Coffee exports are a major source of foreign exchange earnings in the Central American economy. In addition to being a major source of value and income, coffee is a net generator of employment in the economies of the region.

⁴ PASOLAC and other Central American environmental agencies have promoted studies to establish the economic values of the different environmental goods and services and to measure their benefits to society and create financial mechanisms for ploughing back some of their marginal utility into conservation projects to regenerate biodiversity resources.

⁵ www.agronegocios.gob.sv/tlc/news/docs/Café.pdf

- The statistics on **rural tourism and ecotourism** reflect the growing contribution of tourism to the Central American economy, and demonstrate the need for hillside investment. In Costa Rica, an exemplary country for Central American tourism, a new rural community tourism niche is being developed in addition to adventure tourism, eco-tourism and other traditional forms of tourism, coupled with other tourism products, such as archaeology and colonial cities.
- Another major opportunity is the marketing of **genetic resources and handicrafts**.

b. Environmental

- Hillside zones are sources of **environmental goods and services** (water, water management, scenic beauty, genetic resources, energy, etc). The modality of "payment for water environmental services" is run with pilot experiments in every country in Central America and offers a more comprehensive and sustainable approach to agriculture and rural development which should be extended in the future.
- Hillsides also host a great wealth of **biodiversity** offering multiple environmental opportunities.

c. Energy

- The production of **renewable energy**, especially hydroelectricity and wind power; there is also the potential to produce biomass energy.

d. Production

- **Forestry products** and non-wood forest products
- The potential to produce **coffee** of traditional and organic quality
- There are crops and **animal species that are suited to hillside zones**.

Hillside zones also have **linkages with urban and lowland zones** which must be taken into account in terms of their relevance to policies: one of them is the supply of water for various uses. Hillsides are major water producers for hydroelectric power, irrigation and clean water for the urban areas located "down below".

2.2 The marginality of the hillside rural population

Despite the varied and profitable potentials of hillsides, there have been fewer economic, social, cultural and commercial investments in these zones than in other geographic areas, resulting in their marginalization in various respects:

a. Economic

- Generally speaking, hillside dwellers have low incomes, or lower purchasing power because of the limited employment opportunities
- Employment possibilities are fewer than in the plains or valleys where agricultural production for export purposes prevails. The only exception is in the coffee-producing zones where there is temporary employment to maintain farms, and employment on a large scale at coffee harvesting time.

b. Infrastructure

- Run-down community infrastructure, particularly in the field of public services, which are scarce, located far away from and/or of poor quality (drinking water, electricity, healthcare, education)
- Poor or non-existent access routes and tracks
- Run-down electricity and drinking water systems

- People have few or no homes, placing the health of the rural households in jeopardy.

c. Production

- Due to the low fertility of soils, yields are low and the crops produced are generally not very profitable (basic cereals), or people engage in extensive livestock farming
- Low irrigation coverage
- Little or no infrastructure for the storage or sale of inputs.

d. Social

- Families are generally large with high levels of fertility and teenage pregnancies, and the highest levels of maternal deaths
- The population is fragmented and scattered
- High levels of chronic and acute malnutrition among babies, and malnutrition, anaemia and iron deficiency among women of childbearing age
- Illiteracy and high rates of school dropouts
- High levels of household violence
- High levels of child labour.

e. Environment

- Greater vulnerability and extreme weather conditions
- High level of dependency on natural resources for food and energy (fuel wood)
- Fragile ecosystems prone to soil erosion, contaminated water caused by coffee processing and other unsustainable agricultural practices.

f. Access

- There is generally little access to local, regional or external markets because of a lack of road infrastructure, organizations of producers' households, and other factors
- More difficult access to technologies and technical assistance, because the institutions and service providers choose more accessible places
- Credit access is limited because of a lack of credit services in remote communities and the high transaction costs for households with smallholdings
- In some places there are problems of land access and land tenure registration
- There is difficulty in gaining access to such basic services as healthcare, education, recreational amenities, etc.

g. Information

- Little access to information on laws and/or policies, technologies
- Few or no television and radio broadcasting services, and even fewer electronic communications.

2.3 *Suggestions for making hillside potentials more visible*

- Identify and **make the potentials of hillsides visible** by supporting economic assessments and disseminating the results to decision-makers at all levels and to the hillside dwellers' own organizations
- **Strengthen the organizational levels** of hillside producers and dwellers
- **Exploit the capacities of governments and local organizations** to enhance synergies between the organised families and the local authorities who are more familiar with their problems

- **Intersectoral and co-ordinated work** between development organizations and institutions, and create synergies with other non-agricultural and non-environmental institutions with jurisdiction over hillsides
- **Re-examine the experience of environmental information systems**, to create information monitoring and management systems
- **Retrieve and document experiences** with specific programmes and projects for hillsides
- **Consider the tax revenues** from hillside zones in relation to other sectors of the economy, in order to convince public and private decision-makers of the benefits of investing in these zones.

III. Lessons learned and suggestions

A. On hillsides in general

1. **Hillsides have a very considerable economic importance** in the Central American countries, but evaluating their potential, their goods and contributions to the national economy has yet to be performed in terms of sustainable development. Coffee is the traditional foreign exchange-generating crop and accounts for a significant percentage of GDP from agriculture in each of these countries. However, no economic assessment or assessment of the potentials of hydroelectricity, tourism, environmental goods and services, forestry goods and services, and agriculture and livestock production has ever been made in terms of their relevance to SARD-M policies.
2. **No specific policies exist for mountains** in any of the Central American countries despite the fact that it is a region with a marked predominance of mountain zones. The question to be asked is whether it is necessary to have a specific policy for mountains or whether important aspects of them should be incorporated into present and future policies of relevance to SARD-M.

B. On the application of the SARD-M concept

3. **Comprehensive sustainable rural development policies** incorporating the economic, social and environmental pillars have not been part of the institutional dynamics of the Central American countries. Some have recently begun to be drawn up and implemented, such as Costa Rica's Technical Cooperation Agenda "Producir conservando y conservar produciendo" (Produce while conserving and conserve while producing), MINAE-Agriculture and Livestock Sector, the implementation of Nicaragua's National Rural Production Strategy (PRORURAL) and the Honduran State Policy for the Agrifood Sector and the Rural Environment. El Salvador's Sustainable Agriculture in Hillside Zones Policy is in the process of being analysed and approved.
4. The formulation and implementation of environmental and rural development and economic, decentralization and citizens' participation policies, as well as the more sustainable comprehensive policies date back to the second half of the 1990s and the present decade, which therefore limits the possibility of **assessing their effects and impacts** as some of the institutions are only just beginning to introduce the structural, functional, planning and financial adjustments needed to implement them.
5. The conditionalities imposed by the International Monetary Fund and the high dependency of Nicaragua on international cooperation makes it more **difficult to integrate macroeconomic policies** into rural development policies. In both countries, the involvement of the Treasury and Planning Ministries in rural development policy management is still in its infancy. A similar situation exists in the other Central American countries.

C. On the level of familiarity with SARD Policies

6. The **lack of knowledge and management of information** of the people directly or indirectly involved in this study – civil servants working with agricultural, environmental, rural and economic development, international cooperation and producers' organizations – is evident regarding the following aspects of sustainable agriculture and rural development in the hillside areas:
 - Regarding the SARD-M policies under study, summaries of these policies were circulated at the national workshops, to enable the groups to assess them. It was found that the majority of the people attending workshops had never seen them before. Ignorance of economic policies was greater in Nicaragua than in Costa Rica, but there was better handling of policies for the environment, decentralization and citizens' participation. At the

regional workshop, the other countries also spoke of the lack of policy management by the institutional and social stakeholders;

- Statistics and studies on the state of rural families living in hillside zones, and the economic potential of rural resources and hillside biodiversity, as the basis for lobbying the government and the private sector to encourage public and private investment in these zones;
- Information on, and the coordination and complementarity of the various SARD strategic planning, implementation and monitoring activities, with both the public and the private sectors.

D. On the political processes

7. Most of the instruments for managing policies, strategies, plans and programmes in Central America take a **short-term approach**, which is at odds with the need for the central government to develop medium- and long-term policies, especially for sustainable agriculture and rural development. In some countries, Poverty Reduction Strategies (PRS) exist as part of the Millennium Goals (2015); Costa Rica has a National Environmental Strategy covering a 15 year timescale.
8. The **political stability** of Central American countries is being increasingly recognized as a factor in the policy management cycle, because party-political decisions have repercussions on governmental plans and programmes.
9. In Nicaragua, more so than in Costa Rica, **economic, fiscal and monetary policies are not in line** with the overall concept of sustainable development. In both countries the participation of economic institutions such as the Treasury and the Central bank is non-existent in the various agencies that coordinate the agriculture and environment sectors, leading to overlapping, and policies without budgetary allocations for implementation, etc. Likewise, central planning bodies have disappeared, allowing sectoral approaches to prevail.
10. The **economic commitments and strategic vision** required to implement SARD-M policies are constrained. In Nicaragua, there has been a high rate of turnover of senior executives in the rural agricultural institutions of the public sector: six agriculture ministers under the previous government, and three under the present government; three changes at the Ministry of the Environment and Natural Resources (MERANA), three at the Rural Development Institute (ID) coupled with the high level of dependency on donor funds to be able to pay the salaries of key executive personnel. Costa Rica has even more excessive centralization of the government than in Nicaragua.
11. The levels of **coordination between the agriculture and environmental sector institutions** have begun to improve in relation to the framework for formulating the aforementioned policies, but they have generally been weak and contradictory.

E. On participatory processes

12. The **participatory processes** which require greater involvement of both public and private stakeholders in the various phases of policy management are not seen as very efficient in most of the Central American countries despite the greater political will to involve sectors of civil society more closely. The processes and methods of holding consultations, workshops, fora, concerted activities, etc., must be perfected and expanded horizontally, so that all the stakeholders in the rural sector are able to acquire greater ownership and joint responsibility. Policy documents are generally drawn up by a group of international and national experts, who issue a basic document setting them out. In other words, it is a mainly "top-down" process.
13. The **mechanisms for the coordination and the participation** of producers and civil society with the public sector are the National Committees (i.e. the National Council for Economic and

Social Planning (CONPES) and the National Council for Sustainable Development (CONADES)), the Municipal Committees and more recently the Departmental Development Committees. The Municipal Committees have been operating longer, but the issues of sustainable development and the involvement of the economic stakeholders is still working inefficiently. In Costa Rica the participation of civil society and the producers does not form part of the institutional strategies, and the predominant role of the Legislative Assembly in enacting government legislation is hampering the creation and proper functioning of provincial and local-level participation mechanisms.

14. The promotion of **linkages between networks, alliances and regional initiatives** of national and local stakeholders to share their experiences on agriculture and rural development must be fostered, because it makes policy management stronger and more flexible.

F. On technical procedures

15. The need for civil servants, producers' organizations and international cooperation agents to properly understand and manage **conceptual and technical tools for formulating, implementing, monitoring and evaluating** comprehensive public policies is strongly felt, and was voiced by the majority of the people involved in this study. Very few policies conduct studies of the institutional and financial capacities available to implement policies, and no evidence was found of any analysis of the consistency between the areas of responsibility covered by the various institutions, leading to overlapping, duplication of efforts and resources, as well as institutional vacuums.
16. Most policies, and even strategies, agendas and plans of action are not backed by **financial studies and specific budgets** for their implementation. Current and planned budgetary instruments and variables are not part of the policy formulation, but emerge in later decisions, thereby delaying their implementation.
17. The technical and financial assistance service providers for the agriculture sector differ in nature between Costa Rica and Nicaragua. Nicaragua has a substantial number of non-governmental organizations providing this type of service in rural hillside zones. But, paradoxically, the private agency with a public function is better known and more widely used in Costa Rica where various different corporations have been established, operating with government funds from taxation or from their own income. This is a system that must be studied and disseminated throughout the other countries in the area.
18. Generally speaking, in both countries, **rural development interventions** by public institutions and non-governmental organizations in hillside areas were assessed positively. In Costa Rica, mention was made of land tenure, pricing information, marketing and production infrastructure (irrigation systems, equipment, and hydroelectric power). In Nicaragua, the "pound for pound" programme, technical assistance and the delivery of plant material, training schemes and municipal instructions for natural resource management were positively assessed.
19. There is no systematic analysis of SARD-M laws and policies in Central America to gauge their **positive or negative effects**. The system for **monitoring and evaluation** of policies is still very weak in both countries. The matching of policies and political instruments such as plans, programmes and projects, and the definition of precise and realistic indicators of processes, effects and impacts at each of these levels of SARD-M policy management is similar in both countries in terms of not having been put into practice or followed up.
20. The **conceptual integration of the three sustainable development pillars** is still far from being achieved in either country. **Decentralization** is currently in the initial stages of functioning and consolidation with the establishment of Departmental and Municipal Development Committees in Nicaragua. In Costa Rica there is an excessive centralization of the

government which requires the opening up of spaces for other stakeholders, who are not part of the institutions, and the strengthening of consultation with civil society.

21. The **methodological input** that began with the implementation of this study, such as the information gathered in the anthology of policies and on different methodologies for policy formulation and assessment, serves as a basis for planning future actions to strengthen the capacities of the various stakeholders in the comprehensive management to SARD policies in hillside areas.
22. There are many **studies, miscellaneous diagnostic studies and survey results**, baselines from cooperation projects or governmental initiatives in the rural sector that can be used as inputs for drawing up proposals or providing technical support for the management of public policies.
23. The **lack of professional administration and management** not subject to political changes is limiting the ability of the public institutions and cooperation projects in the rural sector to perform the key functions of coordination, management, administration and financial control. The skills, capabilities and experiences of the numerous technicians in the region are not being exploited.

G. On the mobilization of resources

24. Costa Rica stands out in terms of ample **government financing and the creation of economic** instruments such as incentive and disincentive policies, the operation of specialized funds to support the environmental sector and to a lesser degree, Costa Rican agriculture. It also has a long tradition of operating forestry funds, and the Payment for Environmental Services (PSA) system. The flexibility of public budget management nevertheless remains very bureaucratic and the procedures to give household producers access to public credit are very burdensome, and in practice they are concentrated in the commercial sector.
25. In Nicaragua, on the other hand, there is a high **level of dependence on international cooperation**, and the practice has recently been introduced to incorporate the budgets and/or financial data into policies and the instruments for managing them.
26. In both countries there is a shortage of **cost/benefit and financial studies** of the policy formulation processes, and financial **monitoring mechanisms** are not being incorporated into public policy monitoring mechanisms.
27. The procedures for **allocating and managing the budget** using domestic funds are for short-term priorities and are highly bureaucratic, with the result that the necessary government resources are not being allocated to SARD projects or allocated as matching funds for projects being implemented with cooperation agencies.

IV. The findings on Nicaragua

4.1 Short country description

The agriculture and forestry sector in Nicaragua accounts for about 18% of GDP, employs about 38% of the Economically Active Population (EAP), and accounts for 65% of the country's exports. Taken together with the agro industrial and food industry component, its total contribution is considerable. In short, this is a very important sector for the national development of Nicaragua.

Agricultural growth in the period 1994/95-2003/04 was concentrated around just a few products such as beans (11.44%), sugar (11.33%) maize (10.06%) poultry (9.86%) coffee (8.08%) milk (6.82%) and meat (2.76%) as percentages of the primary sector. The opening up of trade which began in the 1990s, and the booming international prices until 1998 bolstered agricultural and forestry production. But production increases were achieved more as a result of extending the areas under crops than the level of land and labour productivity. Moreover, agriculture takes up a total area of almost 1,000,000 ha, of which 80% of the land under cultivation is under crops for domestic consumption, mainly basic grains using an extensive farming system, while the remaining 20% of the land under cultivation is set aside for traditional export crops. New higher value-added crops such as oilseed crops, fruits, vegetables and cocoa, to name but a few, are becoming increasingly important.

Nicaragua has 8.8 million ha of woodlands, of which 5.3 million ha have forestry potential, and 3.5 million have silvo-pastoral potential. Annual deforestation has fallen from 95,000 ha during the 1970s to 70,000 ha at the present time. Fuel wood extraction and rural settlements remain among the main causes of the destruction of the woodlands. The country has woodland that produces 80 million cubic metres of timber and there is abundant land available for fast-growing tree plantations.

Agriculture remains the dominant economic and social activity in the rural world. It is characterized by the skewed development of its territories with a highly scattered population, little horizontal and vertical integration of production chains, technological backwardness, and production systems that degrade the environment and natural resources, creating environmental vulnerability, poverty, inequalities and food insecurity in rural households. Some 66% of all rural households are poor and 25% extremely poor. The country faces the twin challenges of overcoming this socially and ecologically unsustainable situation and at the same time make its agriculture competitive in terms of opening up to trade and globalization.

In Nicaragua the economically active population in the rural sector is about 42%, the agriculture sector jointly with agro industry contributes 29% of GDP and generates almost 75% of exports. Very few countries have experienced such rapid economic growth and poverty reduction, but this has not been accompanied by growth in the agriculture sector. Add to this the agro industry and food industry component and the total contribution is considerable. In conclusion, the sector is very important for the national development of Nicaragua, but a recent survey conducted by CEPAL shows that less than 2.5% of central government expenditure goes into the agriculture sector.

The Public Agriculture and Rural Sector (SPAR) in Nicaragua comprises:

- The Ministry of Agriculture and Forestry, MAGFOR, which governs the agriculture and forestry sector
- The Agricultural and Livestock Protection and Health Directorate General, DGPSA
- The Nicaraguan Agricultural Technology Institute, INTA
- The National Forestry Institute, INAFOR
- The Rural Development Institute, IDR.

These institutions are not always fit for its roles, weakening relations and coordination between the institutions. This hampers their functionality, efficiency, strategic and analysis capabilities necessary

for the authorities responsible for managing the rural sector to address the challenges of globalization and change to incorporate Nicaragua's economy into the international market. Yet Nicaragua has a very active civil society in the rural sector which is constantly taking fresh initiatives in terms of local participation, organizational strengthening, technological and methodological decision-making and adopting many different working approaches to drive development in the framework of SARD.

The Programme for the Implementation of the National Plan for the Development of Rural Production (PRORURAL) is the Nicaraguan government's response through a set of policies to contribute to developing the rural production sector. The whole Public Agricultural and Rural Sector (SPAR) is being comprehensively revised under Law 290, the Act Establishing the Organization and Powers of the Public Government Institutions, which lays the foundations for a clear institutional division of work of each of its institutions. It draws distinctions in their specializations at two levels: *first, in terms of rules and implementation functions, and second by their territorial positioning at the central, departmental and/or municipal level.* From the environmental point of view, the environmental management of the SPAR must be made more effective within the framework of the national environmental policies and laws.

4.2 What policies were compiled in Nicaragua for the Anthology?

Policies in Nicaragua have been assessed on the basis of the National Operational Development Plan, the highest-tier national policy in the country which comprises the three pillars and governability, as a key element of development.

The second policy addressed was the PRORURAL sectoral policy - the Implementation of the National Rural Development Production Plan which, at the time of the survey, was being finalized and approved. It is designed as *a set of policies and actions to be implemented by the government of Nicaragua to support the development of agriculture, livestock, forestry, aquaculture, agro industry and other related activities, with the main objective of contributing to the development of the rural environment.*⁶

Another 43 economic, rural development, environmental, natural resource management, decentralization and citizens' participation policies were also compiled and summarized and distributed to the persons taking part in the workshops, to be disseminated and assessed.

4.3. Policy assessment

The policies were assessed in terms of the general phases of the public policy management cycle: formulation, implementation, monitoring, and evaluation. Within each of these phases, the political, participatory, technical, and financial resource mobilization processes were examined.

4.3.1 The application of the concept of sustainable development in hillsides

The policies analysed do not specifically mention hillsides zones. They deal with issues of rural development, technologies, land, soil management, instituting funds (coffee, renewable energy sources), natural resource management, etc., for both the plain lands and the hillsides. On the other hand, the policies do deal with specific crops which are produced more commonly in the hillsides, such as coffee, vegetables, etc., but there is no specific comprehensive policy for these zones. This situation makes the analysis more complex, primarily because of the large number of documents compiled, but also because of a lack of knowledge of the rules and regulations by the people

⁶ Government of Nicaragua, PRORURAL, MAGFOR, INTA, IDR. Implementación del Plan nacional de Desarrollo Rural Productivo. Volumen I. Versión del 2 de Agosto del 2005.

responsible for implementation and monitoring (the public institutions), and by the people affected by them (rural producer households on the hillsides, cooperatives and associations, NGOs, etc.).

In some recently formulated policies, and those which are currently being submitted for approval, the incorporation of the three key pillars of sustainable development are starting to be considered. One of these is the policy for the Implementation of the National Rural Production Development Plan (PRORURAL) which addresses the environment, agriculture and livestock, and the development of Small and Medium Enterprises, MYPIMES. Yet the monetary, fiscal, commercial and price policies to facilitate their implementation by creating a macro-economic and fiscal environment that will bolster sustainable economic/productive activities, are not yet incorporated. The economic pillar, that is to say, the Ministry of the Treasury and Public Credit, and the Central Bank, until only a short time ago were beginning to take part in the agricultural and environmental development sectoral coordination bodies.

On the other hand, Nicaragua's high degree of dependence on the conditionalities imposed by the International Monetary Fund and the World Bank, are intrinsically contradictory. The former demands a reduction of the fiscal deficit and the latter an increase in public expenditure to deal with poverty, combined with modalities for cooperation through projects.

4.3.2 The policy formulation phase

The main laws, policies and policy tools analysed are all of recent formulation, that is to say, most of them are nascent policies. One may therefore conclude that their recent formulation, approval and implementation could be one of the reasons why so few people know about them. Other factors such as their poor publicity, the civil servants' lack of familiarity with the policies and rules that govern their institutional dealings, and the lack of vision on the part of the non-governmental organizations and producers' families to become thoroughly acquainted with governmental policies, and make demands for their implementation also influence this lack of knowledge about policies.

Only the Municipalities Act dates back to the 1980s. In the 1990s attention focused on the Property and Environment Acts (in compliance with the 1992 Earth Summit agreements) and in particular Organization of the State Act 290, which underwent several reforms but is still in force. The other policies were formulated in this first decade of the 21st century, mostly in 2005. It is therefore very difficult and premature to gauge the effects and the impacts of policies, because the institutions have recently been adjusting their structures and operating procedures to take on and implement the new rules.

One aspect of research has been the long-term commitment to SARD by the central and local government authorities. In Nicaragua, this is emerging more clearly in terms of the environmental and natural resource management sectors, in view of the operation of the environmental management units in the line ministries and autonomous institutions, and in the municipal governments which - at least theoretically and in institutional terms - makes it easier to make the issue more transversal, and to ensure its implementation.

With regard to rural development, despite the fact that the Ministry of Agriculture and Forestry, MAGFOR, is responsible for the policies in this sector, it is still a weak institution with a high turnover of senior executives and technicians at both the central and departmental levels, with limited policy formulation, monitoring and evaluation skills, and ability to coordinate with other public institutions. They reformulate policies in terms of individual items and cycles, with a short time horizon. In the past two years, priority has been given to PRORURAL, which has been approved and the allocation of resources is now being considered for its implementation.

Economic policies depend to a large extent on international organizations and the nuances between them vary, depending on the government of the day. Despite the fact that there has been huge investment in rural development policies by public institutions, civil society organizations, producers and cooperation agencies in the transfer of sustainable soil and water management technologies, the

integration of environmental activities, watershed management, territorial planning, integration of value chains and local development have only recently begun to be implemented.

Politically speaking, the establishment of the Coordination Boards was one of the external cooperation conditionalities in the Managua Declaration of November 2003. The "Production Cabinets" and the National Production and Environment Commissions have started with good success, particularly within the framework of PRORURAL.

CONPES, as a Government consultancy body on economic and social policy management with a broad representation of civil society, was underestimated by the Executive and only recently have attempts been made to restore and strengthen its role and operational capacity. CONADES, as a facilitator for dialogue between civil society and the government, and between government agencies in relation to a national sustainable development strategy, has focused more on creating the intermediate departmental tier (Departmental Development Committees, CD-ROMD) to implement the National Development Plan and enhance municipal-departmental policy dialogue, and dialogue with civil society and the private sector at this level. Its national role was to give priority to formulating the National Operational Development Plan (PND-O).

There have been various different consultation procedures for formulating the policies: workshops, meetings, debates, presentations of various kinds, virtual spaces, etc. The Nicaraguan Environmental Plan, the various environmental laws, the enhanced Economic Growth and Poverty Reduction Strategy (ERCERP), the PND-O, the National Global Production Development Strategy, among other things, are evidence of this desire for participation.

At the local level, in the departmental workshops, the people identify other policy management consultation methods differing from the traditional types. These include meetings, consultation workshops, enquiries/surveys etc., and identifying official procedures for citizen participation on matters in which they are involved: Regional Committees, Municipal Environment Committees, Municipal Development Committees and Departmental Development Committees with Development Plans.

Regardless of the different forms and procedures for participation, it is felt that the processes are not fully communicated because the dissemination of the policies that are formulated or approved is very restricted. The regular consultation procedures that have been used to involve the producers in different sectors and at different levels and engage their participation have been workshops, assemblies, and individual and group meetings. It was reported that there is no optimal system, and responsibility has been placed on the local authorities and NGOs, using technical extension workers. There is no communication and contact network. Other procedures used are debates, training sessions, assemblies, workshops, seminars, municipal council meetings, publicity campaigns, and so on.

Poor communication has also been confirmed by the results of the individual surveys conducted as part of the study, in which most opinions referred to the efforts made by the municipalities to lay down rules and/or the offering of services regarding sustainable resource management techniques. PND-O was only mentioned twice. The Coffee Law and other economic laws, such as the Fair Taxation, Tourism Incentives laws, etc., are virtually unknown.

Striking the necessary balance and linkages between the vertical approach and the participatory approach to formulation procedures, ranging from technical expertise to the perceptions voiced by the interested parties, is limited by the fact that the people realize citizens are ignorant of the participatory mechanisms for formulating policies, and that their contributions are not subsequently incorporated after consultation. The formulation of policies does not take into account *bottom-up proposals where people are familiar with the application and the mechanisms used. Proposals must*

*come from the grassroots, which is where the people know how things are done and how things can be done; the mayoral offices can be useful in this regard.*⁷

There are experiences of rural development policy and strategy discussion and analysis with executives from such institutions as IDR, INTA and INAFOR. But they do not brief their personnel at departmental and local levels of the progress made with the proposals or whether they have been adopted.

Except for certain policies that have been formulated in the past two years, most of them have no scientific definition of the problems they are designed to solve, based on a detailed analysis of their causes and effects. The basic guidelines regarding the main causal factors and processes to be resolved, and the quantification of the specific targets of various indicators are not elaborated. All the analyses, enquiries, databases, monitoring systems, etc., that could be used as a basis for a multivariate statistical analysis to define priorities are used more to monitor the poverty indicators than to be used for the technical and sound formulation of policies.

Moreover, most of the policies, except for some environmental ones, are drawn up without any prior analysis of their correspondence with existing higher-level national and sectoral laws and policies, or with the evaluations of other policies and laws directly or indirectly connected with the one being formulated.

No analysis of the capacities of public institutions or the definition of their role, responsibilities, rights, and the resources available to the State, the private sector, the NGOs, unions and associations, and international corporation agencies for the implementation of policies are included in the policy formulation phase. The participatory management of public policies is a recent issue in State management. In Nicaragua, the institutional development of government has not reached effective, efficient and modern management levels to make it possible to enhance the scientific policy formulation skills of key personnel in the institutions, and homogeneous public rule-setting regarding processes, contents, techniques and tools for formulating public policies.

Another aspect that has hampered the formulation of policies is the magnitude of international cooperation and the way it is provided in Nicaragua (15% of GDP). Project execution units have been created that run parallel to the government institutions and have their own identity. This has deprived the governmental institutions of their institutional character and authority. This has been aggravated by staff-cutting measures implemented as part of the structural adjustment plans. Most of the policies analysed had no budgets for implementation and no resource management plan for the future. PND-O and PRORURAL are one of the few instruments that incorporate financial numbers as part of their formulation. They are managed with international cooperation, which limits the sustainability of their actions because of their high level of dependence on external funding.

4.3.3 Implementation phase

This is the phase in which public policies are managed, and is the expression of the political system, of the democratic institutions, the autonomy of the State and the legitimation of the State in the eyes of the people. This phase is very important because it comprises the integration of SARD policies, and the complementarity, coherence and consistency between the normative frameworks and planning. It provides the necessary horizontal and vertical coordination between the public institutions; the ownership and active participation in policy management of all the stakeholders, particularly the most vulnerable groups and non-governmental organizations providing public services.

⁷ Opinions offered by participants at a session on decentralization of the Policy Assessment Working Groups. National Workshop. Estelí, 23 August 2005.

The commitment of the stakeholders to SARD is not being reflected at the local level, despite the fact that many actions have been identified stemming from sustainable soil and water management policies. This justifies all the actions that have to be jointly performed by all the institutions in a given territory. This comprehensive character takes the form of joint actions between different institutions and organizations of civil society, through effective participatory and coordination mechanisms at the local level which, in the case of Nicaragua, are currently being created and developed.

The municipal and departmental development plans are now beginning to be implemented as local development management tools, and the municipal budget allocations, which could facilitate SARD in hillside zones, have mostly been earmarked for urban infrastructure projects. The watershed focus and the selection of INTA management tools could also be used to facilitate SARD but this is not exclusive to hillside zones. Nevertheless, the geographic areas identified as hillside areas for the purposes of this survey coincide with some of those selected by INTA that are to be worked on comprehensively in the coming years.

Support for the implementation of the policies focuses mostly on technology transfer actions, the delivery of plant material and the provision of technical assistance for production purposes directly to the producer householders by public institutions in the field. Examples of these are: the Pound for Pound Programme, technology transfer, and support for IDR basic production infrastructure. The least mentioned examples are funding, organization and training.

Environmental policies are better translated into municipal rules and activities through the mayoral offices and the municipal coordination bodies set up for the sustainable management of the natural resources. The most frequently mentioned aspects at the rural level are orders not to cause fires, to protect watersheds, the operation of the Municipal Environmental Commissions, and measures against deforestation and to foster reforestation, *inter alia*.

Even though pilot experiences with the Payment for Water Environmental services (PSA) have begun in some municipalities in the country, this mechanism – which horizontally involved the hillside producers in protecting water sources, including families, producers and other economic players and the plain lands – was unknown and not discussed by the people involved in this study.

Economic policies are still completely absent. The stakeholders, including the institutional development agents and the parties themselves, know nothing about the main legal and policy instruments that exist for their own sector. There is a strongly felt need for a credit policy, and a policy for the development of micro-and small rural enterprises.

The assessments of the institutions and the implementation of policies brought into light the poor coverage of government programmes. Some of the major issues identified included: the lack of quality control and supervision of the seeds, materials and products delivered to households; lack of policies for small producers; some policies do exist, but they are not always implemented. Other issues included staff cutbacks, the closing down of agencies, the small budgets for the rural sector, the lack of training of the civil servants involved, and the lack of clarity about who is supposed to coordinate work with civil society organizations. The people know nothing about the role of each institution, which confuses the public. The negotiating skills of the stakeholders is fairly limited, and there is a lack of management capacity and ability to put forward proposals

Access to some services is being hampered because there is no legalization of property rights and the producer associations do not have legal representatives. The importance of associations is that it represents a way of gaining access to resources and opportunities that can not be obtained individually. Each organization will need to adapt and respond to the local situation, capacities and opportunities.

The series of NGOs, cooperatives, producer associations, and unions were identified as those which provide public technical assistance and financial services for production and support sustainable agriculture and rural development activities. These included 21 organizations in Jinotega, as well as

cooperation agencies, and national and local NGOs. 20 organizations were reported in Nueva Segovia, which were all fairly similar to the ones found in Jinotega.

The work of the organizations was generally judged favourably, because the government is seen purely as a provider of free and compulsory services, whereas NGOs are associated with more participatory processes and the people do not possess the same level of expectations for their services as they do with those of the government. The population still have no clear understanding of the public role played by private service-providers, and the right to demand transparency and the same quality of service expected from government institutions.

4.3.4 Monitoring and evaluation phase

The monitoring and evaluation phase is not only crucial for an impact assessment and to improve/transform activities after a thorough examination of the lessons learned in each iterative cycle of implementation, but it is also the fundamental feature of the democratic governance, transparency and accountability of the public institutions, and social auditing by civil society organizations. They were judged to be very inadequate by the stakeholders interviewed and the participants in the various workshops.

Policy monitoring and evaluation is deemed inadequate, even non-existent, and there are no indicators for measuring their implementation. Some policies incorporate them, but this is not generally done. The Standard of Living Survey, which is carried out every four years by the National Institute of Statistics and Censuses (INEC) with World Bank support, measures the poverty indicators but does not make it possible to directly relate the indicators to specific policies or institutions.

Impact monitoring takes place after policies have been implemented, but they do not monitor them in the various stages in the process, with the result that there is no point in studying the impact unless corrective measures are introduced into the process. The institutions monitor their management and institutional plans in a way, but this is more a matter of reporting on the implementation of the budget than of monitoring and assessing the impact of the policies. The associations created by projects which carry out partial monitoring and evaluation have not proven to be institutionally sustainable, and have not guaranteed social auditing or local governance because once the projects are completed these structures disappear.

4.5.3 Conclusions of the Nicaragua Assessment

Processes	Strengths	Constraints
Application of the SARD-M concept	<ul style="list-style-type: none"> ▪ The recently established PRORURAL incorporates environmental aspects transversally; and the forestry component as an area of intervention at farm and community level ▪ The Environmental Management Units created by the General Environmental Law at the central and municipal level is currently being consolidated 	<ul style="list-style-type: none"> ▪ 76.7% of financing comes from external funding : US\$149 million of US\$ 194.31;⁸ the deficit is 51% of total demand ▪ Economic policies meeting the IMF and WB conditionalities do not permit an increase in social and environmental expenditure ▪ Central institutions like the Treasury Ministry and the Central Bank do not form part of the agricultural or environmental sector coordination agencies

⁸ GONIC. PRORURAL. Implementación del Plan Nacional de Desarrollo Rural Productivo. Cuadro No. 6. Página 111.

<p>Political processes</p>	<ul style="list-style-type: none"> ▪ Creation of Departmental and Municipal Development Committees such as local coordination bodies and for formulating departmental and municipal strategic plans ▪ The operation of CONADES played a part in the policy discussions; its role has been diminished by being involved since 2002 in formulating the PNDO ▪ Departmental and Municipal Plans as management tools in which SARD-M is a key theme are now being formulated and implemented ▪ Start-up of Payment for Water Environmental Services pilot actions, to enable SARD joint actions to be more comprehensive/ integrated 	<ul style="list-style-type: none"> ▪ Low political commitment to the sector; historically there has been a high turnover of executives (6 ministers in 5 years) ▪ Agricultural policies have been short-term, and commodity-based ▪ Local level actions are not comprehensive, and policies have not been incorporated into joint programmes of the local institutions ▪ CONPES, as an economic and social advisory body to the Presidency has been underestimated under the present government ▪ In many cases the operation of the CD-ROMs and CD-ROMs have become party-run, starting with the municipal authorities elected for the period 2005-2008 ▪ The staff of the local public institutions for the environment and agriculture play only a limited part in public policy formulation
<p>Technical procedures</p>	<ul style="list-style-type: none"> ▪ There are many studies and survey results, guidelines for cooperation projects, and fact-finding studies that can be used as inputs for all studies that will be useful for public policy management ▪ Fact-finding surveys and institutional development models are now beginning to be incorporated into policies formulated in recent years, to include actions to overcome the weaknesses and ensure effective policy implementation 	<ul style="list-style-type: none"> ▪ Most of the public policies do not provide a scientific definition of the issues and their causes and effects. The basic guidelines and quantification of specific targets of various indicators are not elaborated ▪ Efforts wasted on studies for international cooperation ▪ No analysis is made of the connection, complementarity or consistency with other policies before formulating new ones, leading to overlapping and limited implementation capacity ▪ Limited technical policy management skills of staff in key institutions ▪ The definition of the roles, responsibilities, resources and financial returns of the various public and private parties involved in policy management is absent

<p>Resource mobilization</p>	<ul style="list-style-type: none"> ▪ The incorporation of budgets and financial data into policies and their management tools is now being introduced 	<ul style="list-style-type: none"> ▪ High dependency on international cooperation in the agriculture and environment sector ▪ Lack of cost/benefit and financial studies when formulating policies ▪ Financial monitoring mechanisms are not incorporated into public policy monitoring
<p>Other policy-related issues</p>	<ul style="list-style-type: none"> ▪ A greater awareness of conservation issues: environmental and natural resource management actions are the ones most commonly deemed to be positive ▪ The environmental sector is making greater use of technical rules and standards as part of the policy management cycle 	<ul style="list-style-type: none"> ▪ Economic policies are glaringly absent from the general knowledge of the local people ▪ Policies approved are not widely disseminated, and those approved take a long time to implement (e.g. the Coffee Law, the Establishment of the Environment Fund, etc.) ▪ The decentralization and local development policy and strategy has not yet been approved despite the existence of such management tools as transfers, plans, CD-ROMs and CD-ROMs ▪ The agriculture sector is the weakest in terms of modernizing management systems

V. Findings in Costa Rica

5.1 Short country description

In 2000, agriculture contributed 10.7% of GDP, and accounted for 31.7% of exports, employing 20.4% of the population and 20.2% of the economically active population. In terms of its contribution to GDP, agriculture is the third largest in the Costa Rican economy, superseded only by manufacturing (24.2%) and commerce, restaurants and hotels (17.9%), but if basic agri-industry is included, its contribution to GDP is substantially greater. Generally speaking, agriculture accounted for about 11% of GDP between 1996 and 2000. In terms of the employed population, it comes second in the economy behind services (25.6%), and before commerce (20.2%).

Agriculture comes second in terms of exports, and changes in the value of coffee, bananas or non-traditional agricultural export commodities have an effect on the performance of the national economy, because they are very closely linked with other economic activities. As a primary activity, agriculture is losing its relative importance both in terms of its contribution to GDP and in terms of exports and employment. This is not due to a decline in agriculture, but rather to the accelerated growth of other sectors of the economy. As a result of technological development, mainly products of agricultural origin are being replaced by industrial products, and consumers are devoting a decreasing proportion of their incomes to food. On the other hand, the progresses made and the costs involved with the packing, freezing, industrialization, distribution and advertising of agricultural products means that the producers of primary commodities are receiving a decreasing proportion of income because of the position they occupy within the agricultural production chain.

Costa Rica's Agriculture Sector comprises the following public institutions:

- The National Production Council (CNP)
- The Costa Rican Institute of Fisheries and Aquaculture (INCOPECA)
- The Agricultural Development Institute (IDA)
- The National Institute for Innovation and Technology Transfer (INTA)
- The Ministry of Agriculture and Livestock (MAG)
- The National Seeds Office (ONS)
- The Comprehensive Agricultural Marketing Programme (PIMA)
- The National Irrigation and Irrigation Service (SENARA)
- The Executive Secretariat for Agricultural Sectoral Planning (SEPSA)

5.2 What policies have been compiled in Costa Rica for the Anthology?

Thirty policy documents have been incorporated into the summary anthology, most of them economic in nature. The policies on decentralization and citizens' participation have not been collected because none of the people interviewed identified any policy instrument relative to this important issue.

5.3 Policy assessment

5.3.1 Applying the Sustainable Development Concept

Costa Rica's policies are similar in some respects to Nicaragua's, in terms of their timescale, particularly in relation to the environmental policies following the 1992 Earth Summit; these are the laws on the environment, forestry, and their Regulations, all of which date back to the 1990s. The difference between them is that Costa Rica has also promoted various types of funds to finance some of the activities for which provision is made in these laws and regional commitments undertaken.

Agriculture and rural development sector policies have been gradually drawn up with five-year timescales in accordance with the government's constitutional term in office. At the regional level, there are four main policy instruments: the 2002-2006 National Development Plan, the 2002-2006 Economic Recovery Plan, and the 2002-2006 "New Life" Plan for Poverty Elimination and Human Skills Development and Policies for the Costa Rican Agricultural Sector.

This modality, which has also been applied to the environment, is now being modified after having formulated and adopted the 2005-2010 National Environmental Strategy, ENA and its Action Plan. The Agriculture Sector and the Ministry of the Environment and Energy, MINAE, have also decided to set up a joint mutual co-operation agenda to enhance and optimize their operations, and integrate and harmonize efforts and actions. Even though the Action Plan for the Agenda has been scheduled until 2007, it is expected that the actions defined in the Agenda will be continued if the new government that will take office in February 2006 continues to follow the orientations of the present government.

As in Nicaragua, the policies analysed make no specific reference to hillside zones despite the fact that Costa Rica is essentially a mountainous country. Neither do they harmonize the three intrinsic pillars – economic, social and environmental – of sustainable development. Although macroeconomic policies are the ones that have been less integrated than others, various funds have been instituted, such as the forestry incentives fund with the establishment of FONAFIFO, but they are considered to be inadequate from the point of view of comprehensive farm management.

The joint agricultural/environmental agenda, as the first official attempt to have more comprehensive policies, still requires more resources for its implementation. Neither the national banking system nor the Treasury have been incorporated into the initiative, despite the fact that these are key economic players for its implementation.

5.3.2 The policy formulation phase

The political commitment to SARD by the authorities of the public institutions is being weakened by incipient inter-agency coordination, despite the fact that most of the relevant legislation makes provision for the coordination of the institutions involved in the sector (the Soil and Water Conservation Law, the Environment law, the Water Law, and so on).

The "unifying-coordinating" role which MIDEPLAN is supposed to play is weakened because of its role as a rule-setting authority for planning and evaluation, and because of its institutional hierarchical position in the political system where its leadership has been changing. Despite the fact that the National Development Plan is the national planning instrument, the annual MIDEPLAN priorities do not all coincide with institutional requirements.

In June 2004 the Technical Cooperation Agenda was adopted on "Conserving producing, and producing conserving" between the Agriculture Sector, MINAE and the Tropical Agricultural Research and Higher Education Centre (CATIE) to enhance and optimize its performance. The Agenda has three main strategic components:

- agro-environmental management planning and coordination
- land organization, planning and management with an eco-systemic approach, and the protection and conservation of biodiversity
- the biodiversification of competitive and sustainable production systems
- multifunctional ecosystems assessment.

Governmental resource and decision-making and management in Costa Rica are excessively centralized, hampering the flexible and efficient implementation of policies in this sector. MINAE is not decentralized, with the sole exception being the National System of Conservation Areas (SINAC). For this reason comprehensive environmental management in these territories is limited. The

institutions in the agriculture sector are more centralized, especially the MAG. The others have regional offices and few staff to deal with the needs of the producers.

The participation of the private sector in civil society as a means of ensuring consistency between policies and the demands/stances of the parties concerned and for obtaining prior broad support and commitment, has yet to become a major part of institutional strategies. The agricultural sector is more decentralized than the others with the existence of various regional coordination bodies as well as the drafting of Regional Agricultural Plans.

Another constraint on citizens' participation and political commitment is the role played by the Legislative Assembly in enacting legislation. Legislation is mostly initiated by the political parties without any real consultation regarding formulation, and without due ownership by the beneficiaries of the policies in the rural sector. One example of the overarching role played by Parliament in managing the agriculture sector is the fact that during the period of 1996-2000, 17 laws were enacted, and between May 1998 and May 2001, 27 Bills were published in the Official Gazette, most of which had been tabled by the members of parliament belonging to different political parties.

The influence of producers and their organizations takes the form of piecemeal and individual approaches by individuals or groups belonging to the authorities of the public institutions or the deputies belonging to different political factions or parties. Another factor which illustrates the way producers participate in the management of sectoral policies is the ease with which they are able to meet the President of the Republic to discuss cases regarding the management of the MAG or other institutions. This enables them, on the one hand, to feel important because of their access to the supreme authority of the country, but on the other hand, the leadership role of the ministries and institutions, and to an even greater extent the regional management personnel, is diminished. On the side of the producers, rural organizations have lost their leadership role, the officials have not been renewed, and they therefore do not represent the interests of the other members.

The prior analysis of horizontal coherence to harmonize the main economic, social and environmental policies associated with the policy currently being formulated is not yet being conducted, because most of the policies are laws of the Republic which are very difficult to assess in the Legislative Assembly. Using the assessment and the lessons learned from implementing earlier related policies is still pending.

Even though Costa Rica has the institutional advantage of having created the agriculture sector through the bringing together of various public institutions concerned with agriculture, the coordinating role of the MAG exercised through the Executive Secretariat of Agricultural Sector Planning (SEPSA) has lost the drive and impetus it had in the early years.

The Technical Cooperation Agenda concluded between MINAE and CATIE and the agriculture sector is one of the actions that encourage the necessary degree of integration and coordination to be able to implement more comprehensive and sustainable actions. Work on this Agenda began in a participatory manner in 2003 within the framework of the regional policies of by the Central American Environment and Development Commission (CCAD) and the Central American Agriculture Council (CAC).

Few policies have long-term timelines, and most of them correspond to different periods of government. Despite the fact that the country has a sufficient basis for analysis in the information systems, diagnostic and analysis documents, etc., the issues that the various policies are designed to resolve are not illustrated in technical terms, and in many cases they are not consistent with the strategies or guidelines for actions that have been defined. The technical, financial and political feasibility analyses, and the analyses of rights, responsibilities, financial incomes/benefits and the relationship between the different parties responsible for implementation and that benefit from the policies, must be an instrument which will have to be taken into account in future.

Costa Rica has the advantage of having created a number of corporations, which have the status of private entities under public law or public non-State entities for different commodity areas, such as vegetables, rice, banana, livestock etc., together with different funds for the environment and agriculture. The State has played a major part in financing the agriculture sector. Nevertheless, most of the policies do not have a budget to implement them or explicit plans, programmes and/or national, sectoral and/or regional-local projects for their implementation.

5.3.3 Implementation phase

The need for balanced participation of all private sector stakeholders and civil society at every level is constrained by the over-centralization of the State apparatus and the role and the strength of the organizations themselves.

The governmental apparatus for the agriculture sector in Costa Rica comprises nine institutions, most of which only have regional offices and are understaffed. The largest is the MAG which implements programmes such as Organic Agriculture, Rural Development, etc., and has extension workers working throughout the territory.

Existing procedures for participation (fora, committees, boards, commissions, etc.) are not currently in operation, and it is not part of the public agenda to reactivate or monitor their work. One exception would be where the local authorities or their own institutional representatives of the sector – whether for specific projects or because of their political will – consider participation to be a priority. The local producer organizations do not have the political, organizational, managerial or participatory instruments they need to work as true interlocutors in policy management.

For many years the work of MINEA and the Agriculture Sector has been seen, in political and technical/operational terms, as being at loggerheads with one another. It is therefore appropriate to get them to agree to take action intended to strengthen synergies and efficiency in their respective institutional spheres of action.

Incentives for the agriculture sector have been less systematic, and fewer in number than for forestry. Nevertheless, the national banking system has supported small producers, but the financial institutions have put in place very time-consuming and complicated mechanisms for obtaining access to finance, particularly for the smallest producers. It is essential to make the bureaucratic procedures more flexible to enable producers to gain access to funds. In recent years, the Compañía Nacional de Fuerza y Luz (National Power and Light Company) has begun providing financing based on a programme of fiscal incentives in different parts of the country (Aranjuez, Reventazón, Miramar, etc.) as a very accessible means for carrying out comprehensive SARD operations.

Decentralization, as a means of improving participation and ownership by the various stakeholders at different territorial and intersectoral levels, is not yet considered to be a necessary opportunity to be incorporated into policy formulation, and even less into decentralization policies and strategies.

The technical aspects (such as compiling and analysing basic data, statistical evaluation, economic forecasting, etc.) are not submitted to the middle-tier authorities for their consideration, or to the persons affected by or benefiting from the policy measures.

Consideration must be given to making efforts to follow the critical route of a given policy in a specific sector, as an intersectoral and inter-agency exercise to improve the process of policy management. Even though it is not feasible to unify all the strategic planning frameworks, they can nevertheless be made complementary and consistent for the purposes of supporting each another.

Economic policies are the most frequently mentioned; forestry, agricultural incentives and other measures to revive the co-operative sector, increase its competitiveness and improve support for it. Appraising the implementation of economic policies hinges around the following aspects: the failure to improve the capacity for credit by many users; non-financial technical services have been

discontinued; credit is granted to those who can provide collateral (there is no counselling); priorities for the use of credit are of a commercial nature; the representation of producers on the boards of banks and other entities is not very effective; there is a high level of centralization of decisions regarding projects for production/credit reconversion; external trade priorities are clear, yet in the agriculture sector, only non-traditional commodities and items are included.

For environment and natural resource management the following national instruments or laws were identified: The Organic Environment Law, the Biodiversity Law, the Wildlife law, the Forestry Law, the Water Law, the National Parks Law, the General Health Care Law, the Planning Law, the Mining Code, the Soil and Water Conservation Law, International Agreements (biodiversity, the biological corridor), the Electricity Laws, the FONAFIFO Pay for Environmental Services Law.

It was felt that environmental and natural resources policies were only being partially implemented. There is overlapping and a lack of coordination with other institutions, institutional powers are not properly defined or applied, there is no requirement for the population to be held accountable, policies are not known, interpreted or applied uniformly, even in one and the same institution, and civil society is ill-informed.

The producers and officials in the agriculture sector at the regional level consider that support has ranged from good to very good, in terms knowledge acquired and put into practice, access to inputs, financial resources, land tenure, price information, marketing and production infrastructure (e.g. irrigation systems, equipment and hydroelectric power).

However, the following constraints were mentioned: technical assistance is considered to be out of date, too sector-oriented, too party-controlled, and inadequately financed; access to financing is extremely bureaucratic, with high barriers to small producers and very high interest charges, and access to the service is through moneylenders; there is a highly engineering-oriented approach to the management of irrigation systems, and no high quality technical and organizational assistance is given to the producers; producers are not listened to.

Regarding social policies, institutions for employment, housing, New Life to Combat Poverty, the National Development Plan, the family allowances funds, education policies (fellowships), health care (EBAIS), among others, were identified. However, service coverage was deemed to be satisfactory but is scattered and does not meet economic and budgetary priorities; there is a lack of coherence, coordination and complementarity between policies and institutions, and there are insufficient policies to meet basic requirements.

5.3.4 The monitoring and evaluation phase

In regards to monitoring and evaluation of policies, it was found that there are no institutional evaluation mechanisms. The mechanisms for accountability are incipient with a population that does not demand very much. There are no evaluations of the real results and decisions are made on the basis of 'hunches', not facts.

There are very few procedures for participation, and even less for evaluation. The most frequently used mechanisms were meetings with ASAs (Agricultural Service Agents) or through their associations by inviting officials of concerned organizations to attend meetings and workshops to examine problems jointly. Participation tends to take place during policy implementation, but the policies are not monitored or evaluated with the concerned stakeholders.

Costa Rica also has many information systems, but they are not integrated with an environmental management focus in order to facilitate managerial and technical decision-making or territorial planning. National Environmental Information System of (SINIA), Information System of the Costa Rican Agriculture Sector (INFOAGRO), Rural Development Observatory, among others, are examples of these non-integrated efforts.

5.2.5 Conclusions of the Costa Rica Assessment

Processes	Strengths	Constraints
Application of the SARD-M concept	<ul style="list-style-type: none"> ▪ Beginning of joint Agriculture Sector and Environment work with the Technical Cooperation Agenda <i>"Conserving producing and producing conserving"</i> ▪ Timescaling the National Environmental Strategy over 15 years, not affected by changes in the government ▪ Incorporation of economic mechanisms such as forestry and other funds 	<ul style="list-style-type: none"> ▪ There are no specific hillside policies even though the country is mountainous ▪ The Treasury and the National Bank are not members of the joint interagency commission and do not have sufficient financial resources for its implementation
Political processes	<ul style="list-style-type: none"> ▪ The effort made by officials at the central level of MINAE and agricultural sector institutions to work together under the leadership of SEPSA 	<ul style="list-style-type: none"> ▪ Incipient regional level interagency coordination mechanisms ▪ The coordinating and unifying role of MIDEPLAN; they have not met the needs of the environment and agriculture sectors, which is reflected in the annual priorities of the National Development Plan ▪ Excessive centralization of the Costa Rican State
Participatory processes	<ul style="list-style-type: none"> ▪ Access to highest government authorities is a positive factor in the eyes of the producers 	<ul style="list-style-type: none"> ▪ Private sector and civil society participation are not a fundamental part of institutional strategies ▪ The role that the Legislative Assembly plays in the statutory regulation of the agriculture sector without due consultation processes ▪ Local level producer organizations do not have political, organizational, managerial and participatory instruments to be full interlocutors in policy management processes ▪ There is no need for the population to be accountable
Technical procedures	<ul style="list-style-type: none"> ▪ The producers positively assessed technical assistance, input access, financial resources, land tenure, pricing information, marketing and production infrastructure (e.g. irrigation systems, equipment, hydroelectric power) ▪ The availability of information through various systems 	<ul style="list-style-type: none"> ▪ There is no analysis of concordance and complementarity between different policies, creating institutional overlapping ▪ There are no evaluation mechanisms to draw lessons and improve management ▪ Information systems are scattered and there is no agro-environmental management approach for managerial and technical decisions, or for territorial planning
Resource mobilization	<ul style="list-style-type: none"> ▪ Creation of several 'corporations' as private entities under public law for different commodities/items ▪ Wide-ranging State funding 	<ul style="list-style-type: none"> ▪ Procedures for access to credit are very bureaucratic and in practice priority is given to the commercial sector ▪ Procedures for budgetary allocations and management by the Treasury is highly bureaucratic

Other policy-related issues	<ul style="list-style-type: none">▪ Integration of economic measures into environment and agriculture sectors▪ Use of fiscal incentives from public enterprises such as the ICA, AyA and CNFL to support different resource sustainability actions	
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VI. The assessment of SARD-M Policies in El Salvador, Guatemala and Honduras

At the SARD-M Project Regional Workshop held in Managua, Nicaragua, a working group attempted to make an initial assessment of policies for SARD-M in El Salvador, Guatemala and Honduras. While no direct fieldwork has been conducted as in Nicaragua and Costa Rica, the findings presented in this chapter help to provide a fuller picture of the situation in region.

6.1 Identification of the main SARD-M policies

A questionnaire was used for group analysis to identify the main SARD policies in these three countries and to acquire the participants' assessments of those policies:

Type of Policy	Honduras	Guatemala	El Salvador
Economic	<ul style="list-style-type: none"> ▪ State Policy for the Agri-food and Rural Environment sectors ▪ Banking and Insurance Law ▪ Central American Economic Integration System ▪ The Honduran Coffee Institute ▪ The Agricultural Modernization Law ▪ The Agricultural Recovery Law 	<ul style="list-style-type: none"> ▪ Government Water Policy ▪ Mining And Hydrocarbons Law 	<p>In general terms, in 2004 MAG launched El Salvador's Agro industrial Reconversion Policy, currently under implementation.</p> <p>The Sustainable Hillside Agricultural Policy in El Salvador covers the economic, environmental, social, natural resource management, decentralization aspects, is still in the process of being formulated, and its approval and implementation should follow.</p> <p>There are presently Projects with effects on hillside zones: i.e. the El Salvador Environmental Programme.</p>
Environmental	<ul style="list-style-type: none"> ▪ Environment Law ▪ Water and Sanitation Framework Law ▪ Honduran Coffee Institute Law ▪ Forestry law ▪ Biodiversity Strategy ▪ Draft National Environmental Goods and Services Strategy 	<ul style="list-style-type: none"> ▪ Fire Management Policy 	
Social	<ul style="list-style-type: none"> ▪ Agrarian Reform Act ▪ Poverty Reduction Strategy 	<ul style="list-style-type: none"> ▪ Environmental Education Policy ▪ Gender Equality Policy 	
Natural Resource Management	<ul style="list-style-type: none"> ▪ Protected Areas Law ▪ National Forestry Programme ▪ Forestry Law ▪ Physical Planning Law 	<ul style="list-style-type: none"> ▪ Forestry Policy ▪ Natural Resource and Environment Conservation, Protection and Improvement Policy 	
Rural Development	<ul style="list-style-type: none"> ▪ National Sustainable Rural Development Programme Law ▪ Decentralization and Local Development Policy ▪ Agrarian Reform Law 	<ul style="list-style-type: none"> ▪ Food Security Policy ▪ Rural Development Policy (under formulation) 	

Type of Policy	Honduras	Guatemala	El Salvador
Decentralization	<ul style="list-style-type: none"> ▪ National Decentralization and Local Development Programme ▪ Municipalities Law 	<ul style="list-style-type: none"> ▪ Local Development Councils Law 	

6.2 Assessment of policies and their management cycle

In the case of Honduras, the analysis showed a high level of participation by the stakeholders involved in formulating the State Policy for the Agri-Food and Rural Environment Sector, the Honduran Coffee Institute Law, the National Forestry Programme and the Poverty Reduction Strategy. In the other policies or laws, participation and implementation ranged from low to average. The Banking and Insurance Law and the Coffee Law are closely monitored, but monitoring of the others is weak.

In general, laws and policies are promoted piecemeal and there is a scattering of efforts by the various sectors. No comparative studies are conducted of different policies, and they are formulated in terms of circumstantial aspects or to meet private pressure group interests, or powerful economic interests.

In El Salvador, the Sustainable Hillside Agricultural Policy was positively assessed, with high expectations, by the key rural stakeholders in the MAG hillside policy formulation process. A series of institutions working in the field of hillside agriculture were consulted. However, physical planning initiatives in terms of the rural environment are still in their infancy.

Monitoring, evaluation and accountability mechanisms are weak or nonexistent in the policies mentioned in each country.

6.3 Similarities and differences between the various countries

The similarities include:

- Little participation in policy formulation and low budgetary allocations for their implementation. There are no adequate mechanisms or indicators that can be used for policy monitoring and evaluation
- Policies and laws are formulated piecemeal, and little effort is made to harmonize them or make them mutually consistent, or to harmonize the various institutions responsible for their implementation
- The sound management of public policies, including SARD-M policies, requires participation by the stakeholders involved in order to acquire ownership of them.

Among the differences, it was noted that:

- Only in El Salvador is there an initiative directed towards the formulation of a specific policy for Sustainable Hillside Agriculture
- In Honduras the Banking and Insurance Law, and the Coffee Institutions Law were presented in view of their importance to SARD-M, with interesting elements for managing the policy cycle, including monitoring and evaluation.

6.4 Suggestions for improving the SARD-M policy management cycle

El Salvador

- Technical skills are needed to formulate SARD-M policies
- These initiatives should be disseminated at decision-making level
- Policy frameworks should be harmonized at inter-institutional level

- Regional networks and initiatives should be linked to share experiences
- More opportunities for debate on this theme should be created, involving different sectors
- A critical mass on this theme should be created by training key players.

Guatemala

- The country's political stability must be borne in mind in the policy management cycle, since party-political factors impact on governmental plans and programmes
- The budgets allocated to implementing activities must be analysed and redirected
- Policies should be widely disseminated to enable society in general to take ownership of them
- Citizens must be sensitized
- The sustainability and evaluation of policies must be considered
- Widespread information campaigns must be run on the importance of visualizing the environment and the impact of actions on hillsides
- The level of institutional responsibilities must be identified when formulating policies.

Honduras

- Socialization and appropriation of policies are needed by the personnel of the public institutions at different levels, and of the rural producer and other organizations involved in these areas
- Laws and policies must be analysed in terms of positive/negative effects
- Local, departmental and national associations, unions or entities with shared interests should be created.

Processes in the management of policies

a) Political processes

- A solid long-term political commitment to sustainable development by the highest central and local level authorities: a strategic vision
- The need for a central authority to plan and coordinate the ministries and political institutions jointly with the authority responsible for public finance
- Civil society commitment and participation with transparent mechanisms for citizens' participation, because they are often better aware of the social, economic and environmental repercussions of decisions taken by central government.

b) Participatory processes

- Participation by governmental and non-governmental groups in drafting strategies, exchanging information, taking decisions and implementing strategies
- Forms of consultation, procedures for representation and coordination, systems for communication to inform and involve interested parties in formulating, implementing, monitoring and evaluating SARD policies
- Balance and links between the vertical and participatory approaches: ascertain which strategies can only be dealt with at the national-central level and which can be dealt with locally
- Balance between technical know-how and consultations with local participants: basic data analysis, statistical assessment, economic forecasting etc. do not, on their own, provide all the necessary and useful information. All the key issues must be put to a wide variety of groups of interested participants for consideration.

c) Technical procedures

These entail evaluating the economic, social and environmental situation, identifying problems, laying down clear priorities, targets and aims, establishing the investment programme, and monitoring and evaluation.⁹ The following must therefore be analysed:

- The adoption of a long-term perspective and priorities, bearing in mind the vulnerable groups; it must be related to regional and international situations; a comprehensive analysis must be made of the economic, social, institutional and environmental aspects
- The convergence, complementarity and coordination between national frameworks at every level. This entails complementarity and consistency between strategic planning processes, coordination between sectoral institutions, and consistency between the sectors and SARD strategies or policies
- It is essential to analyse, monitor and evaluate existing policies to adjust them and/or to determine whether others need to be formulated
- Internal and external regional coordination is needed where ecosystems, watersheds, etc., are shared
- Decentralization, as an effective mechanism for fostering the convergence of the planning frameworks, requires strong local institutions, accessible information, fora, management and coordination procedures, and the establishment of links between vertical and participatory approaches

⁹ United Nations Department of Economic and Social Affairs, UNDESA.

- Good governance and administration must ensure coordination, management, administration and financial control, exploiting skills and capacities, and guarantee that deadlines are kept. Defining the roles, functions and responsibilities of all the parties involved
- Communication and public information are key
- Monitoring and evaluation systems; guarantee of the obligation of accountability.

d) Mobilizing financial resources

- Adequate funding, financial dependency on international cooperation, and sustainable forms of domestic financing for activities relating to SARD-M policies.

The methodological process used for the study

This survey was a dynamic process of validating a number of tools and becoming familiar with others by consulting various web pages. The methodology used was highly participatory, which is consistent with one of the intrinsic elements of SARD, and thus directly involved the following parties:

- civil servants involved in managing public SARD policies at the central and departmental/regional level of ministries and institutions operating in the agricultural and environmental sector, or with basic services, tourism etc, in all the countries of Central America
- mayors and municipal government employees
- representatives of associations, cooperatives, producers' unions, artisans, women and indigenous peoples
- non-governmental organizations providing technical and financial support services for rural production and trade
- regional and national consultants and experts
- officials from international agencies and cooperation programmes: FAO, SDC and PASOLAC
- representatives of coordinating bodies between government and civil society: Departmental and Municipal Development Committees, the Regional Sectoral Agricultural Commission
- the private horticultural corporation of Costa Rica.

Implementing this study entailed applying various different techniques in accordance with the draft FAO methodological framework and others designed by the principal consultant. The following methodological process was adopted:

1.3.1 Collecting Basic Materials

In this phase, key information was gathered from documents and interviews with a group of people closely involved in the issue to obtain their perceptions and assessments of SARD policies. The steps that were followed included:

a) Preliminary working sessions with experts

At the beginning of the survey conducted in each country, working sessions were held with key personnel from FAO, public institutions and international cooperation agencies, to present the survey to them and jointly define the policy needed as an "entry point" to the study, to obtain names and relevant documentation on SARD policies, and the institutional situation in the sector; the availability of compilations or documentation on impact assessments; and to decide on the venues for holding the departmental, regional and provincial workshops.

b) Individual interviews

Using the Alirol (2004) interview guide, National Strategies for Sustainable Development in the Mediterranean Region, Draft Report for the Secretariat of the Mediterranean Commission on Sustainable Development suggested by FAO in its methodological document, 16 people were interviewed in Nicaragua and 21 in Costa Rica.

The interviews were transcribed in MS Word and the results were used to form the basis of this report and for the compilation of the anthology.

c) The compiling of an anthology of policies

Following the suggestions made by experts in the initial working sessions in both countries, a compilation, documentary analysis and summary with key aspects was made of the main policies and instruments for economic, environmental, natural resource, rural development and citizen participation/decentralization management directly or indirectly related to hillside zones.

The summaries and the policy documents compiled, which include laws, regulations, decrees, policies, strategies, plans, national and local programmes, were delivered and used as the basis for seeking the opinions on these instruments of the parties interviewed.

1.3.2 Departmental/Regional and National workshops in hillside zones

a. The workshops

In order to assess the advantages and disadvantages of public policies for sustainable agriculture and rural development from the perspective of governmental, non-governmental, municipal and producers' institutions, several workshops were organised with key stakeholders.

At the workshops, the techniques for compiling the individual questionnaires were combined with brainstorming sessions, group work using pre-drafted guides, and plenary sessions. At these events, it was also proposed that the importance of public SARD policies be explained in order to create a quick methodology for evaluating them; to analyse economic, rural development, environment, decentralization and citizens' participation policies, and to explain the main findings as they emerged in the course of the survey.

In Nicaragua two departmental workshops were held: one in Jinotega (with 25 participants) and another in Ocotol Nueva Segovia with 40 participants. The National Workshop convened in Estelí was attended by 17 delegates from central and departmental institutions, and from local governments and producers' organizations.

Four workshops were held in Costa Rica: 3 with producers, NGOs and civil servants from the agricultural sector of the Central Eastern Region of Cartago (two workshops with the participation of 22 people) and one in the Central South Region, Puriscal, attended by 27 people. The National Workshop was held in the "hall of the former MAG ministers", attended by 18 people.

b. Administration and processing of individual questionnaires for key officials

In order to obtain information on the level of familiarity with SARD-M policies, the state and assessment of their management, identification of the institutions and non-governmental organizations which support their implementation and an assessment of the mechanisms existing for participation, coordination and communication, an individual questionnaire was designed and administered to each participant at the departmental/regional and national workshops.

58 questionnaires were processed in Nicaragua and 47 in Costa Rica, the results of which form the basis of the analysis.

c. Documentation on the results of the Workshops in each country

A report was drafted for each of the workshops held in Nicaragua and Costa Rica containing information on the findings of the working groups, the plenary sessions, and the initial results of processing the individual questionnaires administered to the participants.

The reports include the analyses and assessments made by the participants regarding the policies. These documents were the basic input for this present report, and contributed to the organization and documentation of the development of this survey.

1.3.3 Regional Workshop

To obtain a much broader opinion regarding the management of SARD-M policies in other countries of Central America (Guatemala, El Salvador, Honduras) and to present the findings on Nicaragua and Costa Rica, a regional workshop was convened. The workshop was attended by 29 civil servants from the institutions responsible for agriculture and environment.

1.3.4 Outputs produced within the framework of the study

In order to make up for the lack of knowledge on the part of most of the people involved regarding the management of public policies in general, and the policies being implemented in each of the countries concerned, and to improve tools on assessment/evaluation methodologies and techniques underpinning the construction of methodologies, various products have been designed as part of the study:

a) Interactive CD-ROM

Three interactive CD-ROMs were designed containing:

- The documents and summaries of the policies compiled
- Conceptual, technical and methodological bibliographic material on the comprehensive management of SARD policies
- The proceedings of the regional and national workshops
- The full study for SARD-M in Central America

b) Final Evaluation Document

A complete document was drafted with the inputs gathered in the course of the whole process, with feedback from officials of PASOLAC and FAO in Rome.