



Pro-Poor  
Livestock  
Policy  
Initiative

# Pro-Poor Livestock Policy Facility

Facilitating the Policy Dialogue in Support of  
Equitable, Safe and Clean  
Livestock Farming



A Living from  
Livestock

■ Project Description

## CONTENTS

Acronyms.....	ii
Executive Summary.....	1
Background.....	1
Objective.....	1
Outputs and activities.....	2
Institutional arrangements.....	2
Linkages.....	2
Inputs and budget.....	2
Background and Justification.....	3
The potential of livestock for poverty alleviation.....	3
Development of the livestock sector.....	3
History of livestock interventions.....	4
Obstacles for the rural poor to benefit from the “Livestock Revolution”.....	4
Actors in the livestock policy-making process.....	6
Weaknesses of international livestock policy-making.....	7
Policy options for the livestock sector.....	7
The role of the Pro-Poor Livestock Policy Initiative.....	10
Project Outline.....	11
Objectives.....	11
Outputs.....	11
Activities.....	11
Risks.....	12
Institutional Arrangements.....	13
The Food and Agriculture Organizations role in the policy process.....	13
Linkages within the FAO.....	13
Linkages with other organizations.....	13
Management.....	14
Budget.....	14
Regional Pro-Poor Livestock Policy Hubs.....	15
Annexes.....	16
Annex 1: References.....	16
Annex 2: Logical framework.....	17
Annex 3: Suggested functions and composition of the PPLPF Steering Committee.....	20
Annex 4: Steering Committee Members.....	21

## ACRONYMS

AGA	Animal Production and Health Division of the FAO
AGAL	Livestock Information, Sector Analysis and Policy Branch
CGIAR	Consultative Group on International Agricultural Research
CSOs	Civil Society Organizations
DFID	Department for International Development, United Kingdom
FAO	Food and Agriculture Organization of the United Nations
GIS	Geographical Information Systems
IDTs	International Development Targets
IFAD	International Fund for Agricultural Development
LID	Livestock in Development
LOA	Letter of Agreement
LWAG	Livestock and Wildlife Advisory Group
MOU	Method of Understanding
MOV	Means of verification
NARS	National Agricultural Research Systems
NGOs	Non-Governmental Organizations
OIE	Office International des Epizooties
OVI	Objectively verifiable indicator
PPLPF	Pro-Poor Livestock Policy Facility
PPLPI	Pro-Poor Livestock Policy Initiative
PRSPs	Poverty Reduction Strategy Papers
SC	Steering Committee
SPFS	Special Programme for Food Security
TCP	Technical Cooperation Programme
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
WTO	World Trade Organization

### Background

With the adoption of the Millennium Development Goals, the international community has agreed to the eradication of extreme poverty and hunger as one of its primary targets. Livestock contribute to the livelihoods of an estimated 70% of the world's rural poor. For many of these rural poor, livestock provide a small but steady stream of food and income, help raise whole farm productivity and are often the only way of increasing assets and diversifying risks. In addition, livestock have an important role in improving the nutritional status of low-income households, confer status, are of cultural importance and create employment opportunities within and beyond the immediate household.

The burgeoning demand for animal protein in low- and middle-income countries (the so-called 'Livestock Revolution') provides an opportunity for the poor to improve their livelihoods. However, the nature of livestock farming is determined by policy and institutional frameworks that are rarely pro-poor and that sometimes encourage forms of production that threaten long-term environmental stability and public health. Similarly, livestock / public goods interface issues such as communicable diseases or food safety are often determined by national and international policies, institutions and processes that require international agreement and cooperation, or are subject to international norms, conventions and protocols that need to be informed from a regional or global perspective.

In 2001, the Food and Agricultural Organisation of the United Nations launched the Pro-Poor Livestock Policy Initiative (PPLPI) which will strive, within a time frame of six years, to facilitate and support the formulation and implementation of policies and institutional changes that have a positive impact on the livelihoods of a large number of the world's poor. In view of the critical role played by livestock in supporting and sustaining their livelihoods, the Initiative has a distinct focus on livestock.

The basic rationale of the initiative derives from the realization that technology oriented projects in the livestock and related sectors have failed to deliver significant improvements in the livelihoods of the poor, and that an enabling institutional and policy environment is indispensable for enhancing the impact and sustainability of pro-poor interventions.

A central Pro-poor Livestock Policy Facility (PPLPF), funded by the UK Department for International Development, has been established at the headquarters of the Food and Agriculture Organization of the United Nations (FAO) with the responsibility of guiding and co-ordinating the initiative's regional activities and with the ambition to become a point of reference for livestock related pro-poor policy development.

In order to account for the fact that the continuum of policy-making extends from the international to regional to national and sub-national levels and the ensuing need for closer linkages between the various levels of policy making, the Initiative intends to complement the central Policy Facility with a number of regional Pro-Poor Livestock Policy Hubs to ensure that local concerns feed into the higher level processes and that international policy makers are aware of the impacts of their decisions at local level.

### Objective

The objective of the project is a strengthened capacity in FAO member nations and international organizations to formulate livestock sector and related policies and

implementation plans that reduce poverty, whilst managing environmental and public health risks.

## Outputs and activities

The principal outputs the project aims to achieve are:

1. Portfolio of livestock-related interventions for reducing poverty through policy and institutional change
2. Increased awareness and consideration of the potential contribution of livestock and the livestock sector to poverty reduction
3. Effective systems for livestock policy information, analysis, decision-support as well as for monitoring and evaluation
4. Mechanisms for effective stakeholder representation in the negotiation of policies and institutional changes that better support poor peoples livestock-dependent livelihoods

The facility will encourage and facilitate conceptual shifts in policy objectives that create and strengthen the capacity of the poor to act for themselves, engage the poor as partners sharing rights and responsibilities, create incentives for the poor to mobilize resources, help catalyze the formation of people's organization, and protect the assets of the poor to reduce their vulnerability. This will be achieved through the formulation and promotion of policy and institutional reforms that reduce existing financial, technical, and social and cultural barriers, that increase competitiveness, and that reduce risks and vulnerability. In the design of the instruments required to address the primary livestock - equity, health and environmental interactions along the livestock sector development continuum, the facility will use the following development scenarios: a) Coping with growth, b) Creating the conditions for growth, and c) Enhancing rural livelihoods.

## Institutional arrangements

The PPLPF has been set up within the Animal Production and Health Division (AGA) of the FAO to develop the capacity to inform national and international decision-making in support of poor-peoples livestock-related livelihoods. Day-to-day management, backstopping and project development are the responsibility of AGA's Livestock Information, Sector Analysis and Policy Branch (AGAL).

## Linkages

The PPLPF will implement the proposed programme of activities and disseminate its outputs through an innovative mixture of strategic alliances that capitalize on the comparative advantage of the FAO and different partner organizations.

## Inputs and budget

An amount of £9,000,000 is being made available over a period of six years as a grant from the Department for International Development (DFID) Technical Cooperation Funds to support the facility. The project agreement with the DFID was signed in October 2001.

### The potential of livestock for poverty alleviation

Livestock ownership currently supports and sustains the livelihoods of an estimated 675 million rural poor (Livestock in Development (LID) 1999). These people fully or partially depend on livestock for income and/or subsistence. Livestock can provide a steady stream of food and revenues, help raise whole farm productivity and are often the only livelihood option available to the landless as they allow the exploitation of common-property resources for private gain. In addition, at the smallholder level, livestock are often the only means of asset accumulation and risk diversification that can prevent a slide into abject poverty by rural poor in marginal areas. Recent statistics reveal that an estimated 70% of the poor are women for whom livestock play an important role in the improvement of status and represent one of the most important assets and sources of income (DFID 2000). Livestock ownership thus increases food security. Livestock ownership also tends to increase consumption of animal protein, which is usually scarce in poor people's diets, and thus improves the quality of their nutrition. Moreover, it creates employment opportunities, within and beyond the immediate household.

### Development of the livestock sector

Human population growth, increasing urbanization and rising incomes are predicted to double the demand for, and production of, livestock and livestock products in the developing countries over the next 20 years (Delgado *et al.* 1999). Livestock production is thus growing faster than any other agricultural sub-sector (with the exception of aquaculture) and it is predicted that by 2020, livestock will produce more than half of the total global agricultural output in value terms. This process has been referred to as the 'livestock revolution' (Delgado *et al.* 1999). Important global livestock sector trends characterising this 'revolution' are:

- a rapid and dynamic increase in consumption of livestock products in developing countries;
- a geographic shift of livestock production from temperate and dry areas to warmer, more humid and disease-prone environments;
- a change in livestock production practices from a local multi-purpose activity to an increasingly market-oriented and vertically-integrated business;
- increasing pressure on, and competition for, common property grazing and water resources;
- more large-scale, industrial production units located close to urban centres, potentially causing severe environmental damage and posing public health risks;
- decreasing importance of ruminant vis-à-vis monogastric livestock species; and
- a rapid and large rise in the use of cereal-based feed.

In spite of these trends, the majority of food, both of plant and animal origin, currently consumed in developing countries is still produced by semi-subsistence farmers. The projected growth in the demand for animal products therefore offers a unique opportunity for the rural poor since they already have a significant stake in livestock production. In addition, it presents one of the few rapidly growing markets that poor people can join without a need for substantial resources or training.

Besides the opportunities that arise from the growing demand for livestock products, poor livestock owners are also facing threats from the resulting transformation of the

livestock sector. A rising demand for livestock products provides an economic incentive for the application of intensive production systems, often based on the production of a single output, through which livestock products can be produced much cheaper than by small-scale farmers. The resulting real price decline of livestock products leads to income losses for small scale rural producers and can endanger their livelihoods. In addition, there is the danger that an increasing export orientation of developing countries following the industrialization of their livestock sector will lead to the adoption of international sanitary regulations which in their turn feed into national legislation and begin at least partially to govern domestic trade as well. Also with growing domestic markets developing countries become more and more interesting for exporters of livestock products which brings local producers into 'free market' competition with heavily subsidized products from developed countries.

As a result, the attributes of many indigenous livestock systems will need to be changed through education or technology if poor livestock owners wish to meet the needs of the market as their levels of disease and standards of cleanliness are considered inadequate. Although, in general, increased food standards are desirable, a variety of measures imposed to meet international norms may not be appropriate for the common production systems nor domestic consumption habits and may unnecessarily limit market opportunities and marginalize poor livestock keepers.

## History of livestock interventions

Development interventions in the livestock sector have, generally, not been very successful. Undoubtedly inappropriate technologies and the failure to deliver services to poor farmers have contributed greatly to the lack of success of many livestock development projects. However, even in cases where the technologies were appropriately targeted and the focus distinctly pro-poor, technical projects have in many cases failed to deliver any significant sustainable improvements in the livelihoods of the poor. Analyses of past failures clearly indicate that an enabling institutional and political environment is indispensable in maintaining a pro-poor focus, enhancing the sustainability of pro-poor interventions, and ensuring that agricultural intensification strategies have impact at the desired social levels (LID 1999; International Fund for Agricultural Development (IFAD) 2000).

## Obstacles for the rural poor to benefit from the "Livestock Revolution"

Although the rural poor have a major stake in the livestock sector, the large majority of them have, thus far, not been able to take advantage of the opportunities presented by the demand-led growth for animal protein. This has been due to a combination of global, regional and national level policies, regulations, norms and values. Such institutions are defined as the societal 'rules of the game'. They provide a framework for access to and control of capital assets, influence the political effectiveness of economic interests, and control the political agenda (North 1990). The manner in which these factors shape collective outcomes through the organizational enforcement of these rules at a national and international level therefore supports or prohibits the development of the poor. In the livestock sector such 'rules' currently translate into barriers, lack of competitiveness and risks, all of which prevent the poor from taking advantage of the available development potential.

Barriers may exist in different forms:

- **Financial and asset barriers** prevent small farmers from intensifying their production because the investment required often exceeds their capital wealth. The absence of innovative forms of targeted small to medium-scale credit is

restricting the involvement of poor people in the commercialization of livestock production and product processing.

- **Technical barriers** constrain small producers from efficiently supplying a safe and relatively uniform product to the market. The lack of appropriate infrastructure for the preservation of perishable products affects the negotiation power of small production units, particularly if these are distant from the consumption centres. In addition, technical barriers exist in the form of sanitary requirements (including animal welfare) as a prerequisite to trade. A perceived or real low animal health status may exclude countries or groups within countries from international, regional and local markets. Small producers are also currently excluded from the market because of a lack of technologies, goods and services that allow for the implementation of innovative product standards and safety norms.
- **Social and cultural barriers** restrict access to assets, goods and services, including the market, due to ethnic grouping, class, gender, language, education or lack of property rights. A lack of appropriate mechanisms and information campaigns has thus far prevented the equitable participation and empowerment of the most vulnerable groups in the development process.

**Lack of competitiveness** resulting from a combination of higher production and transaction costs often disadvantage the small producers who do not benefit from the economies of scale associated with larger-scale units.

- **Production costs** are usually higher in small-scale production enterprises, outweighing any cost advantages from the discounted value of family labour. Furthermore, there is a lack of objective data to inform policies and institutions about the impact of hidden and overt subsidies that facilitate the supply of cheap animal products to the cities, on small-scale producers, public health and the environment. In addition, the public sector has thus far not acted to develop or disseminate new technologies for small-scale use. The absence of policies and institutions that enable small production units to benefit from the cost advantages of large-scale production skews the playing field further.
- **Transaction costs** can be prohibitively high for small-scale producers because of the small quantities of marketable product produced and the absence of adequate physical and market infrastructures in remoter areas. Transaction costs are also increased where producers lack negotiating power or access to market information and remain dependent on middlemen. Moreover, the lack of facilitation in the formation of producers associations or other partnership arrangements makes it more difficult for smallholder producers to reduce transaction costs through economies of scale.

**Risk reduction** and mitigating its effect on poor livestock-dependent people are prerequisites for a sustainable reduction in poverty. Small-scale production is associated with a mixture of both market and production risks.

- **Market risks** include price fluctuations for both inputs and products and are often associated with a weak negotiating position. Many small-scale producers evolved from subsistence farming with sound risk coping mechanisms but lack the assets or strategies to sustain full exposure to market risks. The absence of safety nets in the face of economic shocks, invariably present in such markets, will restrict the full participation of the poor.
- **Production risks** relate to resource degradation and asset control, to climatic variations such as drought and floods, and to infectious diseases. Although both small-scale and intensive livestock production systems are at risk from the predations of epidemic diseases and droughts, the poor are particularly vulnerable to these types of shocks due to their limited assets and the lack of insurance schemes. Public and private services in disaster-prone poor countries almost

invariably lack the capacity to plan for such risks, or to respond in a timely manner.

## Actors in the livestock policy-making process

The range of actors that contribute to the presence and endorsement of these 'rules' that currently translate into barriers, lack of competitiveness and risks for the poor, and their current role and influence on political and institutional change are briefly outlined below:

- *Poor people whose livelihoods are directly or indirectly dependent on livestock production:* They have only a minimal influence on political and institutional change in most national and international arenas.
- *Commercial sector:* National and trans-national pharmaceutical and agribusiness companies can influence political and institutional reform through their investment decisions.
- *Public Sector:* National, provincial and local governments are responsible for the formulation, implementation and enforcement of legal, political and institutional reform; and have some influence on policies and institutions in third countries through bi-lateral (aid) programmes.
- *International organizations:* (e.g. UN, World Trade Organization (WTO), Office International des Epizooties (OIE), Consultative Group on International Agricultural Research (CGIAR), World Bank) - They have an advisory role to member nations; are responsible for the formulation of international standards and codes; decide on conditional grants and lending programmes; have an advisory role to other international organization; and finally aim at awareness creation and influencing public opinion.
- *Civil Society:* (e.g. Non Governmental Organizations (NGOs), academia; churches; producer and consumer groups) - Civil society organizations (CSOs) are strongly focused on awareness creation; represent public opinion; and have an advisory role to national governments and international organizations.

Apart from the varying degrees of influence these actors have on political and institutional change, they also have different and, at times, opposing perspectives and interests. The perspectives in time and space can range from 'here and now' for individual farmers to 'global and future' for environmental groups. The differing interests and main concerns of the 'North' and 'South' are also evident. The 'North', for example, is concerned with food safety and quality, animal health and welfare, bio-diversity and breed conservation, safeguarding the environment and protecting international markets. The 'South' will currently be more concerned about food quantity and affordability, and the increases in livestock production and productivity brought about by technological changes in animal health, genetics and nutrition, and gaining access to international markets.

Many livestock related issues have far-reaching externalities, giving rise to multi-level conflicts. For example, the lack of action against a highly contagious disease in one country can be of serious concern to a neighbouring country or an entire region. There may, however, be little incentive for the affected country to prevent the potential spill-over to its neighbours, nor, in many cases, will they have the capacity to prevent it. Although international organizations and agreements exist to guard against such externalities, enforcement is generally weak or lacking and incentive mechanisms to promote adherence, rather than to punish violation, are absent.

## Weaknesses of international livestock policy-making

In the absence of unbiased information, assessment and advice to inform the discussion on livestock / public goods interface issues and with the lack of stakeholder fora where such international public policy issues can be negotiated, individual perspectives and priorities become the overriding factor guiding decision making.

Consequently, international livestock policy making currently suffers from three major weaknesses:

- **Participation gap** - Although all actors are affected by policy decisions, national and particularly international policy making is still restricted to a number of 'privileged' groups.
- **Incentive gap** - Internationally, countries often have little motivation to co-operate in the improvement of global public goods, unless they can benefit from spill-over effects. Nationally, individual actors seldom have incentives to contribute to the negotiating platform for the reduction/avoidance of public 'bads'.
- **Knowledge, information and communication gap** - The extent and causes of public 'bads' and the anticipated effects of intervention are contested among different actors. In addition, stakeholders are often ill-informed about the viewpoints and needs of other affected parties.

To correct the current under-provision of public goods, public policy making has to adjust to the changing realities and address the gaps through mechanisms that formally combine stakeholder engagement and negotiation with research and analysis. Assisting policy makers in efficiently tackling poverty requires substantial changes in the approaches and attitudes of organizations that influence international or global norms and behaviour. The result of this process should be transparent and informed policies explicitly addressing the public goods affected by livestock.

## Policy options for the livestock sector

Informed and transparent pro-poor livestock policy formulation and the accompanying institutional change require a profound understanding of its political economy. This requires information and tools to analyze the impact of norms and institutions on the various strata of livestock-dependent poor people, and mechanisms to catalyze the required change.

To effectively address the constraints that currently prevent the poor from taking advantage of the available livestock sector development potential, identification and targeting of the priority policy changes and institutional reforms required under different sector dynamics will be essential. To accomplish this, the PPLPF is applying the following analytical framework of development scenarios based on market demand and production potential:

**Coping with growth:** This development scenario applies where economic growth is driving a burgeoning demand for animal products with a correspondingly dynamic production response. Here the primary public goods involve issues of equity, environmental pollution, animal and public health, including the risk of emerging diseases. Policies and institutions are required that enable small producers to benefit from the cost advantages of large-scale production in order to create a more level playing field.

**Creating the conditions for growth:** The growing demand for animal products, where it exists, offers substantial opportunities for the small-scale livestock producer to

participate and benefit. However, in these areas a number of technical, infrastructural and institutional constraints impede an appropriate production response to the increased demand. To create an enabling environment in which poor producers can take advantage of the available development opportunities, these productivity, trade and other barriers will have to be overcome. Barring this, there is a real danger that the livestock-dependent poor will be marginalized further.

**Enhancing rural livelihoods:** In many developing countries, economic growth is weak and is not driving an expansion in the demand for animal products. Here the situation is characterized by large numbers of highly vulnerable rural poor for whom livestock represent one of the few opportunities to support and enhance their livelihoods. Many of the barriers and constraints apply equally to this group and some of these represent norms and societal 'rules of the game' that derive from international policies. Enhancing livestock-related livelihoods through improved access to and control of capital assets (natural, social, human, physical and financial) will not only reduce vulnerability and risk, but also position resource-poor livestock producers to benefit from any upturn in the economy and demand for animal products, should it occur.

Table 1 summarizes some of the main pro-poor policy options and institutional changes that may help to overcome the delineated barriers, lack of competitiveness and risks, and thereby constitute relevant development pathways in the three identified scenarios.

**Table 1: Typology of pro-poor policy options and institutional changes for the three identified development scenarios**

	Coping with growth	Creating the conditions for growth	Enhancing rural livelihoods
<b>Barriers</b>			
<b>Financial and asset</b>	Enable access to financial services through partnerships		
	Promote low-cost technologies		
<b>Technical</b>	Enable access to technologies and services through partnerships		
	Allow/stimulate development of parallel markets	Facilitate implementation of production and processing infrastructure	
	Promote scale-neutral technologies e.g. to comply with sanitary standards		
			Develop appropriate product standards and certification mechanisms
<b>Social and cultural</b>	Implement awareness campaigns / education		
	Improve access to information / knowledge		
	Provide gender and class neutral services		
	Legislation and norms that facilitate empowerment		
<b>Lack of competitiveness</b>			
<b>Production costs</b>	Remove subsidies for large-scale producers	Enable access to services and technologies through partnerships	
	Facilitate niche markets		
	Promote scale-neutral and low-cost technologies		
	Curtail 'dumping' of livestock products		
<b>Transaction costs</b>	Reduce factor costs through partnerships		
	Reduce marketing costs through partnerships		
			Stimulate implementation of communication and marketing infrastructure
			Improve access to market information
<b>Risk/Vulnerability</b>			
<b>Market risk</b>	Reduce market risk through partnerships		
	Implement safety nets / insurance schemes (animal disease)		
			Enable access to livestock services through partnerships
			Facilitate collection, certification and labelling through partnerships
<b>Production risk</b>			
	Revitalize coping mechanisms and institutions		
	Reduce production risk through partnerships		
	Implement safety nets / insurance schemes (animal disease)		
Reduce asset/resource degradation and improve investment through appropriate institutions and technologies			
		Enable access to livestock services through partnerships	
			Facilitate diversification of livelihood strategies

## **The role of the Pro-Poor Livestock Policy Initiative**

Providing appropriate guidance in the creation of mechanisms that ensure the required political and institutional reform in the existing political environment is essential to any initiative that aims at sustainable improvements to the livelihoods of the poor. The PPLPI aims to position itself as the facilitator/provider of such pro-poor livestock-related policy guidance as the governments of lesser-developed nations develop and implement their national poverty alleviation strategies. This will play a central role in encouraging and facilitating the conceptual shifts in policy objectives in these lesser developed nations that: 1) create and strengthen the capacity of the poor to act for themselves, 2) engage the poor as partners sharing rights and responsibilities, 3) create incentives for the poor to mobilize resources, 4) help catalyze the formation of people's organization, and 5) protect the assets of the poor to reduce their vulnerability, particularly as they relate to the livestock - public goods interface.

Improved access to and control of different types of capital assets (natural, social, human, physical and financial) enable the poor to meet basic needs better and to create different livelihood options. It is the facilitation of these social capacity building processes that allows people to improve their use of local resources, create new resources or services, promote equity, influence government actions and establish new institutional frameworks (Cernea 1988; UNDP 2000; World Bank 2000a). Public policy networks, in which governments, national and international organizations, CSOs and the corporate sector can collaborate on selective issues to achieve balanced agreements that enhance the choices and rights of the poor through interventions that increase equity and efficiency, are emerging as a practical means to address governance issues.

### Objectives

The overall objective of the project is an enhanced contribution of livestock and the livestock sector to poverty reduction.

The immediate objective of the project is a strengthened capacity in FAO member nations and international organisations to formulate livestock sector and related policies and implementation plans that reduce poverty, whilst managing environmental and public health risks.

### Outputs

The principal outputs that the project strives to realize comprise four major areas:

Portfolio of livestock-related interventions for reducing poverty through policy and institutional change

Increased awareness and consideration of the potential contribution of livestock and the livestock sector to poverty reduction

Effective systems for livestock policy information, analysis, decision-support as well as monitoring and evaluation

Mechanisms established for effective stakeholder representation in the negotiation of policies and institutional changes that better support poor people's livestock-dependent livelihoods

### Activities

#### Situation Assessment and Analysis

- Develop a detailed understanding of the role livestock and the livestock sector can play in livelihood strategies, economic development and poverty reduction
- Compile an inventory of existing policies, rules and standards and determine their effect on different strata of livestock-dependent people
- Analyse the processes, actors, factors and forces involved in policy making at sub-national, national, regional and global levels
- Build a framework to identify and prioritize pro-poor policy concepts and options and institutional changes

#### Partnership formation

- Develop and implement targeted public relations strategies
- Build partnerships with appropriate collaborators

#### Information dissemination

- Identify information needs and uptake pathways of stakeholders in the policy process
- Establish systems and mechanisms for data and knowledge collection, processing and dissemination

- Develop tools for monitoring and evaluation of project / policy outcomes

### **Policy formulation and empowerment**

- Identify, evaluate and strengthen/catalyse mechanisms for stakeholder representation
- Identify and remove constraints to effective stakeholder participation in the policy making process

### **Risks**

The PPLPI is founded on the premise that the identification and implementation of better policies and institutional reform are essential if livestock-dependent poor people are to take advantage of the development opportunities the livestock sector offers for improving livelihoods.

Risks that the initiative might encounter during its work and that could pose obstacles to the achievement of its goals are competing policy priorities that reduce the political will to implement pro-poor policies at international and national level together with inadequate institutional capacities for pro-poor policy implementation at international and national levels.

Moreover, stakeholder participation and enhanced access to information and decision-support tools have to be sufficient to ensure the formulation of appropriate policies and institutional changes and established mechanism should not be adversely affected by radical changes in key stakeholder perceptions.

A further risk that the initiative might encounter is the failure to secure sufficient financial support for activities at national and regional level. This applies especially to funding for the regional hubs. Further risks that can possibly arise are hampered project implementation due to FAO administrative procedures, constrained collaboration due to diverging interests of essential internal and external partners and finally, core staff discontinuity.

### The Food and Agriculture Organizations role in the policy process

The United Nations (UN) are the mandated institution for the negotiation of international norms and standards and has a charter to effectively support policy processes at various levels. The Food and Agriculture Organization (FAO), being the specialized, intergovernmental organization under the UN that deals with agriculture is considered the appropriate executing agency for the proposed project.

The UN has established fora for policy negotiation at international level and, upon request, can facilitate the formation of policy fora to deal with national and local issues. The FAO has the skills, structures and networks required to provide opportunities for international debate and information exchange within and between countries.

### Linkages within the FAO

Within the FAO, PPLPF has established a task force with the objective of exchanging information on in-house activities that could contribute to the objectives of the project, and thereby develop complementarities. The task force comprises representatives of the following Departments: Agriculture, Fisheries, Economics and Social, Sustainable Development and Technical Cooperation. The project has further created links with the Commodities and Trade Division and the Agriculture and Economic Development and Analysis Division of the Economics and Social Department through a joint staff member with the former and through joint research on the role of livestock in rural development and poverty alleviation with the latter. Through its information management component the project is also contributing to priority areas for interdepartmental activities, such as the compilation of a comprehensive collection of spatial datasets for common use. Within AGA, the project has been integrated into three of the 'Livestock Programme Entities' funded through the regular budget, namely 'livestock for poverty alleviation', 'livestock sector and policy analysis', and 'livestock information'.

### Linkages with other organizations

In addition to the FAO in-house linkages and collaboration, the operationalization and implementation of the programme of activities of the central policy facility will be based on an innovative mixture of strategic alliances, to utilize available resources more efficiently, to prevent overlaps and duplication of efforts, and to take full advantage of the available comparative advantage of different organizations. It is, for example, envisaged that much of the research included within the facility's proposed activities is contracted out to organizations such as the CGIAR or the National Agricultural Research Systems (NARS), either alone or in consortia. These proposed strategic partnerships will be symbiotic as the facility's proposed research activities are clearly in-line with the strategic statements and envisioned future direction of these organizations, whilst the FAO-managed PPLPF will ensure the wider evaluation, testing and sustained impact of the outputs of the research. Similarly, mutually beneficial partnerships will be forged with multi- and bilateral agencies and NGOs. In this way, the FAO facility will position itself to enable the utilization of the full spectrum of mutually beneficial research and development partnerships as they relate to poor people's livestock-related livelihoods.

## Management

The PPLPF is composed of a multidisciplinary team and is housed within the office of the Director, Animal Production and Health Division of FAO's Agriculture Department. Day-to-day management, backstopping and project development will be the responsibility of AGA's Livestock Sector Analysis and Policy Branch. The Initiative's progress is being guided and evaluated by a steering committee consisting of regional, DFID and other donor representatives, representatives of international and regional organizations, and the FAO (See Annex 3 and 4 for details).

The Facility is a key part of DFID's partnership with the FAO and provides the basis for a continuing dialogue between both organizations. DFID advisers will remain engaged in the planning and implementation of the process, and will participate in key events throughout the project.

## Budget

The total budget approved for implementation of the project is UK £9 million over six years (Table 2). The major budget item of £3.85 million is intended to cover salaries of six professional and one administrative staff. The second largest budget item, £2.7 million, is destined to cover consultancies and contracts with research institutes while the remainder is intended to cover various types of operational costs (travel, workshops, meetings, training, etc).

*Table 2: Project budget (UK£) over six years*

Item	Budget over six years (UK £)
Salaries	3,850,000
Consultants & Contracts	2,695,000
Travel & Training	1,100,000
General Operating & Overhead Expenses	745,000
Non Expendable Procurement	100,000
Support Costs	510,000
<b>Total</b>	<b>9,000,000</b>

## REGIONAL PRO-POOR LIVESTOCK POLICY HUBS

Within the framework of the overall Initiative, PPLPF will attempt to establish a number of regional hubs with the aim of linking local concerns to global action on the one hand whilst improving the understanding of the impact of global action on local conditions.

The ultimate objective of the regional hubs is the formulation, adoption and implementation of policies at appropriate level (local, national, regional) that best promote equitable, safe and clean livestock farming.

Five geographical regions have been selected as pilot areas for a first phase of the regional components of the project, namely South-East Asia (Cambodia, Lao PDR, Thailand, Vietnam), South Asia (Bangladesh, India, Nepal), East Africa (Ethiopia, Kenya, Tanzania, Uganda), West Africa (Burkina Faso, Mali, Mauritania, Niger, Senegal) and the Andean Region (Bolivia, Ecuador, Peru)(see Figure 1).

In collaboration with the Central Facility, the regional hubs will perform the following specific roles: identification of policy issues that impact directly on ultimate beneficiaries, i.e. poor livestock keepers; enhancement of local capacity for policy analysis, formulation and negotiation; fostering the policy dialogue aimed at the promotion of pro-poor livestock policies at regional and national levels and finally the establishment of partnerships with relevant regional and national organizations.

The anticipated annual budget needed for the establishment and effective functioning of each of the regional hubs is around US \$ 900,000.

*Figure 1: Envisaged PPLPI Regional 'Hubs'*



## Annex 1: References

- Cernea, M. M. 1988. *Nongovernmental Organizations and Local Development*. The World Bank, Washington D. C.
- Delgado, C., Rosegrant, M., Steinfeld, H., Ehui, S. and Courbois, C. 1999 *Livestock to 2020: The Next Food Revolution*. Food, Agriculture & Environment Discussion Paper 28, IFPRI/FAO/ILRI, IFPRI, Washington D. C., USA.
- DFID, 2000. Halving world poverty by 2015, economic growth, equity and security. Strategies for achieving the international development targets. DFID Strategy Paper. [www.dfid.gov.uk/public/what/pdf/tsp\\_economic.pdf](http://www.dfid.gov.uk/public/what/pdf/tsp_economic.pdf)
- IFAD, 2000. *The Report of IFAD's Workshop on Rural Poverty*. IFAD, 24-25 January 2000, Rome, Italy.
- LID, 1999. *Livestock in Poverty-Focussed Development*. Crewkerne, Somerset, United Kingdom. LID
- North, D. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.

## Annex 2: Logical framework

Intervention logic	OVis	MoV	Assumptions
Goal			
Enhanced contribution of the livestock sector to poverty reduction	GINI coefficient of income derived from livestock-based activities reduced by 10%  Livestock sector growth larger than overall economic growth		
Purpose (Immediate Objective)			Purpose to goal
Strengthened capacity in FAO member nations and international organisations to formulate livestock sector and related policies and implementation plans that reduce poverty, whilst managing environmental and public health risks	Documented link between policies affecting the livestock sector and poverty reduction, and evidence of effective stakeholder representation in 10 FAO member nations by 2007  Detailed implementation plans for the selected policies in 10 FAO member nations by 2007  Monitoring and evaluation system for measuring policy impact in 10 FAO member nations by 2007  WTO, OIE & Codex take into account the impacts of their rules and standards on poor livestock keepers with evidence for effective stakeholder engagement by 2007	Poverty Reduction Strategy Papers  Regional Development Initiatives (e.g. NEPAD)  National Economic Development Plans   Policy impact assessments  Meeting reports from WTO, OIE and Codex  Published rules and standards	Competing policy priorities reduce political will to implement pro-poor policies at international and national levels  Inadequate institutional capacity for pro-poor policy implementation at international and national levels

Intervention logic	OVI	MoV	Assumptions
Outputs			Output to purpose
<p>1. Portfolio of livestock-related interventions for reducing poverty through policy and institutional change</p> <p>2. Increased awareness and consideration of the potential contribution of livestock and the livestock sector to poverty reduction</p> <p>3. Effective systems for livestock policy information, analysis, decision-support and M&amp;E</p> <p>4. Mechanisms established for effective stakeholder representation in the negotiation of policies and institutional changes that better support poor people's livestock-dependent livelihoods</p>	<p>Endorsement of at least 5 identified policy options by the Steering Committee and external reviewers by 2004 (outputs 1, 2 &amp; 3)</p> <p>PPLPI and stakeholders are actively promoting identified pro-poor livestock-related policy and institutional options in 5 countries by 2006 (outputs 1, 2 &amp; 3)</p> <p>PPLPI and related partners have secured funding for at least 5 projects with a livestock-related livelihoods component by 2007 (outputs 1, 2 &amp; 3)</p> <p>Policy makers and other key stakeholders, including 'non-livestock' actors, actively seek information and use tools generated by the project in their policy formulation and preparation of poverty reduction strategy papers (outputs 2, 3 &amp; 4)</p> <p>At least 10 organizations actively contributing to the information, analysis, decision-support and M&amp;E systems by 2005 (output 3)</p> <p>Acceptance of at least 5 identified fora as the negotiating platform for pro-poor policy formulation by a majority of stakeholders by 2004 (output 4)</p>	<p>Report of Steering Committee meetings and external reviews</p> <p>Project reports</p> <p>Stakeholder meeting reports and strategic plans</p> <p>FAO/Consultancy reports</p> <p>Approved project documents</p> <p>Project statistics on numbers of website visitors and requests for tools and information</p> <p>Partnership agreements (MoU, LoA)</p> <p>Reports of fora meetings</p> <p>Stakeholder surveys</p>	<p>Stakeholder participation and enhanced access to information and decision-support tools are sufficient to ensure the formulation of appropriate policies and institutional changes</p> <p>Established mechanisms are not adversely influenced by radical changes in key stakeholder perceptions</p>

Intervention logic	OVI	MoV	Assumptions
Activities	Inputs		Activity to output
<p>1.1 Develop a detailed understanding of the role livestock and the livestock sector can play in livelihood strategies, economic development and poverty reduction</p> <p>1.2 Compile an inventory of existing policies, rules and standards and determine their effect on different strata of livestock-dependent people</p> <p>1.3 Analyse the processes, actors, factors and forces involved in policy making at sub-national, national, regional and global levels</p> <p>1.4. Build a framework to identify and prioritize pro-poor policy concepts and options and institutional changes</p> <p>2.1 Develop and implement targeted public relations strategies</p> <p>2.2 Build partnerships with appropriate collaborators</p> <p>3.1 Identify information needs and uptake pathways of stakeholders in the policy process</p> <p>3.2 Establish systems and mechanisms for data and knowledge collection, processing and dissemination</p> <p>3.3 Develop tools for monitoring and evaluation of project / policy outcomes</p> <p>4.1 Identify, evaluate and strengthen/catalyse mechanisms for stakeholder representation</p> <p>4.2 Identify and remove constraints to effective stakeholder participation in the policy making process</p>		<p>Quarterly financial reports</p> <p>Workplan reviews</p>	<p>Sufficient financial support is secured for activities at national and regional levels</p> <p>Core staff continuity</p> <p>Pledged funds are disbursed as agreed</p> <p>FAO administrative procedures do not constrain project implementation</p> <p>Diverging interests of essential internal and external partners do not constrain collaboration</p>

## **Annex 3: Suggested functions and composition of the PPLPF Steering Committee**

### **Functions**

The Steering Committee (SC) will provide advice and guidance to the Pro-Poor Livestock Policy Facility in achieving its objectives and, in particular, it will:

Recommend on recent advances and best practices, for the Facility's area of interest, that could be beneficially applied to achieve the overall objectives of the Facility;

Provide direction to the Facility's work programmes and suggest appropriate methodologies and tools to obtain the project's agreed outputs and achievement targets;

Promote collaboration of the Facility with relevant global, regional and national organizations and agencies to ensure synergies and enhance its effectiveness

Stimulate donor support for the Facility in addressing livestock - public goods related issues.

The SC will elect a Chairperson and a vice-Chairperson for a (renewable) period of two years. Secretariat facilities will be provided by AGA of FAO.

The SC shall meet at least once a year and more often if required.

### **Composition**

The SC shall consist of:

Distinguished development thinkers and other renowned individuals appointed in a personal capacity and drawn mainly from the academic/NGO/CSO community in developing and developed countries

A maximum of three representatives from the donor community and international agencies associated with the goals of the Facility

## Annex 4: Steering Committee Members

SC Member	Organization/Institute
International Representation	
DeHaan, Cornelis	Former WorldBank Staff Member
Seré, Carlos	International Livestock Research Institute
Leonard, David	International and Area Studies, University of California, Berkeley
Viatte, Gerard	Former OECD Staff Member
Henninger, Norbert	World Resources Institute
Chambers, Robert	Institute of Development Studies, University of Sussex
Regional Representation	
Musiime, Jotham (East Africa)	African Union - Inter-African Bureau for Animal Resources
Pearson de Vaccaro, Lucia (Latin America)	
Patel, Amrita (South Asia)	India National Dairy Development Board
Donor & FAO Representation	
Bazeley, Peter	UK Department for International Development
Yvon, Jo	UK Department for International Development
Jutzi, Samuel	Food and Agriculture Organization
Steinfeld, Henning	Food and Agriculture Organization