



**Pro-Poor
Livestock
Policy
Initiative**

First Meeting of the Steering Committee for FAO's Pro-Poor Livestock Policy Initiative

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1. PROJECT SUMMARY

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:

- 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 for monitoring and evaluation
- 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 Pro-poor Livestock Policy Facility 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 Pro-poor Livestock Policy Facility 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.

2. TERMS OF REFERENCE OF THE 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

3. SUMMARY OF DISCUSSIONS

During the course of the steering committee meeting four presentations were given by project staff:

- The Project Rationale and Strategy (Joachim Otte)
- An Update on the project activities in South Asia (Vinod Ahuja)
- Livestock Services and the Poor (Katinka DaBalogh)
- Markets and Livestock Smallholders (Nancy Morgan)

These presentations formed the base from which discussions were held. The overview of the PPLPI was concluded with a list of specific questions, put to the steering committee members:

1. Is the project's focus on policies and institutions worthwhile?
2. What are essential elements of pro-poor policies / pro-poor policy making?
3. Will project's outputs lead to purpose?
4. Is the project addressing the right 'content' and 'process' issues?
5. Should the project aim to establish regional hubs?

Whilst these questions were not all dealt with explicitly, most of the following discussions were based around questions 1, 4 and 5 and are therefore summarized below under those headings, with a final section on funding, that was also discussed at some length.

Is the project's focus on policies and institutions worthwhile?

There was broad agreement on the policy and institutional approach of the project though it was felt that there is a need to define more explicitly what was meant by this, posing questions such as: what type of policy mixes are appropriate? and to what extent is the livestock sector influenced policies in other sectors such as trade, environment etc.? A "policy matrix" approach was suggested, that would put livestock policy into broader perspective and identify where the linkages were between this and other sector policies.

Further along the lines of taking a more external (from the livestock sector) view of opportunities that may be presented the questions were raised: what are the major forces shaping the world outside the livestock sector? and which types of policy does the project want to influence?

The needs were identified to link different levels of institutions, and to find an appropriate balance between public and private sector institutions. General comments were made on the difficulties in finding entry points to, and influencing change in established institutions, and of the importance of identifying influential people within these institutions. The suggestion was made of creating parallel mechanisms; thereby introducing competition to speed change.

It was proposed that certain development processes happen at certain times and if the project could produce appropriate and timely outputs then it could expect to gain

much greater impact. The need to recognise these opportunities in the external environment was stressed, and then to customise project activities to exploit them.

Comparative advantage of FAO

An area of much discussion was that of the comparative advantage conferred to the project by its position in the FAO. Some steering committee members stressed that the project needed to focus on the issue of instigating change, while the role of FAO, in its normative capacity, was to inform the processes of change. The question was therefore raised whether the project should actually try to instigate change or whether it would stop at informing policy makers.

The need was highlighted to balance analytical versus action-oriented allocation of resources, emphasising the potential role of research institutions like ILRI in the analytical side, leaving the facility as an action-oriented outlet for these research products. Making optimal use of FAO's policy division was also stressed in regard to the project's comparative advantages. On fostering dialogue it was proposed that the project activities and outputs be related to the broader remit of FAO in influencing the wider set of large international organizations.

Comparative advantage in relation to service delivery

There was a suggestion of the need for clarity regarding the comparative advantage of FAO in relation to service delivery, given the plethora of other agencies, and the formal standard setting organisations for service delivery (e.g. OIE). Some discussion was held around the linkages between the livestock services delivery component of the project and the "Global Initiative for Livestock Services to the Poor" (largely funded by IFAD, though funding is still being sought for a next phase). It was generally agreed that the two projects had different approaches and outputs, but that there would be a need for close collaboration, the development of synergies and a certain degree of co-ordination and joint planning.

Is the project addressing the right 'content' and 'process' issues?

There was much discussion about the need to make careful choices in terms of where the opportunities to influence policies are, particularly regarding the depth versus the breadth of project activities. It was suggested that the broad approach had merit, but that perhaps the project needed also to get into real depth to generate some concrete examples. It was further suggested that looking at the demands of the people that the project means to serve might be the best approach for the project to find the balance between comprehensiveness and breadth.

Following on from this debate it was recommended that the project should first try to understand the perceptions and needs of the poor people on whom it wants to impact, to collect more information from these communities, and thus identify their priority constraints. It was suggested that the project first needed to evaluate and assess the existing situation and policies, which would require appropriate criteria to be identified and measured - an obvious criterion being the level of poverty.

There was some discussion about mixing, sequencing and pacing being the important components of policy making and implementation and the possibility to hold the "window of opportunity" open to smallholders for as long as possible so that more people could have the chance to take advantage of market-driven changes.

A shortfall was suggested in that the project was viewed to have an exclusive focus on public policies, whereas it was felt that there is a need to balance the emphasis between public policies and corporate policies as corporate policies strongly shape and dictate many of the current and emerging standards.

Concerns were expressed at the perceived exclusive producer focus of the project, not including poor consumers in the target group. The role of non-producers in the private sector, for example in meat processing, marketing etc., was highlighted, stressing the need to incorporate all these partners.

Communication and stakeholder engagement

It was perceived that there had been little emphasis on communication and stakeholder engagement by the project and it was recommended that more resources be allocated to communicating the tools that will be developed by the project in order to ensure that they have maximum impact.

It was stressed that the project should not underestimate the importance of emotions and of public opinion and of the impact of consumers, civil society groups etc., as a strong lobby. Examples were discussed of publicity campaigns by organizations such as Greenpeace and Oxfam.

Dairy issues

Some concern was expressed as to what extent the emphasis on the dairy sector might be more general and run throughout the project, rather than being a specific component. It was proposed that the project should adopt an holistic view of the livestock sector.

Service delivery issues

Reference was made to the need for change in the "research and development paradigm". It was proposed that there were changes in the types of services that were needed, and that there was a need for research to help farmers become much more independent of veterinarians. This led on to the need to deal with the issues of privatisation and of the balance between the use of professional versus non-professional service providers, and of the exploration of alternative channels through which to deliver information e.g. through schools.

The importance of empowerment was stressed. It was recognised that people need the knowledge, information and institutional frameworks that provide the means to empower themselves to make appropriate decisions on what services they really need and want, and the necessary tools to make their needs heard.

Since these people do not have a voice in expressing their needs and wishes, the question arises: how to reward delivery systems that are responsive to this demand (from poor livestock keepers)? i.e. how can payment be based on the "satisfaction" of the poor with the services. A number of ways in which this might be achieved were discussed, for example the provision of vouchers for procuring services. It was suggested that the project could use a tender system for organisations to pilot ways of developing empowerment institutions. This would also assist developing countries to engage with the project.

The cost of service inefficiency was highlighted as an opportunity for intervention: if a service is made more efficient it could become more affordable. The need to make livestock services efficient, cost-effective and directly relevant to the target groups was emphasised.

A further opportunity for the project that was highlighted was the situation (e.g. in much of Africa) where the state could not deliver livestock services, but at the same time would not delegate the responsibility for service delivery to the private sector.

Market issues

Identifying linkages between domestic and international markets was endorsed, particularly in a context of a food chain approach. The importance of understanding informal markets and substitution between locally produced and imported product was emphasized..

It was recommended that the project assess impacts of trade liberalisation, both in terms of the importance of elimination of export subsidies as well as impact of changing food safety and technical standards on smallholders. Opportunities to influence developed country/OECD policies should be explored through identifying appropriate advocacy activities and fora.

However, the priority of the project should focus on local (national) constraints and opportunities for market participation by smallholders. While the linkages between trade liberalisation and poverty need to be explored, it was recommended that any modelling activities draw upon existing research and analysis as well as existing information. It was proposed that activities need to be market-driven, with policy recommendations and interventions facilitating marketing opportunities for small holders.

Should the project aim to establish regional hubs?

It was proposed that the if the hubs were to be the implementing agents, though which change would be instigated, then they had a very significant (essential) role. It was suggested, however, that, as presented this function was not evident and that the hubs seemed to be regional 'clones' of the central facility, and as such, probably held little attraction for donor participation.

Questions were raised as to the feasibility of the project, in the absence of the development of the regional hubs and the steering committee members expressed interest in the state to which the development of the hubs had been achieved, in terms of prospective funding and implementation.

The importance of maintaining vision and perspective was highlighted, especially with reference to some of the studies being conducted in the hubs, and the links between these and the overall project.

Suggestions were made that the emphasis might be made more at the national level rather than on the "regional" level, which possibly served mainly to introduce further levels of bureaucracy. National partners would be the obvious drivers of change, rather than FAO 'pushing' policies. It was also proposed that the use of the phrase regional hub implied a central control, and may not be ideal. Alternative nomenclature of "areas of intervention" was proposed, which would allow for implementation at different scales in different areas (e.g. provincial, national or regional).

It was suggested that the activities in Orissa needed to be given a chance to materialise, and that the project would then be able to learn from the process and build upon the lessons learned.

Funding

It was suggested that the reason why the project was funded, in the current donor climate, was that it was firmly housed within the architecture of an international organisation such as FAO - in the future more donor support would be directed through such mandated institutions. It was proposed that opportunities to tap into

FAO core funding should be sought and that the project should become mainstreamed within the organization if it is to continue to operate.

Some concern was expressed (particularly in regard to the hubs) as to why the project did not seem to be attracting further resources. It was suggested that one of the main problems of obtaining funding was that there were so many livestock initiatives going on, and that many of these initiatives were competing against one other rather than complementary. This stressed the importance of focussing on specific opportunities for which the project could demonstrate outputs.

4. RECOMMENDATIONS OF THE STEERING COMMITTEE

- 1) **The Committee was greatly impressed by the conceptual and administrative work already done by the team.** It fully supports the overall objectives of the Initiative and feels that this Initiative can make an important contribution to the development of more appropriate policies for poor livestock keepers.
- 2) **The project should consider broadening the steering committee.** Greater participation from developing countries and grassroots NGOs, for example, will increase legitimacy and provide a greater diversity of perspectives. The steering committee could not reach a consensus whether to include private sector representatives. Some members were strongly opposed to private sector participation, while others felt it was worthwhile to explore the interest of important retailer chains in participating in the Steering Committee.
- 3) **The logical framework of the project was generally endorsed, but greater precision would be useful.** The steering committee welcomed the emphasis on policies and institutions. It recommends revisiting sections of the framework, especially the objectively verifiable indicators for outputs 1, 2, and 3, where it proposed that there should be at least 5 policy options (agreed upon by the steering committee and external reviewers). Policy change is brought about often by multiple policy changes, and the identification of a small number of policy options, might not convey the correct message.
- 4) **The steering committee members encouraged the project to think hard about impact and envisioned outcomes and develop a plausible strategy to reach these objectives.** This will require a close look at the project's thematic focus. One way to focus and identify opportunities of greater impact could include the following steps:
 - Select a few important issues that are of great importance to poor people's living from livestock and that are, at the same time, of weight in public discussions (nationally or internationally). The project's four selected content issues should be revisited in relation to their impact on the livelihoods of the poor. Other issues such as resource access (e.g., land and water) should be taken into consideration.
 - The project needs to identify where policy change has the possibility to make an impact, i.e. determine where the policy opportunities are and have at least plausible hypotheses or, even better, a strategy for change.
 - The project should use a comprehensive approach, for example from producer to final consumer (food chain approach).
 - The project should analyse processes at multiple scales (international, national, and local).
 - Any prioritisation within the project's thematic focus areas should take into account the issues outlined in the four bullets above.
- 5) **The project should re-consider its functional areas (e.g., analysis, hands-on policy advice, scoping) and develop a better rationale for its regional focus.**
 - The project should make a much clearer decision to what extent it should be aimed at policy analysis versus policy change. The steering committee strongly encourages the project to proactively instigate change. This will require actively involving all key stakeholders and thinking broadly about dissemination and engagement (e.g., promotion of advocacy groups, private sector, farmer groups, and achieving a better integration in the policy dialogue at the national level i.e.

into the PRSP process). It is acknowledged that this needs to happen within the comparative advantage and mandate of FAO.

- Any decision on resource allocation and emphasis in the project should result from the selection of issues and policy opportunities above.
 - It should reconsider the need for 5 regional foci.
 - The specific roles of the coordinating unit, regional hubs, national partners, or local partners should be defined, after the relevant issues and policy opportunities have been identified.
 - It should revisit the definition and the purpose of the regional hubs and explore what alternatives there might be, in the light of the objective to instigate policy change (this could for example require redirecting more emphasis to national or local level).
 - The project should develop a process for identifying opportunities and priorities (outlined in the bullets above) that would be based on increased stakeholder involvement and analysis.
- 6) **With the help of a more systematic analysis, the project should position itself better in the overall context of policy development and link up with other partners within and outside FAO seeking change in these areas.**
- The project should actively identify opportunities for partnerships and engagements within national and international communities (especially within developing countries) and prioritise on collaboration efforts. Examples for specific linkages include:
 - Market access: new joint ILRI-IFPRI policy research programme.
 - Livestock services: the *Global Initiative for Livestock Services to the Poor* (under the condition that it is funded).
 - The project should position itself to cover areas not adequately addressed by national and international stakeholders.
 - The project should engage more in the international standards-setting processes. An important challenge will be whether pro-poor standards can and should be developed.

5. CONSOLIDATED RESPONSE TO THE RECOMMENDATIONS OF THE STEERING COMMITTEE

Nr 1: Endorsement of the project objective and rationale

The project gratefully acknowledges that the steering committee fully supports its objectives and endorses the approach of contributing to poverty alleviation through influencing policies and institutions that affect poor livestock keepers.

Nr 2: Broadening the Steering Committee

The project will contact OXFAM, CARE, VSF and possibly other internationally renowned NGOs with the aim of including a high level representative of the international NGO sector into the steering committee. It is also envisaged that highly reputed representatives of each of the focus regions be included in the SC. Furthermore the project will explore the interest of corporate sector processors (e.g. NESTLE, PARMALAT) and retailers (e.g. CARREFOUR, AHOLD) in having a representative participate in the project steering committee. Any suggestions for persons and organizations to contact are appreciated.

Nr 3: Refining the logical framework

As suggested, the project will review the Objectively Verifiable Indicators for all outputs, specifically for those relating to outputs 1, 2 and 3.

Nr 4: Refining the project's strategy

The project will review and refine its strategy to establish stronger links between activities and desired outcomes. Although many of the project activities are already geared towards identifying suitable entry points through which the project could facilitate relevant policy processes, the project recognizes the need to improve the linkage between its activities to enhance their relevance and impact. Currently these activities encompass the assessment of the nature of sub-national, national and international policy processes (study by University of Berkeley), the determination of the spatial distribution and 'typification' of poor livestock keepers (e.g. assembly of poverty maps, defining livestock production systems and analysis of Living Standard Measurement Surveys), the development of a methodology to trace policy changes through various sectors of a national economy as well as through various levels within the livestock sector, and the development of a framework for the 'systematic' identification and prioritization of options for pro-poor policy and institutional changes (activity 1.4 of the logical framework and nr 53 in Annex A). The project also accepts that some activities might have to be revisited in the light of how they might contribute to the overall desired outcome.

We agree that the project should carefully select the policy issues and processes to associate with, the chance of a positive outcome and of the project's comparative advantage being important decision criteria. Thus, the issue of access to land for example, although it is a very pressing issue for poor livestock keepers, is one that many other projects have tried/are trying to tackle, usually with limited success. This may therefore not be a thematic area the project should engage in too strongly. Rather, the issues the project takes up should have a distinct livestock focus, the constraint should be related to policies/institutions, there should be a reasonable chance of a positive influence, and the likely 'negative' trade-offs should not outweigh the positive impact(s). This targeting will require the project to make some hard decisions about its intended beneficiaries.

The project clearly endorses the recommendation for a comprehensive approach and will attempt to implement such an approach where possible. For the dairy sector for example, the project is already taking a food chain approach (see Working Paper Nr. 2 'A Review of Milk Production in India with Emphasis on Small-scale Producers') and it is also looking at the livestock sector in the wider context, albeit so far this is only the case for Nepal. In the Nepal case, it is taking into account how the livestock sector links into other sectors through the national social accounting matrix and thus, how policies affecting other parts of the economy impact on livestock keepers (e.g. study on trade liberalization and currency devaluation on small-scale livestock producers in Nepal).

The project recognizes the need to analyse processes at multiple scales. The studies on the 'political economy of livestock sector policy making' carried out in a number of selected countries and the EU are expected to provide insight into linkages between some of these scales. Furthermore, the process of 'officializing' community animal health workers will be taken up at local, national, regional and international (OIE) level. Another example of policy work the project intends to engage in at multiple scales is the planned work on the dairy sector, which will involve international and corporate dairy policy as well as national and sub-national dairy development policies.

Nr 5: Functional areas of the project and rationale for its regional focus

The project agrees to the steering committee's recommendation that it should not limit itself to 'informing the policy dialogue' but to strongly aim at proactively instigating change. However, the project has taken the deliberate decision to initially (years 1 and 2) focus on assessment and analysis in order to identify areas where it can successfully engage in policy dialogues and to gradually shift activities from assessment to instigating change (years 3 to 6). Both activities can and will of course be pursued simultaneously, and, through project activities in the selected regions, it is *de facto* already engaged in a number of local and/or national policy processes, albeit not as the major driving force. These processes include major stakeholder involvement. Engagement of the project into these processes was facilitated by the 'evidence-based' and analytical approach the project pursues and by the, not universal, perception that FAO's role in the policy process is that of a convenor and honest broker, rather than that of a stakeholder with vested interest.

The identification of, and project's involvement in the above policy processes are, at least partly, the result of the activities undertaken for the preparation of project proposals for the acquisition of additional funds for the establishment of 'regional hubs'. The project feels that local engagement (at province or national level) is essential for the project as this is probably the point at which those decisions are made that have the most immediate influence on people's lives. The remit of the 'regional hubs', which encompass a cluster of countries that share common borders and transboundary concerns, has been defined as follows:

- Identification of policy issues that impact directly on ultimate beneficiaries, i.e. poor livestock keepers (local, national and regional information);
- enhancement of local capacity for policy analysis, formulation and negotiation; and
- fostering the policy dialogue and promoting pro-poor livestock policies at national and regional level through local fora.

The first steps to be carried out in the selected countries would be to initiate activities, with local partners, that provide answers to the following questions:

- Where are livestock a livelihood priority?

- Who and where are the livestock dependent poor?
- What are the species, products and functions of major importance?
- What are the sector trends?
- What is the policy context?
 - What is the macro-policy context?
 - What are the relevant policy sectors for the priorities of the livestock dependent poor?
 - What is the policy in those sectors?

Influencing national (and regional) policy processes requires sustained engagement and the building of trust through a long-term presence of the project, rather than through occasional visits from the central facility.

The role of the central facility vis-a-vis the 'hubs' would be one of co-ordination, methodological support, and information management and exchange. More importantly, however, the central facility would endeavour to exploit FAO's intergovernmental status and take recurring national and regional concerns to the appropriate high-level international negotiating fora. Choice of the latter, and mechanisms for engagement into these high-level negotiations would be based on careful examination of the international architecture of livestock-related policy making and through development of strategic alliances.

Neither does the project need 5 regional hubs nor do the regional hubs need to cover all of the currently envisaged countries. The project embarked on elaborating proposals for 5 regional hubs with the expectation that one or two would get funded (the prospects for obtaining funding for the East Africa hub by the EC are good). Should additional funds not be forthcoming then the number would be reduced and the project would focus on one or two selected countries within the remaining 'hubs' based on the identification of opportunities where the project has a realistic chance of facilitating institutional and policy change to the benefit of livestock dependent poor.

Nr 6: Positioning and partnerships

The project agrees that it has not yet fully nor systematically identified partners with which to forge strategic alliances. The steering committee should however recognize that the project is still positioning itself and in the process of selecting the issues and processes to engage in. As the project identifies policy issues and processes to engage in, it will seek appropriate partnerships, as is already happening in Orissa, where the project is working closely with the SDC (Swiss Development Corporation) funded CALPI (Capitalization of Livestock Project in India) project on the issue of livestock service reform. Similarly, the project is collaborating with the community based animal health and epidemiology project (CAPE) on the issue of integration of community animal health workers into 'accepted' livestock services. Currently, it is through this type of collaboration on specific issues of joint interest that the project has 'leveraged' additional funds of around USD200,000.

The project has established contact with the newly appointed leader of the joint ILRI-IFPRI policy research programme and ways of collaborating to mutual benefit are being explored. Similarly, the project is in contact with the team organizing the preparation of the proposal for a second phase of the Global Initiative for Livestock Services for the Poor and has volunteered to contribute to the preparation through the project contacts established in the regional 'hubs'.

The project will consider into which standard setting processes it could engage and which channels would be most appropriate. Currently the project is involved in the assessment of the impact of standards of various origin on small-scale livestock producers in order to be able to properly position itself in these processes.

Finally, the project would like to thank the steering committee for its interest and engagement into the project and, as mentioned in the introductory remarks to the meeting, we hope that the steering committee will become a partner with whom the project has a continuing dialogue.

Project Profiles / Concept Notes

Completed

- South East Asia Hub
- South Asia Hub
- East Africa Hub
- West Africa Hub
- Andean Hub
- Livestock Policy Information System
- Livestock Distribution Database
- Reorientation of Livestock Health and Breeding Service Delivery in India: Initiating the Change (USD40,000 from CALPI, Vinod)

In preparation

- Livestock Services & VPH
- Markets and Market Access
- Livestock Production Systems Classification
- Dairy Development for Poverty Reduction
- Livestock and Rural Development / Poverty Alleviation
- Study of informal milk markets in India (For consideration of CALPI)
- Stakeholder profiling in Andhra Pradesh and Orissa (PPLPF & CALPI)
- (CALPI steering committee already informed about these activities and the members expressed agreement)

Project Proposals

Completed

- South East Asia Hub
- South Asia Hub
- Andean Hub

In preparation

- East Africa Hub
- West Africa Hub

Dissemination Material

- One page leaflet
- Four page brochure
- Project description
- Web-site
- 10 to 12 page brochure (in preparation)
- Poster(s) (in preparation)

Publications

Title	Author	1st Draft	Final draft	Ready
Review of the Role of Livestock in Poverty Reduction Strategy Papers	R. Blench / ODI	Jan. 2003	Feb. 2003	May 2003
A Review of Milk Production in India with Emphasis on Small-scale producers	Hemme / IFCN	Jan 2003	March 2003	June 2003
Proceedings of a Meeting on Livestock and Poverty Mapping	Pfeiffer	April 2003	May 2003	June 2003
Methods for the Assessment of Livestock Development Interventions in Smallholder Systems	Rushton	June 2002	May 2003	
A Review of Milk Production in Pakistan with Emphasis on Small-scale producers	Gonell / IFCN	April 2003	May 2003	
Economic Growth and Poverty Alleviation in Sub-Saharan Africa: What contribution can livestock make?	Dijkman / Steinfeld / Knips	May 2003	June 2003	
Reducción de la pobreza en zonas ganaderas alto Andinas - documento de referencia	CONDESAN	May 2003	June 2003	

Title	Author	1st Draft	Final draft	Ready
Community Animal Health Workers - Experiences from Kenya	Riviere Cinnamond	May 2003		
The Role of Livestock in Economic Development	Upton	June 2003		
Livestock and livelihoods in the Mekong countries	Groenewold	June 2003		
The political economy of policy making concerning trade in livestock and livestock products between the EU and developing countries	Halderman / Nelson / Leonard	July 2003		
Impact of trade liberalization on small-scale livestock producers in Nepal	Morgan et al.	July 2003		
A quantitative assessment of market entry barriers for poor livestock producers	Ramsay et al.	September 2003		
Political economy of livestock sector policy making in Bolivia	Fairfield / Leonard	October 2003		
Political Economy of Livestock Sector Policy making in Senegal	Johnson / Leonard	October 2003		
Political Economy of Livestock Sector Policy making in India	Turner / Leonard	October 2003		
Political Economy of Livestock Sector Policy making in Vietnam	Vu Tuong / Leonard	October 2003		
A decision support methodology for the ex-ante analysis of pro-poor livestock policy options (to be confirmed)	Thorne / Thornton / Robinson / Dijkman	October 2003		
Proceedings of NDDDB - PPLPF workshop	Ahuja / tbn	November 2003		
Political Economy of livestock sector (and related) policy making	Leonard et al.	November 2003		
Convergence of economic, institutional, legal, political and cultural practices: Linking global livestock markets and local poverty	Tanner et al.	November 2003		
Comparison of Community Based Health and Animal Health Workers	Riviere Cinnamond	November 2003		
Financing of Animal Health Services	Riviere Cinnamond	November 2003		
A Review of Milk Production in Bangladesh with Emphasis on Small-scale producers	Hemme / IFCN	December 2003		

Activity Output Relationships

	OUTPUT 1, PORTFOLIO OF LIVESTOCK RELATED INTERVENTIONS					
	Role of livestock and effect of existing policies				Actors & forces	Analytical
	Role of livestock	Access to markets	Access to services	Dairy development	'Political economy'	frameworks/tools
Global/Regional	6, 7, 8	10, 14	20, 21		40, 10	50, 51, 52, 53
Cambodia	1					
Lao PDR	1, 8					
Thailand	1, 2	11				
Vietnam	1, 2, 3	14			40, 14	
Bangladesh	1			30		
India		12		30, 31	40, 41	
Nepal	1, 2, 3, 4					
(Pakistan)	1, 8			30, 31		
Ethiopia	1, 8			31, 32	40	
Kenya	5	14	22	31, 32	14	
Tanzania	1, 3			32		
Uganda				32		
Burkina						
Mali						
Mauritania						
Niger	8					
Senegal		13			40	
Bolivia	2	14			40, 14	
Peru	2					
Ecuador	2					

-
- 1 Livestock sector brief (AGAL)
 - 2 Livestock sector review (AGAL, CONDESAN, ILRI)
 - 3 Typology of rural households based on LSMS and other survey data (Collaboration with ESA)
 - 4 Ex-ante policy assessment based on SAM and CGE modelling (collaboration with ESA)
 - 5 Pathways into and out of poverty (ILRI)
 - 6 Role of livestock for poverty alleviation in sub-Saharan Africa (AGAL)
 - 7 The role of livestock in economic development (Upton)
 - 8 Role of livestock in PRSPs (Blench)

 - 10 Political economy of policy making in the EC concerning trade in livestock and livestock products (University of California)
 - 11 Assessment of poultry market chains from slaughter to end consumer in Bangkok metropolitan area (RAP)
 - 12 Study of small ruminant markets and marketing in India (ISAP)
 - 13 The nature and cause of import surges (ESCP)
 - 14 Linking global markets and local poverty (AGAL)

 - 20 Comparison of community health and community animal health workers (AGAL)
 - 21 Financing options for animal health services (AGAL)
 - 22 Community animal health workers, Kenyan experiences (AGAL)

 - 6. Dairy sector competitiveness (IFCN)
 - 7. Review of dairy development policies and outcomes (ILRI)
 - 8. LPF - PPLPF collaboration (AGAP, AGAL, ILRI)

 - 40 Political economy of livestock sector and related policy making (University of California)
 - 41 Stakeholder profiling in Orissa province (CALPI, Ahuja)

 - 50 Quantification of barriers to market entry for poor livestock producers (University of Western Sidney)
 - 51 Utility of IFCN methodology of *ex-ante* policy assessment for smallholder dairy (IFCN)
 - 52 Methods for the assessment of livestock development interventions in smallholder systems (Rushton)
- A decision support methodology for the ex-ante analysis of pro-poor livestock policy options (AGAL, AGAP, ILRI)

	2. INCREASED AWARENESS		3. INFORMATION, DECISION SUPPORT, M&E			4. NEGOTIATION	
	Partnerships, workshops	(Targeted) public relations	Information needs, uptake	Data collection & processing	DS and M&E tools	Stakeholder representation	Stakeholder participation
Global/Regional	60, 61	70, 71, 73, 76, 77, 78, 79, 80, 81		102, 103			
Cambodia	63		100	1, 101		63	63
Lao PDR	63		100	1, 101		63	63
Thailand	63, 61		100	1, 101		63	63
Vietnam	63, 61	75	100	1, 101		63	63
Bangladesh	61	72	100	1, 101		130	130
India	61	72, 74	100	101		130	130
Nepal	61	72	100	1, 101		130	130
(Pakistan)	61			1, 101			
Ethiopia	65	82	100	1, 101	110	65	65
Kenya	65	82	100	104	110	65	65
Tanzania	65	82	100	1, 101	110	65	65
Uganda	65	82	100		110	65	65
Burkina	62		100			62	62
Mali	62		100			62	62
Mauritania	62		100			62	62
Niger	62		100			62	62
Senegal	62		100				
Bolivia	64		100			64	64
Peru	64		100			64	64
Ecuador	64		100			64	64

- 60 Global Livestock and Poverty Mapping Meeting, Rome, 6 & 7 Feb. 2003 (PPLPF)
- 61 Challenges & Opportunities for Asia in the Emerging Market Environment, Anand, 24 - 26 March 2003, postponed (PPLPF & NDDDB)
- 62 Stakeholder Meeting for West Africa Hub; May, Ouagadougou, 12-15 May 2003 (PPLPF)
- 63 Poverty Alleviation, Environment and Public Health: Developing Enabling Policy Environments for the Livestock Sector, South-East Asia, Phnom Penh, 18 to 20 June (PPLPF)
- 64 National and regional stakeholder meetings for preparation of Andean Hub (PPLPF/CONDESAN)
- 65 National and regional stakeholder meetings for preparation of East Africa Hub (PPLPF/AU-IBAR)
- 70 Workshop on "Research and Development Strategies for the Livestock Sector in South East Asia through National and International Partnerships", Bangkok, 11 to 16 March 2002 (ILRI)
- 71 Primary Animal Health Care in the 21st Century: Shaping the Rules, Policies and Institutions; Mombasa, Kenya, 15 to 18 October 2002 (CAPE)
- 72 People Fight Poverty with Poultry: Learning from the Bangladesh Experience; Dhaka, Bangladesh, 20 to 24 October 2002 (Vinod)
- 73 Public Policy Challenges for the Asian Livestock Sector: Looking to 2030; Bangkok, Thailand, 25 to 27 November 2002 (AGAL)
- 74 Livestock Services and the Poor; Bhubaneshwar, India, 28 & 29 October 2002 (SDC-CALPI)
- 75 Livestock Income Generation for the Rural Poor; Quang Ngai, Vietnam, 19 & 20 February 2003 (AUSAID)
- 76 OIE Regional Commission for Africa Conference; Maputo, Mozambique, 18 to 20 February 2003 (OIE)
- 77 Urban Livestock Keepers Meeting; Nairobi, Kenya, 3 to 6 March 2003 (NRI, Mazingira, RUAFA, LPP, PPLPF)
- 78 Global Poverty Mapping Meeting, New York, USA, 11 to 13 March 2003 (World Bank, WRI, CIESIN)
- 79 Fourth Interagency Donor Meeting; 26 & 27 March 2003, Rome, Italy (DFID-LPP)
- 80 The impact of poverty maps: past experiences and new directions, Brussels, Belgium 21 May, 2003 (UNEP GRID-Arendal)
- 81 Poverty Environment Partnership meeting, Brussels, Belgium 22 & 23 May, 2003 (EU)
- 82 PFL Stakeholder meeting, Mombasa, Kenya 23 to 26 April, 2003 (Kenya Dairy Board, AGAP)
- 100 Review of household survey data and poverty mapping activities
- 101 GLiPHA country projects
- 102 Livestock population mapping
- 103 Compilation of GIS data
- 104 Data compilation in support of ex-ante analysis of pro-poor livestock policy options
- 110 Decision support for trypanosomiasis control (COCTU, ILRI)

Preparation of South Asia regional hub proposal

ANNEX B LOGICAL FRAMEWORK

Intervention logic	OVI	MoV	Assumptions
Goal			
Enhanced contribution of the livestock sector to poverty reduction	<p>GINI coefficient of income derived from livestock-based activities reduced by 10%</p> <p>Livestock sector growth larger than overall economic growth</p>		
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	<p>Documented link between policies affecting the livestock sector and poverty reduction, and evidence of effective stakeholder representation in 10 FAO member nations by 2007</p> <p>Detailed implementation plans for the selected policies in 10 FAO member nations by 2007</p> <p>Monitoring and evaluation system for measuring policy impact in 10 FAO member nations by 2007</p> <p>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</p>	<p>Poverty Reduction Strategy Papers</p> <p>Regional Development Initiatives (e.g. NEPAD)</p> <p>National Economic Development Plans</p> <p>Policy impact assessments</p> <p>Meeting reports from WTO, OIE and Codex</p> <p>Published rules and standards</p>	<p>Competing policy priorities reduce political will to implement pro-poor policies at international and national levels</p> <p>Inadequate institutional capacity for pro-poor policy implementation at international and national levels</p>

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&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 & 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 & 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 & 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 & 4)</p> <p>At least 10 organizations actively contributing to the information, analysis, decision-support and M&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>

Opening Remarks (Samuel Jutzi)

The steering committee members were welcomed to FAO and to Rome by Samuel Jutzi. In his opening remarks he explained how, when he first came to FAO to direct the Animal Production and Health Division (AGA) he was struck by the shortfalls, within AGA, in its capacity to analyse policy issues. He explained how this shortfall was eventually met by the initiation of the Livestock Information, Sector Analysis and Policy Branch (AGAL) within the division. Two major steps forward in the development of AGAL have been first the emergence of the Livestock, Environment and Development Initiative (LEAD), and now of the Pro-Poor Livestock Policy Initiative (PPLPI). He pointed out that the objectives of the project were very ambitious, and that expectations of the project were high.

Opening Remarks (Joachim Otte)

Joachim Otte then made some opening remarks. He first passed on apologies from David Leonard, Robert Chambers, Lucia Vaccaro Pearson and Jo Yvon who were unable to attend the meeting. David Leonard was particularly disappointed not to be able to attend and had provided some comments on his reflections on the protectionist agricultural policies of the OECD countries (Annex A).

Joachim encouraged the steering committee to become continuously involved in the operation of the project, rather than involvement being restricted only to annual meetings. He expressed the wish that the steering committee members would thus become partners of the project, sharing ownership thereof. He emphasised that steering committee members, in this respect, would probably have regional and subject area interests, and hoped that the steering committee members would create an on-going dialogue with project staff in these areas.

Joachim then gave an overview of the agenda, emphasising its flexibility and encouraging the steering committee to adjust the agenda to meet their needs. He then requested the meeting participants to introduce themselves, providing some details on their background in relation to the Pro-Poor Livestock Policy. Following introductions Joachim remarked on the multi-disciplinary characteristics of the group, though emphasised that if particular groups (e.g. NGOs or the private sector), or particular disciplines (e.g. the social and anthropological sciences) were not represented, then shortfalls here could be addressed.

Finally, Joachim put to the steering committee members that they needed to elect a chairperson. Carlos Seré suggested that this may be more appropriate after the steering committee members had more chance to get to know each other during the day, and it was agreed that Samuel Jutzi would chair the meeting for the day, and that a long-term chairperson would be elected this evening.

The Project Rationale and Strategy (Joachim Otte)

The overall goal of the project is to enhance the contribution of the livestock sector to poverty reduction through the effective use of policy and institutional instruments. The project will be operationalized through a Central Livestock Policy Facility (PPLPF) at FAO HQ and a system of Regional Modules/Hubs (PPLPI).

The project is focusing on policy and institutional change because historically, that has been the precursor to development during the transition from extensive livestock farming to agricultural intensification and industrialization and back to extensification (post-industrial societies). The driving forces have been population pressure, cost of labour, capital inputs and availability of land. Key changes include access rights, market integration and conservation protection. The transition process involves three scenarios: reducing vulnerability, creating conditions for growth and coping with growth.

However, institutions are not created to be socially efficient. They are created to serve the needs of those with the power to set the rules, i.e. they are adverse to change.

In addition, the implicit purpose of the project is to improve the relevance of the Animal Production and Health Division (AGA) of FAO, increase collaboration between AGA and other parts of FAO and between FAO and other development agencies.

The logical framework was presented. The 'content issues' were described in some detail and are the following:

- the role of agriculture/livestock in economic development and poverty reduction (household typologies, linkages with other sectors, macro-meso-micro linkages, effects of policy changes)
- markets and market access (domestic and international opportunities, contracts and impacts of trade liberalization)
- access to livestock services (health, extension, AI, insurance etc) ((priority setting, organisation and public health)
- approaches and policies for dairy sector (competitiveness, national markets, processing, international marketing and trade)

These are underpinned by process issues, which are: information management (hierarchical and relational information system, web-based, open) and instigating change (advocacy, stakeholder engagement, capacity building and the establishment of negotiating fora)

The foreseen role of the Central Facility is fostering information exchange, fostering policy dialogue, assessments, standardization of approaches and methodologies and capacity building for policy analysis and negotiation.

The complementary role of the Regional hubs is: identification of local, national and regional policy issues, enhancement of local capacity for policy analysis, formulation and negotiation, and fostering the policy dialogue at sub-national, national and regional level.

The overview of the PPLPI ended with a list of specific questions, put to the steering committee members: Is the project's focus on policies and institutions worthwhile? What are essential elements of pro-poor policies / pro-poor policy making? Will

project's outputs lead to purpose? Is the project addressing the right 'content' and 'process' issues? Should the project aim to establish regional hubs?

These were not all dealt with explicitly in the discussions that followed, though the discussion did focus on certain key points, as outlined below. Discussion relating to the regional hubs is dealt with after the presentation of the South Asia hub.

An Update on Activities in the 'South Asia Hub' (Vinod Ahuja)

An overview of the poverty-policy-livestock interface in Asia was presented. Forty two per cent of the global poor are in South Asia. Livestock contribute significantly to household income in India, although it is of value in other ways, for which data are not available. Those who keep livestock often do not have other assets. With the trends in production and forecasts in income growth, the demand for livestock products is expected to be substantial. Therefore there is a need for policies to help to channel this developing demand.

The 'hub' started its activities in June 2002 and the first priority was to develop a proposal for funding. This involved wide consultation to inform other players of the project and to gain a sense of their expectations from it. In addition, a data base and reference library were developed to assist in the hub becoming a resource centre.

The hub has tried to engage donors with limited success to date. However, the hub has initiated partnerships with some stakeholders through studies and workshops. Strategic partnerships have been formed with CALPI (Capitalization of Livestock Programs in India of Swiss Development Corporation), National Dairy Development Board and ISNRMPO and Government of Orissa.

Other ongoing initiatives with strong linkages include those with Global Initiative on Livestock Service Delivery, Smallholder Poultry Network, South Asia Initiative of IFPRI, World Bank Poverty Network, PPSU of Danida.

The concept of the hub is to focus around situation assessment and analysis, capacity building and awareness raising, and policy facilitation and empowerment. After consultation with stakeholders, the following thematic focus has been identified: emerging trade regime and small livestock producers; service delivery for efficient and profitable livestock farming; marketing and processing of livestock products; and small animals and the poor.

However, the overall scope of the hub remains flexible within the poverty-policy-livestock interface.

During Phase 1, the South Asia hub will focus on India, Nepal and Bangladesh. It will establish its own Steering Committee, international project co-ordinator, national professional consultants and research and administrative support.

The overview of the South Asian hub was concluded with a list of specific questions to be put to the steering committee members: what are the views of the Steering Committee on the Hub's activities so far, the thematic focus areas and the overall management and co-ordination. Would the Steering Committee offer some guidance on the future work programme, the resource generation strategy and the composition of the Hub Steering Committee.

Livestock Services and the Poor (Katinka DeBalogh)

The range of livestock services includes animal health, extension, input supply, AI services and credit. The delivery of services has traditionally been from the government but a worldwide shift has promoted the role of the private sector. NGOs have been experimenting with new ways of service delivery and there is a large informal sector, which includes the black market.

The project target group are the livestock-dependent poor, who include those who don't actually own livestock. At the global level the trends are decentralisation, privatisation of services, trade liberalisation, changing standards, a food chain approach, globalisation of information and new technologies. The question is what consequences do these trends have on the target group.

The focus of the project is the needs of the poor: gender issues, empowerment, VPH/food safety issues and the impact of policies: effects of globalisation and privatisation, ways of financing, formal /informal markets and information technologies.

The envisaged outputs are:

- needs and demands for services evaluated;
- livestock delivery systems for different types of livestock dependant poor evaluated;
- forms of financing resource allocation and organisation of delivery systems evaluated;
- decision support tools to evaluate delivery systems elaborated;
- policy delivery recommendations formulated and promoted; and
- negotiation platforms established.

The potential linkages are: AU/IBAR; OIE; London School of Hygiene and Tropical Medicine; London School of Economics; ILRI; GI-LSP; Livestock Development Group (Reading University); NGOs; Regional hubs.

The presentation on the delivery of services ended with a list of questions: What are the views of the Steering Committee on the overall objective, the issues presented, the outputs, the linkages and the possible interest by other initiatives?

Markets and Livestock Smallholders (Nancy Morgan)

There are opportunities in marketing because of the rising demand for livestock products. The demand pattern is different for meat than dairy products. The question is what are the opportunities and where should the project focus eg which of the scenarios to focus on: reducing vulnerability, creating growth and coping with growth and in which regions. The constraints to access are entry barriers, lack of competitiveness and risk and there are no empirical studies looking at these. However, policy makers talk of issues, not barriers, such as multilateral trade reform, domestic policy changes, changing technical standards, industrialisation of livestock and changing marketing systems.

The objective of the marketing component of the project is to identify and promote policies that facilitate small-scale producers' participation in markets. It would be easy to make a list of all the information needed but the problem is how to put it all together in a way that policy makers want.

The tools for analysis are: a framework which characterises households and their characteristics, meso-level analysis for identifying and quantifying critical links along the policy and commodity chain and economy-wide modelling for measuring distributional impact of trade liberalisation.

The suggestions for market analysis are: the impact of OECD policies on poor livestock producers, the impact of higher technical and sanitary standards on small livestock producers and the impact of EU CAP reform on livestock sectors.

There are opportunities for linkages within FAO where there is a wealth of information being generated by: Economics Department, Processing Division, Codex etc. and also with the IFPRI-ILRI Theme 2 on Market Access.

The presentation on markets ended with questions about bridging the gap between policies, barriers and poverty. What recommendations do the Steering Committee have on the proposed strategies, methodologies/tools and the linkages.

David Leonard provided some comments on his reflections on the protectionist agricultural policies of the OECD countries that are provided in Annex D.

Closed discussion of the steering committee

The steering committee then broke away to elect a chair and to discuss their recommendations to the project. Norbert Henninger was requested to and agreed to accept the position of chairman of the steering committee.

The chair then convened deliberations on the recommendations to be made to the project, resulting in a draft set of recommendations to be presented to the meeting and to be taken away for finalisation by the steering committee members. The final recommendations, following further electronic discussions by the steering committee members, are given in section 4 of the main report.

Closing remarks (Louise Fresco)

Louise Fresco gave some closing remarks on behalf of the senior management. She thanked the Steering Committee for coming to FAO for the meeting. She said that the project is of particular significance because it allows experimentation with interactive partners, including those within FAO as well as the opportunity to address poverty from a sub-sector approach. However, the approach carries a risk of being too focused on livestock and of doing too much analysis. She stressed the need for an action mode where real recommendations are being implemented.

She advised that policy should be addressed from looking above and below because the best policies for instigating change are not always in the sector of study. She also highlighted the fact that experimentation in policy work is not usually possible so there is a need to look at closely matched situations to see changes. Ideally, one could find some countries or situations where the effects could be monitored.

With regard to decentralisation, she said that FAO believes in a country focus but emphasised the fact that the transactions costs are high and therefore the project may need to focus smaller.

With regard to policies, research policy is an interesting and important area. This involves access by countries to knowledge and property rights, some of which are relevant to the livestock sector.

Standard setting is very complex and the project needs to think at the conceptual level whether standards are pro-poor or neutral. There is no evidence of differential standards so the question is how to link them to poverty. FAO is being pushed by member countries to engage more.

Finally, she encouraged the project to meet with the private sector and engage them in the dialogue. It is important to differentiate within the private sector and look at the small and medium sized private sector in developing countries as the emphasis usually lies on the larger companies.

ANNEX D NOTE BY DAVID LEONARD FOR THE STEERING COMMITTEE

Dear Joachim and Jeroen:

Please convey to the members of the Steering Committee my deep disappointment at being unable to be there with you. I had been greatly looking forward to talking informally to those whom I have not met personally before and to hearing the views of everyone in the SC sessions. I would have learned an immense amount. But bad airline schedules forced me to choose between family duty and personal interest and of course the former prevailed.

I am not quite sure how the discussions will go and what all the topics will be that are covered. As we at Berkeley have begun work over the last several months for the Pro-Poor Livestock initiative, however, a couple issues have become clearer for me and they may be relevant to your discussions. I've become increasingly convinced that the protectionist agricultural policies of the OECD countries are having a serious negative impact on the welfare of poor livestock producers (and poor farmers more generally). I'm also convinced that this protectionism is a larger negative force on livestock production than poor domestic policies in most of the developing countries. By and large, however, it seems to me that the negative impact of these policies on the poor occurs not through the denial of agricultural exports from developing countries to the rich ones, but through the export of subsidized livestock (and other agricultural) products from the OECD to the developing world. There are those in developing countries who might be able to export more to the OECD if the latter's markets were more open -- but they are not the poor producers in those countries. High sanitary and other standards by the OECD are inevitable and probably are legitimate, given that these countries have the wealth to pay for products of higher quality. By and large poor developing country producers are not going to meet any reasonable set of OECD standards and their welfare therefore is likely to be left largely untouched by them. (There is the possibility that high quality producers in developing countries compete with poor ones for the domestic markets when they are denied entry to rich country export markets, but I suspect that this is not a major economic force.)

What seems undeniable is that the export of subsidized livestock products and feeds from OECD countries is changing developing country markets in ways that significantly shrink the domestic markets into which poor producers could otherwise sell. This is a matter on which I think we all might wish to focus. The work of our team on the political economy of policies affecting poor livestock producers has led us to identify a major gap in our knowledge.

The current efforts to renegotiate (or not) the EU Common Agricultural Policy represent an historic opportunity of large proportions for those of us who care about the poor. So far, the welfare of poor producers in developing countries does not seem to have been much of a factor in the debates within Europe. Could it be? It is pretty clear that there is broad political support for subsidizing the welfare of EU farmers. But that could be done by subsidizing rural environments rather than farm products. There are several proposals on the negotiating table within the EU. Potentially might it matter to the public debate in the EU if citizens knew just how each of these proposals was going to affect the welfare of the poor in developing countries? (Some of the proposals seem likely to make the welfare of the poor even worse.) If so, might it be useful for FAO (perhaps jointly with IFPRI) to extend its existing production models to predict just what each of the current proposals would do to EU agricultural production and then in turn model the impact that these would have on poor producers in developing countries? (To preserve fairness one might also wish to model what the existing policies of all OECD countries are having. But the EU

is the place where real change is currently possible and where there are real alternatives that are on the political table which can be evaluated.) To the best of my knowledge we lack really good studies on these absolutely critical effects and therefore the public debate is being conducted in a knowledge vacuum. (For me it is a bad sign when I read IFPRI quoting the study of an advocacy NGO around these issues.) In keeping with FAO's role as an apolitical organization, I would not see its developing an advocacy campaign around its findings; just doing a technical study and making the results public. Once the data were out there I think Oxfam and others would take the initiative to run with it.

Just a thought that might possibly liven the discussions.

Best wishes to all.

David Leonard

ANNEX E STEERING COMMITTEE MEETING PARTICIPANTS' CONTACT DETAILS

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