

## SARD-M Policy Assessments in Central America

Central America, comprising Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, is characterized by its great biodiversity and large areas of tropical rainforest. It is estimated that 27% of the territory of the region is overexploited, and almost 22% is underutilized. Between 1990 and 1995 more than 2,000,000 ha of woodland were lost for different reasons. This destruction has impacted on the fauna and led to an overexploitation of resources, very often supported by the legal and illegal trafficking of wild species.

The processes of democratization, integration, opening up of the economy and liberalizing trade, concern about environmental impacts and a more diversified local, national and regional institutional infrastructure, are all part of the great changes that the region is now undergoing.

### A highly participatory methodology

The methodology used was highly participatory, including local, national and regional workshops which is consistent with one of the intrinsic elements of SARD, and directly involved the following parties:

- civil servants involved in managing public SARD policies at the central and departmental/regional level of ministries and institutions operating in the agricultural and environmental sector, or with basic services, tourism etc.; mayors and municipal government employees
- representatives of associations, cooperatives, producers' unions, artisans, women and indigenous peoples
- non-governmental organizations providing technical and financial support services for rural production and trade
- representatives of coordinating bodies between government and civil society: Departmental and Municipal Development Committees, the Regional Sectoral Agricultural Commission.

### The potentials of the hillsides

During the course of the study, a **wide range of different goods and services** that are essential for guaranteeing crucial resources for the rest of society were identified: water, biodiversity, landscape, risk prevention, specific products, and culture. These create a series of comparative benefits and **interdependency** between the **highlands** and the **lowlands** that are yet to be promoted and developed.

Despite the fact that the **value** and economic contribution of natural resources in the region are recognized by the market, the role that they can play in fostering national development is **not fully appreciated**. In order to quantify them, **biological and economic indicators** are needed.

The benefits that could be derived from the sound management of farms in protected areas, requires **certification and other more transparent production procedures**. This demonstrates the need to promote a set of policies and incentives that brings about their economic exploitation, encourage producers to introduce changes into their production methods, invest in agricultural systems that rehabilitate the environment.

## Suggestions for making hillside potentials more visible

- Identify and **make the potentials of hillsides visible** by supporting economic appraisals and disseminating the results to decision-makers at all levels and to the hillside dwellers' own organizations.
- **Strengthen the organizational levels** of hillside producers and dwellers.
- **Exploit the capacities of governments and local organizations** to enhance synergies between the organised families and the local authorities who are more familiar with their problems.
- **Intersectoral and co-ordinated work** between development organizations and institutions, and create synergies with other non-agricultural and non-environmental institutions with jurisdiction over hillsides.
- **Re-examine the experience of environmental information systems**, to create information monitoring and management systems.
- **Retrieve and document experiences** with specific programmes and projects for hillsides.
- **Consider the tax revenues** from hillside zones in relation to other sectors of the economy, in order to convince public and private decision-makers of the benefits of investing in these zones.

## Lessons learned and suggestions

### On hillsides in general

1. **Hillsides have a very considerable economic importance** in the Central American countries, but evaluating their potential, their goods and contributions to the national economy has yet to be performed in terms of sustainable development.
2. **No specific policies exist for mountains** in any of the Central American countries despite the fact that it is a region with a marked predominance of mountain zones. The question to be asked is whether it is necessary to have a specific policy for mountains or whether important aspects of them should be incorporated into present and future policies of relevance to SARD-M.

### On the application of the SARD-M concept

3. **Comprehensive sustainable rural development policies** incorporating the economic, social and environmental pillars have not been part of the institutional dynamics of the Central American countries.
4. The formulation and implementation of environmental and other rural development and economic, decentralization and citizens' participation policies, as well as the more sustainable comprehensive policies date back to the second half of the 1990s and the present decade, which therefore limits the possibility of **assessing their effects and impacts**.
5. The conditionalities imposed by the International Monetary Fund and the high dependency of Nicaragua on international cooperation makes it more **difficult to integrate macroeconomic policies** into rural development policies. The involvement of the Treasury and Planning Ministries in rural development policy management is still in its infancy.

### On the level of familiarity with SARD Policies

6. The **lack of knowledge and management of information** of the people directly or indirectly involved in this study is evident regarding: i) the SARD-M policies under study; ii) statistics and studies on the state of rural families living in hillside zones, and the economic potential of rural resources and hillside biodiversity; iii) information on, and the coordination and complementarity of the various SARD strategic planning, implementation and monitoring activities, with both the public and the private sectors.

## On the political processes

7. Most of the instruments for managing policies, strategies, plans and programmes take a **short-term approach**.
8. The **political stability** is being increasingly recognized as a factor in the policy management cycle, because party-political decisions have repercussions on governmental plans and programmes.
9. In Nicaragua, more so than in Costa Rica, **economic, fiscal and monetary policies are not in line** with the overall concept of sustainable development.
10. The **economic commitments and strategic vision** required to implement SARD-M policies are **constrained**.
11. The levels of **coordination between the agriculture and environmental sector institutions** have begun to improve, but they have generally been weak and contradictory.

## On participatory processes

12. The **participatory processes** which require greater involvement of both public and private stakeholders in the various phases of policy management are not seen as very efficient in most of the Central American countries despite the greater political will to involve sectors of civil society more closely.
13. The **mechanisms for the coordination and the participation** of producers and civil society with the public sector are only just beginning to work at the departmental level. The National Committees have been operating longer, but the issues of sustainable development and the involvement of the economic stakeholders is still working inefficiently.
14. The promotion of **linkages between networks, alliances and regional initiatives** of national and local stakeholders to share their experiences on agriculture and rural development must be fostered, because it makes policy management stronger and more flexible.

## On technical procedures

15. The need for civil servants, producers' organizations and international cooperation agents to properly understand and manage **conceptual and technical tools for formulating, implementing, monitoring and evaluating** comprehensive public policies is strongly felt.
16. Most policies, and even strategies, agendas and plans of action are not backed by **financial studies and specific budgets** for their implementation.
17. Generally speaking, in both countries, **rural development interventions** by public institutions and non-governmental organizations in hillside areas were assessed positively.
18. There is no systematic analysis of SARD-M laws and policies in Central America to gauge their **positive or negative effects**. The system for **monitoring and evaluation** of policies is still very weak in both countries.



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

### On the mobilization of resources

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

## Contact Information



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