Food and Agriculture Organization
of the United Nations

Capacity Development Project for Investment and Policy (CAADP - CDPIP)

STRENGTHENING SYSTEMIC CAPACITIES FOR THE FORMULATION AND MANAGEMENT OF NATIONAL AGRICULTURE INVESTMENT PLANS (NAIPs)

Approaches and resources based on CDPIP experiences in Cameroon, Chad, the Democratic Republic of the Congo, Lesotho and Tanzania

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Cecilia de Rosa
Capacity Development Specialist
Capacity Development Project for Investment and Policy (CDPIP)
Investment Centre Division, FAO

André Lachapelle
Project Coordinator
Capacity Development Project for Investment and Policy (CDPIP)
Investment Centre Division, FAO

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TOOLBOX in CD-ROM

ACRONYMS

CAADP	Comprehensive Africa Agricultural Development Programme
CD	Capacity Development
CDPIP	Capacity Development Project for Investment and Policy
FAO	Food and Agriculture Organization of the United Nations
FOs	Farmers' Organizations
FSNARD	Food Security, Nutrition, Agriculture and Rural Development
GDP	Gross Domestic Product
IFPRI	International Food Policy Research Institute
IGAD	Intergovernmental Authority on Development
M&E	Monitoring and Evaluation
MAFAP	Monitoring and Analysing Food and Agricultural Policies
MTEF	Medium-term Expenditure Framework
NAIP	National Agriculture Investment Plan
NEPAD	New Partnership for Africa's Development
NEROM	National external results-oriented monitoring
NGO	non-governmental organization
NPCA	NEPAD'S Planning and Coordinating Agency
OECD	Organisation for Economic Co-operation and Development
PER	Public Expenditure Review
RBM	Results-Based Management
RECs	Regional Economic Communities
ReSAKSS	Regional Strategic Analysis and Knowledge Support System
RF	Results Framework
SAKSS	Strategic Analysis and Knowledge Support System

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INTRODUCTION

This document presents, in modular format, approaches and resources for stakeholders engaged in formulating, implementing or updating a National Agriculture Investment Plan (NAIP) in the context of the process associated with the Comprehensive Africa Agricultural Development Programme (CAADP).

Principal users may be government officials leading or contributing to investment planning in agriculture; representatives of producer organizations or civil society; the research community; providers of advisory services or consultants; regional organizations; and international development partners.

Through nine modules, the document offers:

- guidance to help national actors formulate their NAIP and to position it strategically within existing processes;
- tips and suggestions to engage national stakeholders and ensure broad participation;
- guidance and approaches to assess existing capacities and address capacity gaps to support effective investment planning in Food Security, Nutrition, Agriculture and Rural Development (FSNARD);
- examples based on the experiences of countries and FAO; and
- a set of tools on CD-ROM (i.e. PowerPoint presentations, Excel matrices, templates) and additional references which are listed in the Toolbox section at the end of each module.

This material seeks to complement guidance issued by the New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency (NPCA) and other CAADP partners. It is primarily based on the experiences gained

through the Capacity Development Project for Investment and Policy (CDPIP) implemented by the Food and Agriculture Organization of the United Nations (FAO) Investment Centre in Cameroon, Chad, Democratic Republic of the Congo, Lesotho and Tanzania during 2012-2014 (see Box 1); and upon earlier FAO work, such as the Learning Note on Country Investment Plans in Agriculture (in the Toolbox) and the Investment Centre's 2013 internal stock-taking exercise to examine its support to NAIP development in Africa. It also draws upon and complements NPCA's guidance materials on CAADP.

Thanks to its modular format, users can go directly to the specific theme or challenge they are trying to address. In addition to an overview of the topic, users will find references for additional material available in the Toolbox on CD-ROM, as well as external resources and relevant links to complement or provide more detailed guidance on particular aspects.

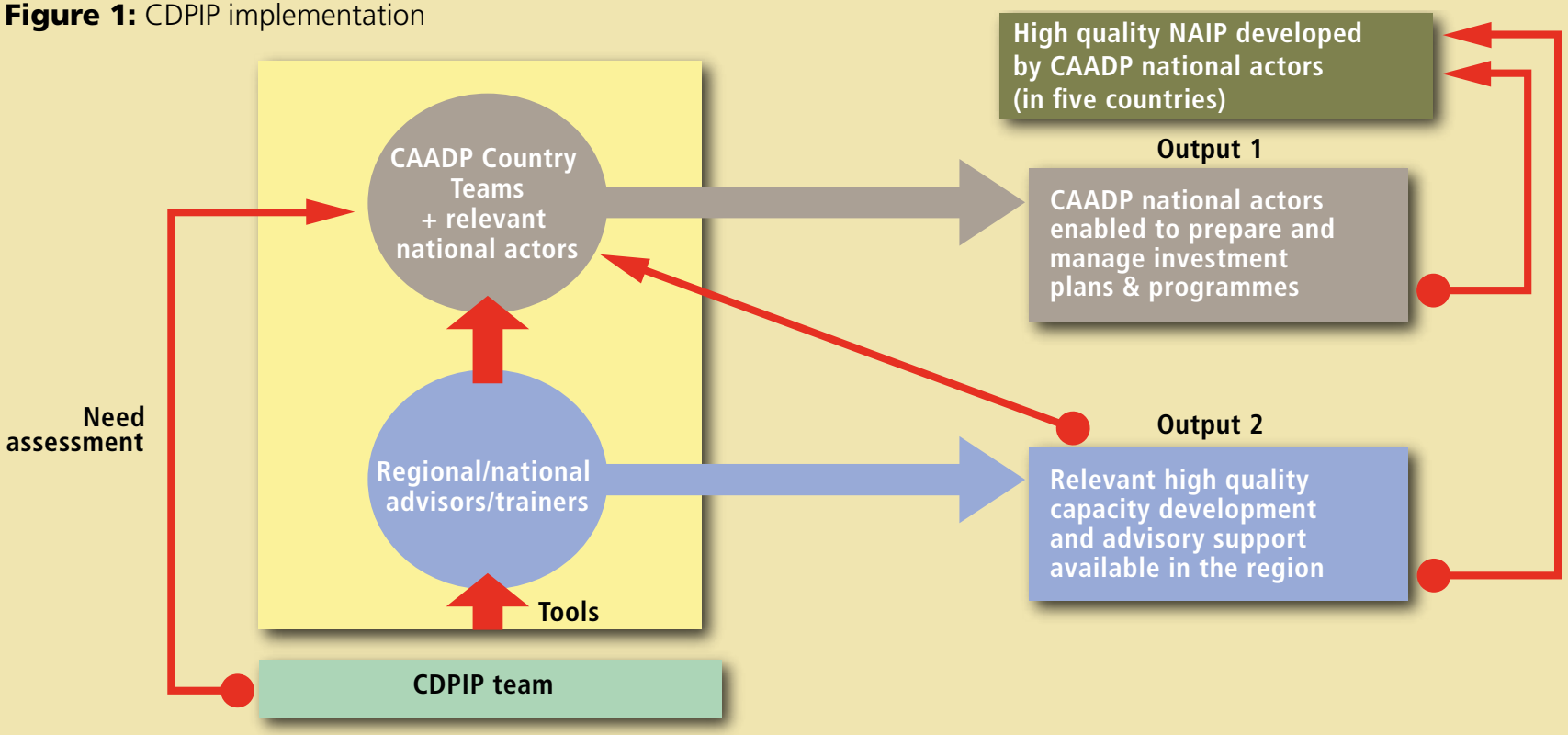
The modular structure is also intended to facilitate adaptation and further development for particular country contexts or for the needs of specific users. This reflects the authors' conviction that while there are core elements of good practice that should apply universally, evolving practice and specific country contexts will warrant continuous reflection and appropriate revision to best meet desired development goals.

Box 1: Overview of FAO Capacity Development Project for Investment and Policy (CDPIP)

Over a two-year period, FAO's CDPIP project has aimed to strengthen the capacities of national actors who are directly responsible for designing and implementing investment plans in the context of CAADP, as well as selected national and regional experts and institutions providing support and advisory services on investment (see Figure 1).

In five countries (i.e. Cameroon, Chad, Democratic Republic of the Congo, Lesotho and Tanzania) in two subregions, stakeholders

Figure 1: CDPIP implementation



engaged in capacity assessments and defined, implemented and periodically revised a capacity development (CD) plan tailored to country needs which incorporated a variety of measures.

The project facilitated more than 30 learning initiatives and technical support missions across the five countries. This iterative type of support was intended to increase the quality of investment planning processes in the countries. The main CD measures included: (i) coaching ministry staff and national experts to develop their technical capacity in preparing investment plans, while promoting an informal network of national experts; (ii) instituting awareness raising and multistakeholder processes to support a better common understanding of national priorities for agricultural investment and closer collaboration; (iii) supporting integration of the NAIP into country existing planning processes so that it could become the main planning, programming and budgeting framework in the food security and rural development sector.

The project further facilitated the adaptation and integration of this learning resource into universities' curricula to ensure a sustainable supply of national agricultural investment experts. Fourteen universities in the Democratic Republic of the Congo are now working to uptake and adapt this learning material into their university curricula. An initial batch of over 2 500 students will attend the courses and form the next generation of technical experts and public servants.

DEFINITION OF KEY TERMS

For the purpose of this document, it is important to define the following concepts to ensure a common understanding and avoid multiple interpretations.

Investment

The 2012 edition of the FAO report 'State of Food and Agriculture', which was dedicated to investment in agriculture, provides a widely accepted definition:

Investment is generally defined as activities that result in the accumulation of capital that yields a stream of returns over time.[1]

Capital is defined as both tangible and intangible assets and is often considered in terms of the following categories:[2]

- *physical capital (e.g. animals, machinery, equipment, farm buildings, off-farm infrastructure)*

1. FAO, The State of Food and Agriculture, Investing in agriculture for a better future, 2012, p.9

2. Ibid, Box 1 – What is capital?

- *human capital (e.g. through education, training and extension services)*
- *intellectual capital (e.g. through research and development of agriculture technologies and management practices)*
- *natural capital (e.g. land and other natural resources)*
- *social capital (e.g. institutions and networks)*
- *financial capital (e.g. private savings)*

According to the FAO Report, a distinction is generally made in public expenditures between 'investments'[3] and 'current expenditure' (e.g. salaries, running costs). This distinction, however, is not always clear-cut, not least because current expenditures are required to maintain the value of capital assets.

This material reflects the view that while current expenditures are frequently not considered as part of investments, they should be included in the NAIP. Modules 2 and 6 will provide further explanation on this aspect.

Scope of the agriculture sector

There is no hard and fast rule as to how narrowly or widely to define the "agriculture sector" – it depends upon the policy and institutional environment of the country. However, it is important that within a country or context, there is clarity and consistency in the breadth of analytical work to be pursued, the range of organizations and stakeholders that are engaged and the set of priorities that drive an investment plan and/or sector approach.

In its narrowest form, the agriculture sector concerns only crop production. Within CAADP, the scope of productive activities has clearly been set to include livestock, fisheries and aquaculture.

The scope can further be broadened to include:

- the management of natural resources (e.g. forests and water), which is so intricately linked that it is often considered to fall within the scope of the sector;
- rural development (including rural finance, electrification, telecommunications, transport, education and health), which has important direct and indirect impacts on agricultural productivity and growth potential;
- value addition including focus on a range of issues such as primary production, immediate processing, logistics, transport and retail; and
- FSNARD, which includes activities focusing on nutrition and certain social expenditures (e.g. social protection) which directly impact food security by increasing a household's ability to access food.

3. Often called 'development or capital budget'

No matter how broadly or narrowly the scope of the agriculture sector is defined, cross-cutting aspects such as governance, climate change, gender and trade have to be considered.

TOOLBOX

- **Additional References:**
  - FAO, The State of Food and Agriculture, Investing in Agriculture, 2012 http://www.fao.org/docrep/017/i3028e/i3028e.pdf
  - FAO Corporate Strategy on Capacity Development, 2010 http://www.fao.org/capacitydevelopment/capacity-development-home/en/

MODULE 1

CAPACITIES AT THE HEART OF THE CAADP PROCESS

MODULE 1 - **CAPACITIES AT THE HEART OF THE CAADP PROCESS**

Learning objectives:

At the end of this module, you will be able to:

- explain the goals of CAADP and the value of engaging in the CAADP process;
- recognize the major steps/milestones and the roles of key players in the process; and
- describe the concept of 'systemic' capacity in relation to CAADP investment planning.

This module will introduce the concept of capacities in the context of CAADP. Module 9 will provide further guidance and approaches for national actors to engage in capacity assessments and define appropriate strategies to reinforce capacities at the country level.

1.1 WHAT IS CAADP?

The Comprehensive Africa Agriculture Development Programme (CAADP) is a continent-wide agenda to transform Africa's agriculture and economy. CAADP was endorsed by the African heads of state in 2003 through the Maputo Declaration as a vision for restoring agricultural growth, food security and rural development. In June 2014, the Malabo Declaration on Accelerated Agriculture Growth and Transformation for Shared Prosperity and Improved Livelihoods reaffirmed the commitments taken by the countries to the principles and values of the CAADP process.

Although urban populations are growing, most of Africa's poor people live in rural areas and depend on agriculture for food and livelihoods. CAADP sees broad-based agricultural growth as the best way of achieving sustainable food security in Africa.

The objective of CAADP is to achieve growth rates by 2015 of 6 percent per year in agricultural production in each African country by:

- increasing resources for agriculture programmes to at least 10 percent of government spending;
- developing dynamic regional markets; and
- integrating farmers into those markets.

CAADP provides African countries with a framework for developing, implementing and measuring agriculture development investments at national, regional and continental levels, aligning all efforts in the same direction.

CAADP also contemplates capacity strengthening, as set forth in earlier commitments endorsed by the countries in the Paris Declaration (2005), the Accra Agenda for Action (2008) and the Busan Declaration (2011), which were recently restated at the First High Level Meeting of the Global Partnership for Effective Development Co-operation held in Mexico City in April 2014.

In Accra, an important milestone was achieved by putting capacities and capacity strengthening at the core of countries' national development::

> *"Without robust capacity – strong institutions, systems and local expertise – developing countries cannot fully own and manage their development processes. We agreed in the Paris Declaration that capacity development is the responsibility of developing countries, with donors playing a supporting role."*
> *– Accra Agenda for Action 2008*

In Busan, countries went further to forge a new global development partnership based on a common set of principles that underpin all forms of development cooperation, recognizing the distinct roles that all stakeholders in cooperation can play to support development. As part of this commitment, a monitoring framework was established to track progress on the commitments and actions agreed in Busan.
Ten indicators were defined, a few of which are very relevant to investment planning, such as Indicator 1 (Development cooperation focused on results that meet developing countries' priorities); Indicator 3 (Engagement and contribution of the private sector to development); and Indicator 9 (Effective institutions: developing countries' systems are strengthened and used).[4]

1.2 THE STATUS AND ADDED VALUE OF CAADP

As of November 2013:[5]

- over 45 countries had formally launched CAADP implementation;
- 35 countries had signed national CAADP Compacts; and

4. Global Partnership for effective development co-operation, Global Partnership Monitoring Framework Why, what and how? http://www.effectivecooperation.org/files/about-trackingprogress/INDICATORS.pdf

5. Source: NEPAD. The detailed table is included in the Toolbox.

- of these, 25 countries had completed formulation of NAIPs and had held business meetings.

CAADP is meant to build upon and add value to existing country processes, as opposed to replacing them with an externally-driven process.
Among the countries which engaged in the process, the added value of CAADP can be noticed in an increased coherence of existing sector policies, strategies and national planning efforts. For example:[6]

- It mobilized a common vision and collective energy to define an African agenda on agriculture.
- It improved coordination among various players and facilitated engagement by ministries, civil society and business.
- It provided a robust evidence base for strategic objectives.
- It provided a forum for consultation and dialogue for engagement with domestic and international private investors.
- It enabled countries with solid investment plans to gain external financial resources.
- It strengthened the role for non-state actors, especially civil society and farmer institutions, in defining the national agriculture agenda. In particular, they are expected to contribute to the development and implementation of NAIPs.

The following progress has been noted in terms of the agricultural growth rate[7]:

- Africa's annual total gross domestic product (GDP) grew by an average of 4.8 percent between 2000-2010, compared with 2.1 percent in the previous decade (1990-1999);[8]
- The agriculture sector's annual GDP growth rates were 3.2 percent and 3.0 percent respectively for the two decades; and
- Although agriculture grew at a moderate rate, this growth contributed to significant reductions in poverty in many African countries.

1.3 THE CAADP PROCESS

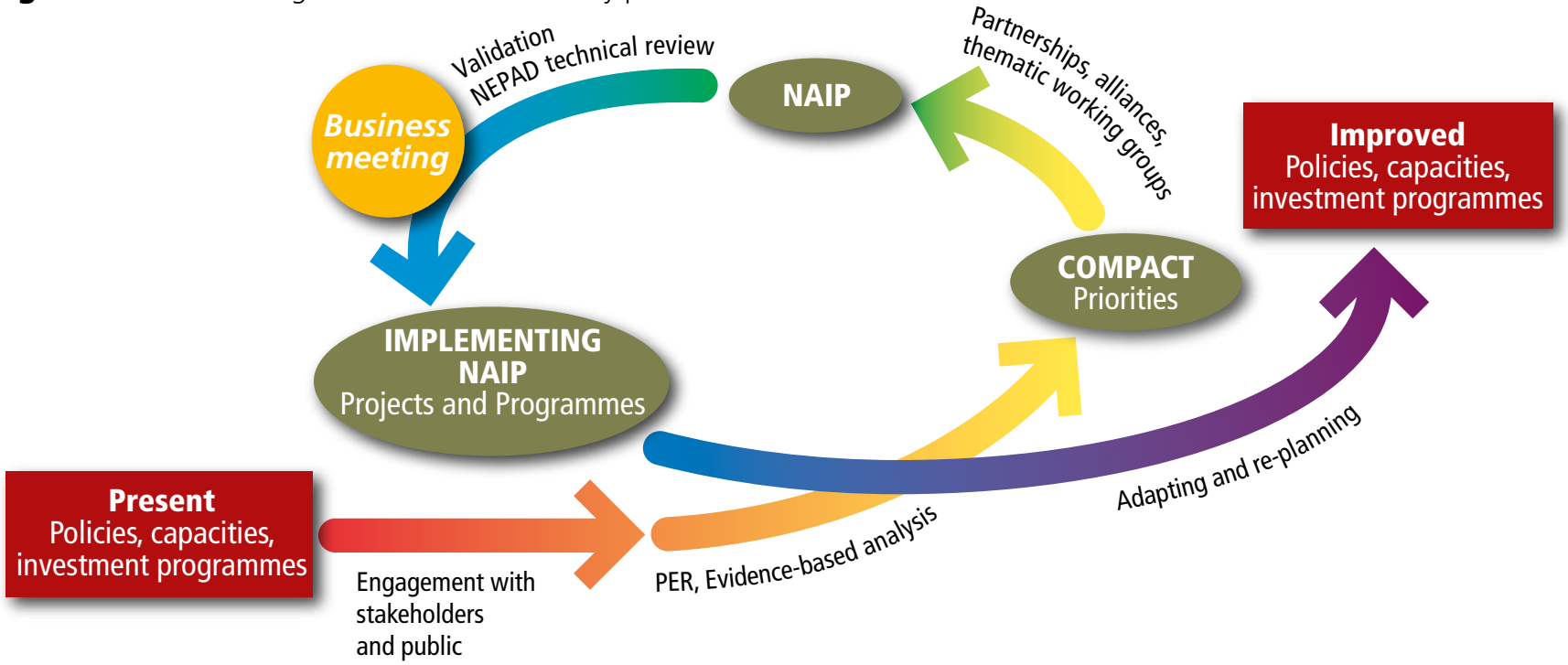
Figure 2 illustrates the main stages in the CAADP country process and highlights the three key milestones: Compact development, NAIP formulation and validation and NAIP implementation.

6. CAADP, Sustaining the momentum into the next decade, draft 13 October 2012, NEPAD-NPCA

7. Ibid.

8. ReSAKSS, 2011

Figure 2: The main stages in the CAADP country process[9]



COMPACT DEVELOPMENT

The Compact outlines a core set of priority areas for investment, in line with the government's agenda for agricultural growth, poverty reduction and food and nutrition security. It represents the starting point to develop NAIPs.

NAIP FORMULATION and VALIDATION

The NAIP translates a country's priorities into realistic objectives and targets and presents the financing gaps required to implement them. The Plan is validated by all the national stakeholders and, after passing a technical review by NEPAD, it is presented to the Business Meeting for endorsement.

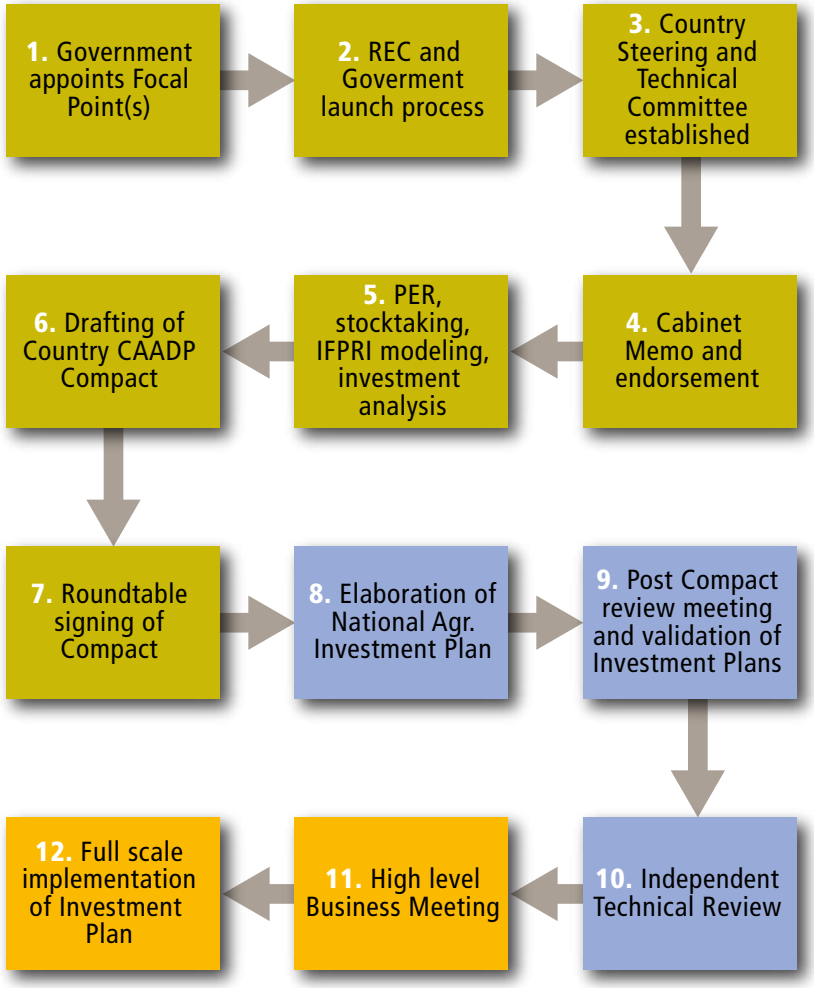
9. Adapted from CAADP Guidelines – Accelerating CAADP Country Implementation, 2010

NAIP IMPLEMENTATION

Once the NAIP is approved, it provides the framework for operating investments (i.e. programmes and projects) in alignment with national priorities.

The suggested steps of the process are described in Figure 3,[10] and are intended to only provide guidance. The sequence of these steps may change based on country contexts.

Figure 3: Suggested steps in the development of the Investment Plan



10. Diagram adapted from the Learning Programme for Country Food Security Thematic Working Group Members in the context of the project "Developing the Capacities of Food Security Professionals" supported by NEPAD, the Common Market for Eastern and Southern Africa (COMESA), FAO, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, 2011

1.4 CAADP RESULTS FRAMEWORK[11]

Ten years after its launch, a Results Framework (RF) was developed for CAADP to support delivery of results and impact. An exercise undertaken in 2012 ("Sustaining CAADP momentum") identified key result areas and associated actions to strengthen capacity and systems and accelerate delivery.

The RF, presented in Figure 4 below, is meant to facilitate results-based planning, thus making it possible to track progress on CAADP objectives, resource use and accountability. The CAADP RF is a continental framework that needs to be adapted at regional and national levels.

The RF highlights three result levels in a hierarchical, cause-effect relationship:

Level 1: Agriculture's contribution to economic growth and inclusive development. This level of result (impact) is expected to be determined by achieving results at Level 2 below.

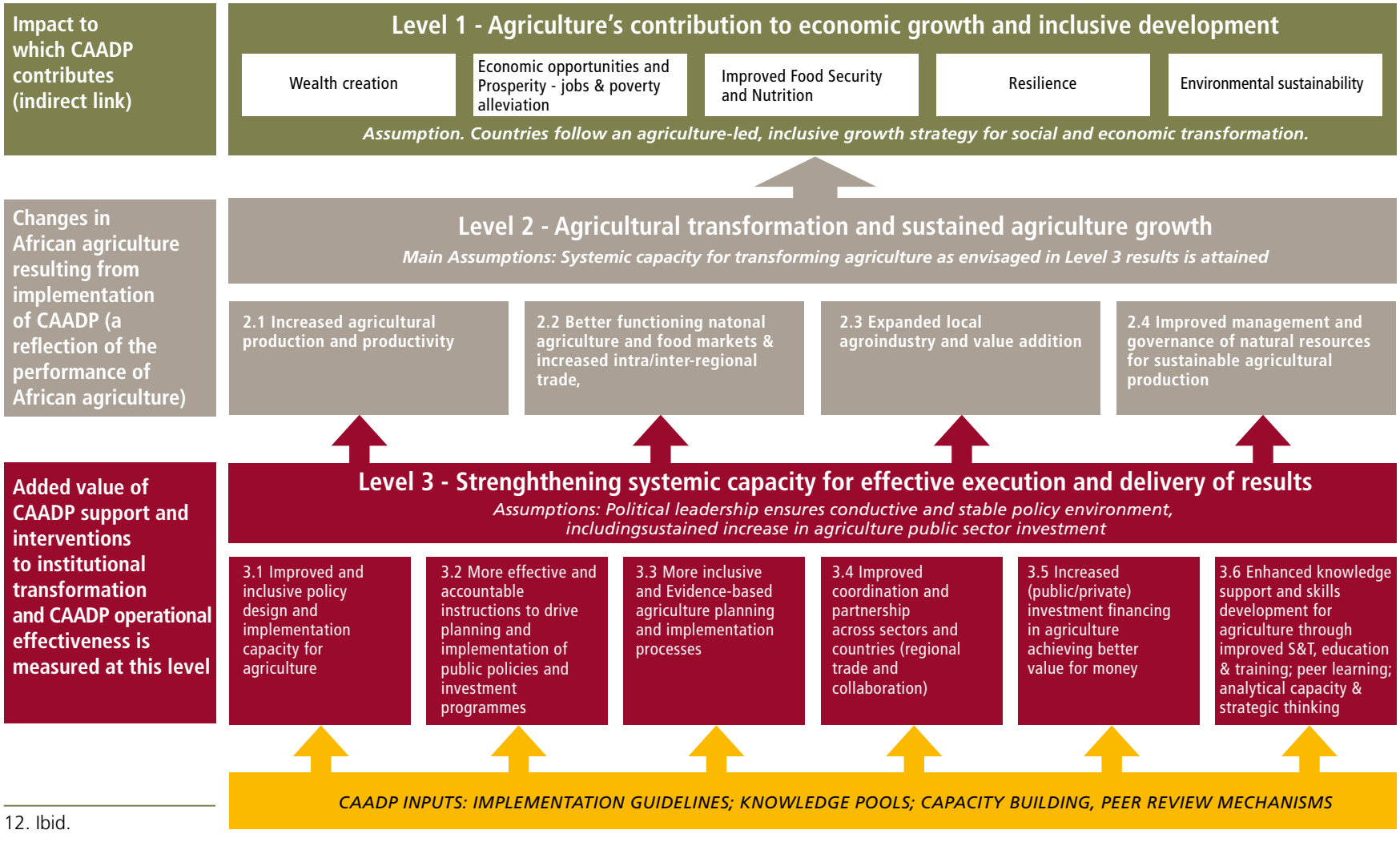
Level 2: Results areas that will provide the desired agricultural performance, both in terms of production as well as effectiveness and efficiency in the production systems. This level of result will be possible through the changes sought in Level 3 below.

Level 3: Transformational changes in six priority areas that aim at improving the 'systemic capacity' of countries to achieve overall CAADP objectives.

These three result levels inform the structure of the NAIP RFs as explained in Modules 4 and 5.

11. NEPAD/NPCA, The CAADP Ten-year Results Framework: Sustaining the momentum - Going for results and impact (draft for consultation), 2013

Figure 4: CAADP 2014-2024 Results Framework[12]



12. Ibid.

1.5 DEFINING COUNTRY 'SYSTEMIC' CAPACITIES

While several definitions exist, this learning resource is underpinned by the following broad definition of capacity and capacity development (CD). According to The Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC),[13] capacity is "the ability of people, organizations and society as a whole to manage their affairs successfully". CD is "the process of unleashing, strengthening and maintaining of such capacity".

Another definition is provided here: "CD is 'a multidimensional process that goes far beyond knowledge and skills transfer at the individual level to embrace whole organizations, sectors and systems, and the culture and context within which they all exist".[14] This definition also underpins FAO's understanding of CD, which is operationalized in the Learning Modules on Capacity Development included in the Toolbox.

The above definitions suggest that capacities are found at multiple levels (i.e. individual, organizational and the enabling environment) and are interdependent. The interaction of these three dimensions is often referred to as 'systemic' capacity as it looks at the *overall ability of a system* to make a contribution.[15] Figure 5[16] illustrates the multidimensional, or 'systemic', nature of capacities.

Figure 5: The multidimensional nature of capacities

Organizational dimension areas:
linked to the functioning and performance of organizations, including the:
- Mandates
- Systems
- Internal processes
- Organizational priorities
- Motivation and financial/non financial incentives
- Collaboration and knowledge sharing mechanisms
- Infrastructures and equipment

Enabling environment areas:
the context in which individuals and organizations work, including:
- The institutional set-up of a country
- Implicit and explicit rules
- Power structures
- Legal, policy and political environment

Individual dimension areas:
- Knowledge
- Competencies
- Attitudes and behaviors
- Values

13. OECD-DAC, The challenge of capacity development – working towards good practice, 2006

14. Pearson, J. Training and beyond: Seeking better practices for capacity development, OECD-DAC paper, January 2010.

15. *Capacity, Change and Performance*, 2008, Maastricht, The Netherlands: ECDPM

16. FAO corporate strategy on CD, 2010

In the agriculture investment sector, adopting a multi-dimensional, or systemic, approach to CD implies broadening the focus of CD from narrowly-defined technical interventions targeting skill and competency development of sector ministries; to more comprehensive approaches considering linkages with public financial management systems, national budgetary systems, planning, monitoring and evaluation systems.[17]

Strengthening individual skills of country actors cannot be conceived separately from the organizational context in which individuals work, because the context strongly influences the way in which new knowledge or skills will (or will not) be used.

For example, there is no point in training ministry staff on the methodology for formulating NAIPs in a participatory manner if participatory planning is not supported by adequate processes for knowledge exchange and platforms that promote collaboration and synergies. Likewise, training and extension targeting individual actors can be integrated as credible priority areas in the NAIPs only when complemented by actions that support organizations to adapt and transform their own internal processes, which may enable the uptake of new skills and learning.

The enabling environment will determine the extent to which any change will be institutionalized and sustained in the country. Political leadership, supporting rules, regulations and good governance are all necessary to make CD a priority for the sector.

A more detailed discussion of the three dimensions of capacity and the processes and modalities to support capacity strengthening is included in Module 9.

1.6 CAADP ACTORS: ROLES AND CAPACITIES

Capacity is at the heart of CAADP. On the one hand, engagement in CAADP requires appropriate capacities; on the other hand, CAADP represents in and by itself a great CD opportunity for national actors to learn and support country systems to change.

The CAADP guidelines[18] are explicit about each actor's roles, responsibilities and contributions, including those of regional stakeholders and partner countries.

State and non-state actors

National government institutions are expected to drive agriculture policy analysis and design; support evidence-

17. OECD, Capacity development at sector level, Discussion note http://www.oecd.org/development/governance-development/45380816.pdf

18. NEPAD, Accelerating CAADP country implementation – A guide for implementers, 2010, p. 30

based priority setting; convene and ensure participation of public and private partners by forging strategic alliances; work with public and private partners to mobilize resources and to catalyse alignment with country systems; and support ongoing strengthening of country's implementation and delivery capacities.

The role of non-state actors is also particularly critical,[19] and government must make all efforts to ensure that they are enabled to contribute meaningfully to the process. For instance, non-state actors should be aware of and understand the CAADP process, and should be represented in the Country Teams and technical committees (see Module 3). They should have channels for input to influence decisions; receive clear communication on progress; participate in review processes; and ensure representation of less powerful voices (e.g. women, smallholders, consumers).

To ensure delivery against those roles and objectives, both state and non-state actors must be well functioning, with robust processes and systems and effective coordination mechanisms in place. Technical skills might be necessary to engage in CAADP, but more generic skills are also important, such as the ability to properly set up and manage complex multistakeholder processes, plan and solve problems and develop partnerships.

19. Guidelines for non-state actor participation in CAADP processes, CAADP Working Group on Non-state Actor Participation, 2011.

Where capacities are inadequate or great gaps exist, there is a risk is that CAADP might not be fully understood and 'owned' by the countries. In that case, a national Compact would remain a theoretical unfulfilled commitment, and NAIPs would end up being overambitious wish-lists 'on shelf' with no real possibility of implementation.

FAO country experiences suggest that capacity gaps of national actors may manifest themselves at multiple levels. For example, they may lack sufficient technical skills for designing and implementing NAIPs (e.g. designing the M&E framework, using costing programmes or using results-based management techniques or techniques for mainstreaming nutrition and climate change) or, at a deeper level, they may have a lack of understanding about national planning processes, insufficient clarity on the roles of actors or a broad perception of CAADP as an externally driven programme separate from national processes.

Regional organizations

The Regional Economic Communities (RECs), as the operational arm of the Africa Union, facilitate the country processes and regional processes – advocating, coordinating external support, facilitating links and knowledge sharing and coordinating and participating in monitoring and evaluation (M&E) and peer reviews.

NEPAD's Planning and Coordinating Agency (NPCA), has five core functions in CAADP: a) partnership and coalition building; b) managing the quality of CAADP implementation through consensus building and backstopping; c) monitoring and assessing the impact of CAADP; d) managing communication and information to support CAADP implementation and partnership building; and e) reviewing, thinking and harnessing key thoughts and experience on African agricultural issues.

The African Union Commission (AUC) lends its support through lobbying and advocacy; supporting mobilization of investment financing; coordinating and managing information; coordinating African agriculture strategy development; and participating in the management of the peer review process.

Specific networks, such as the Regional Strategic Analysis and Knowledge Support System (ReSAKSS) (see Module 8) further provide targeted knowledge support to countries..

Development partners

Partner countries[20] engage in the process in accordance with the Joint Donor Principles for Agricultural and Rural Development Programmes.[21] These principles incorporate commitments made in the Paris Declaration, the Accra Agenda for Action and the Busan Declaration and emphasize:

- country ownership and leadership;
- alignment with national strategies/systems;
- harmonization of support;
- managing for results; and
- mutual accountability frameworks with clear roles and responsibilities.

Through the focal point of the country-based Agriculture Donor Working Group, resource countries will interact with the CAADP Country Team throughout the process. Resource countries will, in particular advocate for CAADP agriculture development with country government (especially with the Ministry of Finance); map existing agriculture-related donor assistance and investments;

20. Global Donor Platform for Rural Development, Guidelines for donor support to CAADP process at a country-Level, 2009 (currently under revision).

21. As part of the annual Partnership Platform of the CAADP held in Durban in March 2014, a Partnership Agreement was adopted, aimed at clarifying how CAADP partners will coordinate efforts and align resources and actions in the next decade to achieve the goals and targets set out under CAADP.

review, discuss and endorse priorities set out in the CAADP Compact; be transparent about expectations of quality required from the Compact and investment plans to access donor finance; and align current donor programmes with the NAIP.

While full alignment of partner countries' programmes with their NAIPs is still a work-in-progress, national actors should strive to pursue an open dialogue about the existing challenges on both sides. Achieving a common understanding of these challenges might be a first step to reinforcing countries' capacities for CAADP implementation (see Modules 7 and 9).

Box 2: Cameroon – National ownership and leadership for the CAADP process as a key component of country capacity

Cameroon adhered to CAADP in 2011, yet the process was stalled soon after signature. In coordination with REC and NPCA, FAO helped to resume the process in mid-2012. Through several sensitization sessions and an initial inception workshop gathering key state and non-state actors, FAO facilitated a better understanding among the various actors of the CAADP process and contents and encouraged leadership from the country team, the CAADP focal point and the President of the team (the Secretary General of the Ministry of Agriculture). Gradually, state and non-state actors improved their technical comprehension of the process, including the roles that each one of them was expected to play. They participated in defining the CAADP roadmap, which is now under the control of the Ministry of Agriculture and the multidisciplinary team. While multisectoral participation from other Ministries was ensured, participation of high-level representatives from those Ministries was a challenge. Having full control over their own CAADP agenda appeared to be a strong motivator for national actors, leading to their renewed commitment, engagement and full ownership. But what is ownership, in practice? In the Accra Agenda for Action, ownership is featured as countries *"having say over their development processes through wider participation in development policy formulation, strong leadership on aid coordination and use of country systems for aid delivery"*.

Ownership is inclusive, i.e. it does not only concern ministries and government. Citizens also must feel ownership by monitoring implementation of decisions and requesting accountability from their government. The experience in Cameroon suggests that there are a number of key components of national ownership:

- clarity of roles and expectations;
- full comprehension by key actors of technical contents as a precondition for engagement;

- involvement, participation and motivation to engage at interministerial, intersectoral and multistakeholder levels;
- leadership and control over the process, including the roadmap/timeframe;
- financial commitments to the NAIP in the national budget;
- ability to translate commitment into actions, e.g. by mobilizing required financial support; and
- use of national systems, processes and local expertise.

Of the above components, financial commitment is the clearest indicator of national ownership. In Cameroon, the Ministry of Agriculture has financed from its own budget a large part of the NAIP development workshops, the regional review workshops in three regions and the International Food Policy Research Institute (IFPRI) analytical work.

TOOLBOX

- **PowerPoint presentation**
- **Additional References:**
  - NEPAD/NPCA, Accelerating CAADP country implementation - A guide for implementers, 2010. http://www.caadp.net/pdf/CAADP_imp_guide_WEB.pdf
  - NEPAD/NPCA. The CAADP ten-year results framework: Sustaining the momentum - Going for results and impact (draft for consultation), 2013
  - CAADP Post-Compact Review: Guidelines, April 2010 http://www.caadp.net/pdf/POST%20COMPACT%20GUIDELINE%20-%20English.pdf
  - African agriculture, transformation and outlook. NEPAD, November 2013 http://www.nepad.org/system/files/Agriculture%20in%20Africa.pdf
  - Busan Declaration and monitoring framework indicators http://www.effectivecooperation.org/files/about-trackingprogress/INDICATORS.pdf and http://www.effectivecooperation.org/about-monitoringframework.html
  - Malabo Declaration on accelerated agricultural growth and transformation for shared prosperity and improved livelihoods
  - Guidelines for non-state actor participation in CAADP processes, CAADP Working Group on Non-state Actor Participation, 2011 http://www.caadp.net/pdf/Guidelines%20~%20Non%20State%20Actor%20participation%20in%20CAADP%20processes.pdf

MODULE 2

NAIP STRUCTURE AND FEATURES

Learning objectives:

At the end of this module, you will be able to:
- explain the functions of a NAIP; and
- describe the structure and generic contents of a NAIP.

2.1 THE ROLE AND FUNCTIONS OF A NAIP

A NAIP is a sector-wide plan that maps the investments needed in FSNARD to achieve national development targets over a defined timeframe. In the context of CAADP, the target is to reach a minimum of 6 percent annual growth in the GDP of the agricultural sector. A NAIP "builds from the broader goals and targets stipulated in the Compact, translates the sector challenges and opportunities into sector objectives and strategies and later details out specific programmes that will achieve sector goals, objectives and targets."[22]

NAIPs can take on different names according to the policy environment of the country, the institutional setting, the degree of ownership of national actors and previous planning experiences in the sector. For example, the NAIP is called the National Investment Plan for the Rural Sector (NIPRS) *(Plan National d'Investissements du Secteur Rural* – PNISR) in Chad and the Lesotho National Agriculture Investment Plan (Lesotho NAIP) in Lesotho. For ease of reference, the generic term 'NAIP' will be used in this learning resource with no intention to belittle the choices of countries that have selected different names for their plans.

NAIPs are developed and managed by governments, usually under the lead of the Ministry of Agriculture or the Ministry of Planning with all agriculture- and natural resources management- related Ministries, in consultation with national stakeholders including the private sector, farmers' organizations (FOs), civil society, research institutes, chambers of commerce and other relevant actors.

22. Post Compact Review: Guidelines, NEPAD, April 2010

Depending on how the sector is structured, other ministries are typically involved, such as the Ministry of Finance, Health, Infrastructure, Industry, Trade, etc. Effective development of NAIPs will primarily depend on the effective mobilization, coordination and recognition of the potential contribution of all sector and subsector actors at central and decentralized levels (see module 3).

While development of a NAIP is a nationally-owned exercise, it should ideally be done in collaboration with development partners. This is to ensure a common understanding of national investment priorities and needs in order to maximize opportunities for harmonized and predictable support to address financing gaps identified in the plan. Multistakeholder consultation processes are required for NAIPs developed in the context of CAADP.

A NAIP functions to:

- translate national priorities (as defined by policies and strategies) into realistic and achievable time-bound targets and objectives;
- guide investment decisions and influence the allocation of resources based on financing gaps;
- communicate national strategy, vision and investment plan in agriculture-related sector areas to national stakeholders and the international community;
- advocate policy changes or changes in investments decisions;
- provide the framework for implementing investments in alignment with national priorities;
- inform medium-term budget planning;
- serve as the monitoring and evaluation (M&E) framework for the sector; and
- define roles and responsibilities of actors who are assigned responsibility for matters related to planning, implementation and M&E for each programme, subprogramme and component of the NAIP.

2.2 NAIP: A PROGRAMME, A PLAN, OR A FRAMEWORK?

Some of the factors that will influence the position and functions of the NAIP in a given country include the relative strength of the agricultural policy environment; the existence of clearly-set priorities and a vision for the sector; and the nature of existing planning systems.

Two cases can be defined, while a range of other variations are found in practice:

- NAIP as a priority investment programme/plan, consisting of several "projects", financed through

national budget allocation and external funding, which combine different investment areas (e.g. research, irrigation) into concrete packages contributing to sector goals;

- NAIP as a comprehensive sector strategic planning framework that builds from the broad targets stipulated in the Compact and translates them into sector objectives and strategies. Specific programmes and projects are then formed out of the plan to achieve sector goals.

In both of these cases, the NAIP is intended to be gradually mainstreamed into country planning systems – informing the medium-term expenditure framework (MTEF) and annual budget for the sector ministries, as well as resource mobilisation and prioritisation of programmes financed by development partners.

This document guides users to develop the NAIP as the country's strategic planning framework for all investment and recurring costs (including salaries) for the sector, in line with the country approaches supported by the project in Cameroon, Chad and the Democratic Republic of the Congo.

The global objectives set out in a NAIP will be realized through a combination of public investments (ensured by the state) and private investment (realized by producers). It will thus be necessary to estimate the contribution made by private investment to gain an overall view of the efforts required to achieve agriculture sector objectives (see Module 6).

The costs estimated for the NAIP represent essentially public funds (from both projects/programmes and the national budget) that aim at supporting agriculture producers and improving food and nutrition security in the country. These are intended as private stakeholders (e.g. family farms, small and large-scale farms, processing and marketing industries, cooperative organizations) who invest directly their own funds and their labour in agricultural production.

2.3 CONTENTS AND STRUCTURE OF A NAIP

What are the contents of a NAIP and how is one structured?

A NAIP that represents a comprehensive sector strategic planning framework is comprised of: (1) a descriptive document resulting from an iterative consultative process; and (2) a living management tool (translated into a matrix) that presents the descriptive document in a way that allows relevant actors to manage the plan, monitor it and update it at regular intervals.

2.3.1 NAIP document

As a descriptive document, the NAIP contains the generic chapters described in Box 3.[23] The document is created through several rounds of consultations and is eventually transmitted to all stakeholders for final validation. The Toolbox contains several examples of a NAIP for you to review.

23. Based on review of NAIP documents, developed with FAO support, implementing NEPAD guidelines

Box 3: Generic contents of a NAIP document

1. **COUNTRY AND SECTOR CONTEXT:** provides a summary description of the sector in the country
2. **RATIONALE FOR THE NAIP:** provides arguments and rationale for the NAIP, drawing linkages with existing policy documents
3. **NAIP OBJECTIVES/EXPECTED IMPACT:** states the overall objectives/expected impact based on the priorities identified in the Compact
4. **SUMMARY DESCRIPTION OF NAIP ARCHITECTURE:** provides a summarized, schematized description of the Plan's various programme areas, subprogramme areas and components
5. **RESULTS FRAMEWORK:** articulates, in a tabular format, the different levels of results to be achieved through the implementation of NAIP programmes and projects
6. **NARRATIVE DESCRIPTION OF INVESTMENT PLAN PROGRAMME AREAS (1, 2, 3, etc)**: provides a more detailed narrative description of each programme area, subprogramme area and component, including targeted beneficiaries, expected impact, overall costs, etc.
7. **COSTS AND FINANCING:** provides an estimate and narrative explanation of the overall investment needs for the next five to ten years (based on NAIP contents and timeframe) and describes how those needs are expected to be covered, and includes recurring budget costs (see separate training guidelines on costing NAIPs)
8. **IMPLEMENTATION ARRANGEMENTS:** describes the nature and type of arrangements through which the NAIP will be implemented, including key players, roles and responsibilities, funding arrangements, etc.

9. M&E FRAMEWORK AND ARRANGEMENTS: provides information on the key dimensions of the NAIP to be monitored and evaluated, including timing and frequency, responsibilities and required resources

Annexes:

a. COSTING TABLE: provides a detailed output-based budgeting of the NAIP

b. ROLES AND RESPONSIBILITIES: specifies a responsible actor for matters related to planning, implementation and M&E of the NAIP

c. RISKS ANALYSIS TABLE: describes possible risks associated with the NAIP and possible mitigation measures. Can also be included as part of the main body of the document; in some cases it is incorporated into the NAIP RF.

2.3.2 NAIP architecture

A summary description of the structure of the NAIP is required in the descriptive document (see point 4 in Box 3). Figure 6 illustrates, in a simplified version, the generic architecture of the NAIP with four sample programme areas. The number of programme areas can be adapted based on the sector and policy context.

- **PROGRAMME AREAS:** The NAIP presents strategic priority areas for FSNARD in which investments must be focused for five to ten years. These are called the NAIP's "programme areas". A different terminology is possible based on the country context.
- **SUBPROGRAMME AREAS:** For each programme area, several "subprogramme areas" are identified. These are key intervention areas of each programme. A different terminology is possible based on the country context.
- **COMPONENTS:** Each subprogramme area consists of a number of components. These are what the subprogramme plans to achieve. A different terminology is possible based on the country context.

Figure 6: Generic architecture of a NAIP

NAIP	
Programme area 1	
Subprogramme area	Component
	Component
Programme area 2	
Subprogramme area	Component
	Component
Programme area 3	
Subprogramme area	Component
	Component
Programme area 4	
Subprogramme area	Component
	Component

Figure 7: Excerpts from the Lesotho NAIP (Draft)

LESOTHO NAIP (DRAFT)	
Programme area 1: Resilient livelihoods: Reducing vulnerability and managing risks	
Subprogramme area	Component
1.1. Managing risks and disasters in the context of climate change	**1.1.1:** Strengthening multi-risk and community-oriented early warning systems **1.1.2:** Developing agricultural insurance schemes
1.2. Integrating nutrition in agriculture and food security	**1.2.1:** Improved homestead production and nutrition awareness **1.2.2:** Promotion of food processing and preservation technologies (including biofortification)

2.3.3 From the NAIP to programmes and projects

Once the NAIP has been validated and endorsed in the Business Meeting, several programmes and projects will be implemented under single programme areas (or cutting

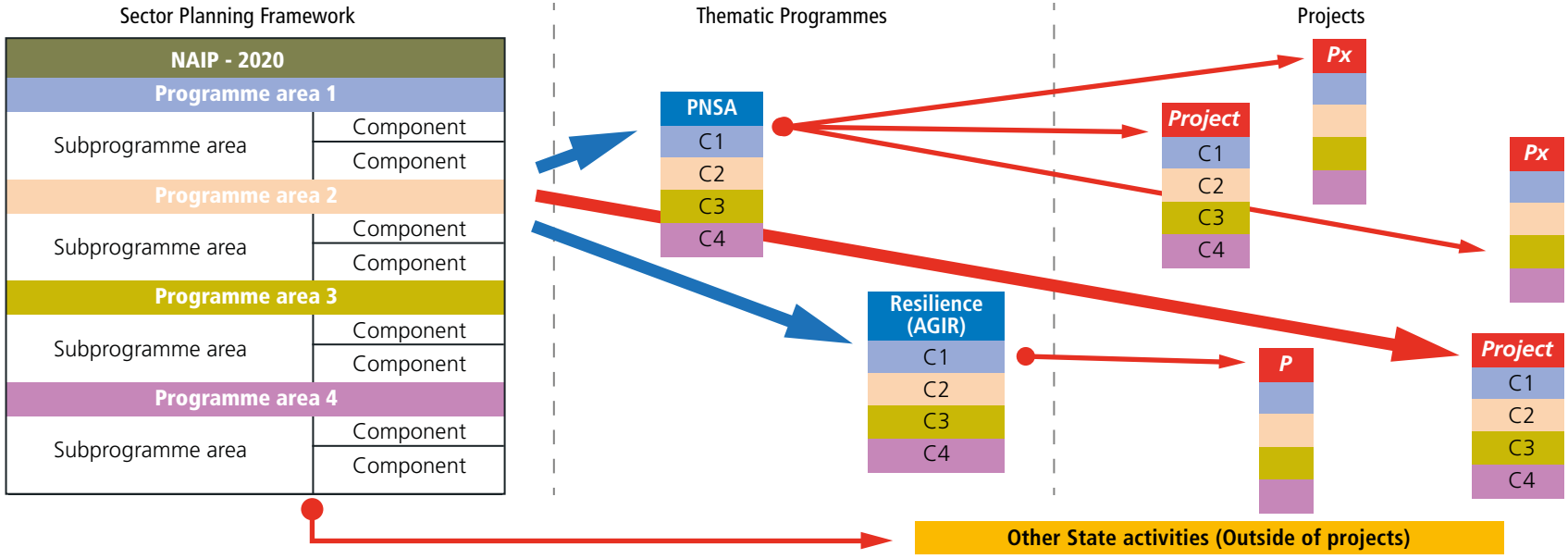
across several programme areas) as shown in Figure 8 below. Any subsequent programme or project (whichever the funding sources), will be formulated around the priorities expressed in the Plan, which have been agreed upon consensually by national stakeholders. Such priorities represent the country's real demands for investment in FSNARD.

The advantages of operating in this way are:

- achieving greater consistency in interventions, highlighting complementarities and overlaps;
- enabling country leaders to take charge and have greater ownership of the investment planning, implementation and monitoring process; and
- aligning projects and programmes to the priorities expressed in the NAIP and its overarching RF.

These advantages represent the real strategic value of the Investment Plan.

Figure 8: From NAIP to programmes and projects



2.3.4 NAIP as a management tool

The NAIP document is translated into a matrix which, once integrated in relevant planning systems, becomes a management tool for responsible actors in the ministries to use to manage, implement, update and monitor the NAIP. The matrix consists of several interlinked worksheets:

Worksheet 1 – Definition of NAIP structure, indicators, targets and beneficiaries
Worksheet 2 – Output-based costing
Worksheet 3 – Existing funds: Projects and programmes
Worksheet 4 – Existing funds: National budget
Worksheet 5 – Gap calculation
Worksheet 6 – Results Framework
Worksheet 7 – Detailed targets for the main commodities

The Toolbox section of Module 6 of this learning resource includes a ready-to-use template for this matrix. Step-by-step guidance for using the matrix also will be provided in this learning resource, particularly in Module 6.

2.4 THE QUALITY OF NAIPS

What determines the quality of a NAIP? Technically, a NAIP is of good quality when it effectively guides the national government, development partners and the private sector (small, medium and large scale) to invest in areas and interventions that together provide the highest return on investment that is economically and socially beneficial.

The NEPAD's review (see Module 7) will scrutinize the consultative process that is put in place to formulate the NAIP. In addition, according to the CAADP Guidelines,[24] the NAIP must integrate a set of quality features in order to be acceptable and receive positive consideration from NEPAD's review. These quality features include:

- alignment and coherence with development targets and sector strategies;
- comprehensive scope (e.g. FSNARD);
- organization around specific detailed programmes;
- inclusion of a robust RF linking the NAIP's goals with its programme objectives;
- clear priority-setting between and within programmes;
- detailed costing at the activity level;
- financial and economic analysis for each programme;

24. NEPAD/NPCA. Accelerating CAADP country implementation: A guide for implementers, 2010

- implementation mechanisms for the NAIP and for each programme;
- institutional capacity assessment of major sector institutions;
- identification of outstanding sector policy issues and implications;
- inclusion of an M&E framework; and
- inclusion of an indicative financing plan showing incremental and existing financing.

Hence, the quality of the NAIP will be measured in terms of the rigor of its design; the robust evidence-based analysis that underpins it; and the extent to which the Plan was formulated through multistakeholder participation by different actors (e.g. government, non-government organizations (NGOs), private-sector organizations, research institutions).

Multistakeholder participation is more likely to lead to strong ownership and commitment by national actors who then would probably support its implementation. Furthermore, strong partner commitment contributes to the likelihood of obtaining financing for the NAIP.

Participation, ownership and inclusiveness, together with technical excellence and rigor, lead to a high-quality NAIP as these aspects positively impact the strength and credibility of the Plan.

Module 7 provides a detailed overview of the criteria used by NEPAD to carry out the technical reviews.

2.5 THE ENABLING ENVIRONMENT FOR AGRICULTURAL INVESTMENT

A conducive investment climate is essential for the effective development and implementation of NAIPs.

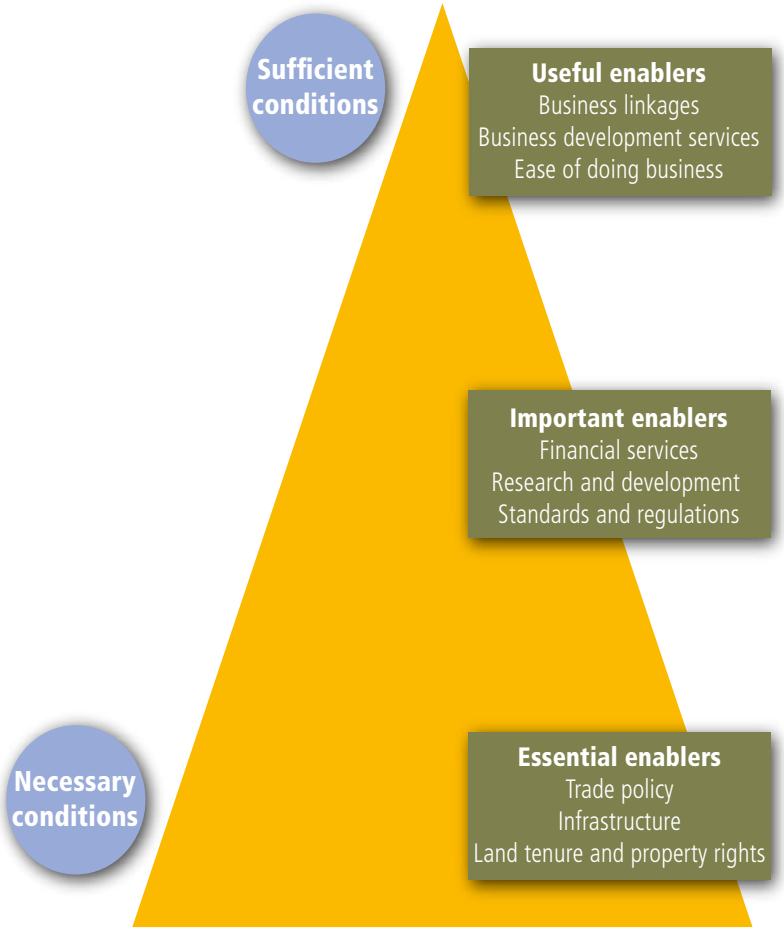
According to the State of Food and Agriculture Report, the existence of a conducive climate depends on markets and governments. Markets generate price incentives that signal to farmers and other private entrepreneurs when and where opportunities exist for making profitable investments. Governments are responsible for creating the legal, policy and institutional environments that enable private investors to respond to market opportunities in socially responsible ways.

In this respect, governments need to ensure that good governance, macroeconomic stability, transparent and stable trade policies, effective market institutions and respect for property rights, and support to CD are integral part of countries' NAIPs. This corresponds to the systemic capacity reinforcement contained in the Level 3 results of the CAADP results framework.

While government has the primary responsibility for creating a conducive enabling environment, this has to be achieved through an iterative process in close consultation with private-sector stakeholders. Limited private-sector engagement was one of the constraining factors to CAADP success in the early years, and recent efforts are focused on creating results-oriented dialogue and joint initiatives.

Figure 9[25] highlights the critical enablers for private-sector investment in agribusiness.

Figure 9: Hierarchy of enabling needs for agro-industrial competitiveness



25. Source: Christy et al., 2009, quoted in "Enabling environments for agribusiness and agro-industries development", FAO, 2013

Box 4 highlights the example of Grow Africa – a continental multi-partner initiative.

Box 4: Grow Africa – a private-public partnership to accelerate investments

Grow Africa is a partnership platform that seeks to accelerate investments and transformative change in African agriculture based on national agricultural priorities and in support of CAADP. Building on public-private partnership models piloted by the World Economic Forum's New Vision for Agriculture Initiative, Grow Africa has a catalytic role that:

1. increases private-sector investments. Grow Africa works to increase private-sector investment in African agriculture by supporting partner countries in developing investment blueprints, building a pipeline of investments, and strengthening cross-sector collaboration. It provides support for innovative finance, risk management and partnership building; with the intent of boosting smallholders and agricultural small and medium enterprises (SMEs) by tackling constraints to their commercial viability.
2. enables multi-stakeholder partnerships. Grow Africa supports the development of partnerships to attract investment in initiatives that complement national agriculture-sector strategies. The initiative facilitates best-practice exchange and stakeholder engagement to combine the capacities of local and international stakeholders for new and existing initiatives.
3. expands knowledge and awareness of best practices and existing initiatives. Grow Africa seeks to strengthen investor interest in agriculture by building increased trust and shared commitment. This is accomplished by sharing information, lessons and best practices drawn from existing and successful projects; engaging all stakeholders including smallholder farmers; and addressing key issues such as gender inclusion, land tenure, climate change and resource management.

Source: http://growafrica.com/about

Box 5 provides an example of CD programme targeting Government actors to enable them to promote more inclusive private investments in agribusiness.

Box 5: The Africa Agribusiness Investment Promotion Programme

To support African states in implementing key regional initiatives such as CAADP and the Africa Agribusiness and Agro-industries Initiative (3ADI), FAO and the United Nations Industrial Development Organization (UNIDO) are developing a custom capacity development programme for governments that enables them to design and implement more effective strategies to promote private investments in agribusiness that are more inclusive of poorer households and smallholder families.

The programme's approach is to develop a training course that brings together private and public sector representatives who are deemed critical for the development of the agribusiness sector. The course offers them a structured series of modules that: 1) facilitate the identification of constraints faced by the private sector to invest in agriculture and enable the poorer segments of the population to participate in these investment projects; and 2) provide a toolkit of potential public interventions which, based on global evidence gathered by FAO and UNIDO, have been shown to reduce those constraints to inclusive private investments. Potential interventions include development of investment promotion strategies, development of inclusive value chains, facilitation of value chain finance and CD of farmers and their organizations. The programme also facilitates the identification of collaboration opportunities between the public and private sector, where roles are clearly defined. The final output of this programme is an action plan for public and private stakeholders to implement a national agribusiness investment promotion strategy with stakeholder actions that are mutually reinforcing right from the beginning.

The programme has been tested in Tanzania, where the resulting action plan is being used to shape the work agenda of ministries and private sector associations in order to contribute to the government's Big Results Now initiative. Further information is included in the Toolbox.

To attract private sector interest, NEPAD has added specific guidance to its Post-Compact Review Guidelines, on how to "produce a shortened private sector focused document that can facilitate dialogue and investment negotiations with the private sector".[26]

26. Post Compact Review: Guidelines; Annex 3: Private Sector Investor Opportunities Brief" Preparation Guidelines, UNDP/AUC/NPCA, 2013, http://www.undp.org/content/dam/undp/library/corporate/Partnerships/Private%20Sector/Guidelines%20(March%202013)%20FINAL.pdf

2.6 THE NAIP AS A LIVING DOCUMENT AND MANAGEMENT TOOL

The NAIP development process does not stop once the document has been endorsed at the Business Meeting, nor is it a one-off exercise resulting in a document that is likely to stay on the shelf. Instead, it is an ongoing and iterative process that continues through implementation, M&E, sector review, annual revision and update, with lessons learned throughout the process. This is very well described in the CAADP process diagram (see Figure 4), where the 'adapting and replanning' step precedes an entirely new cycle.

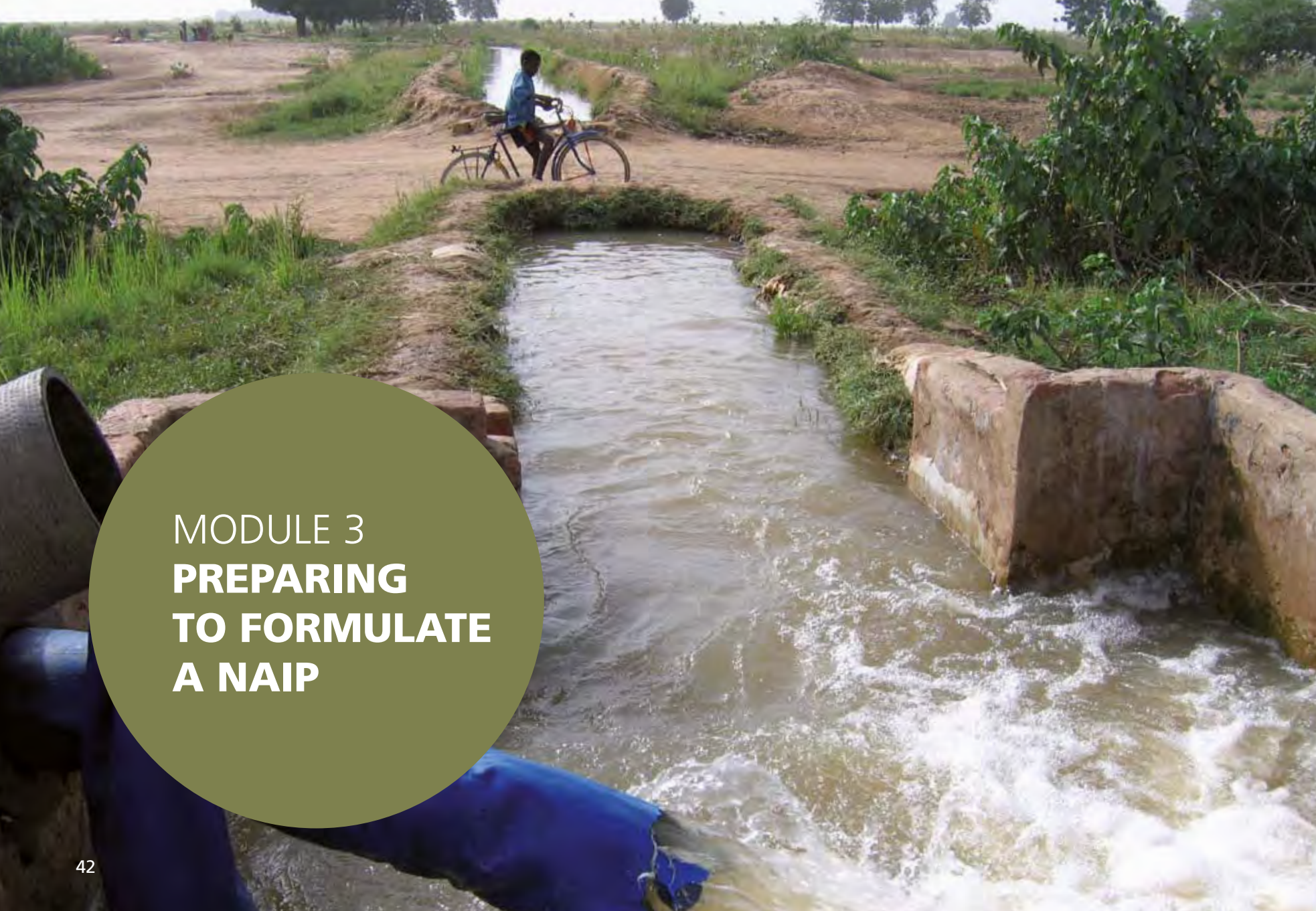
Integrating the NAIP as the management tool for countries' national planning processes will make this continuous update possible and realistically achievable. Module 3 describes the analytical process required to anchor NAIP in existing national processes; Modules 4 and 8 provide guidance on the planning, monitoring and evaluating stages in the NAIP life cycle.

Box 6: Key messages about the NAIP

- The NAIP helps a country to better define its own priorities and identify investment needs strategically.
- It can align key actors around a shared agenda for action.
- It translates a country's priorities into realistic objectives and targets on the basis of evidence-based analysis.
- It presents the financing gaps required to achieve objectives and targets.
- It provides a framework to assess progress and underpin mutual accountability.
- As a management tool, it is regularly monitored and updated (usually on an annual basis).
- National leadership, ownership and a conductive enabling environment are key to the successful development and implementation of NAIPs.

TOOLBOX

- **PowerPoint presentations**
- **Examples of NAIPs: Cameroon, Chad, Democratic Republic of the Congo, Lesotho, Tanzania**
- **Additional references:**
  - FAO. 2012. Country Investment Plans in agriculture, Lessons from early experiences http://www.fao.org/fileadmin/templates/tci/pdf/CIP_s_Final_web.pdf
  - HLPE. 2013. Investing in smallholder agriculture for food security. A report by the High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security http://www.fao.org/fileadmin/user_upload/hlpe/hlpe_documents/HLPE_Reports/HLPE-Report-6_Investing_in_smallholder_agriculture.pdf
  - Principles for responsible agricultural investment that respects rights, livelihoods and resources, FSC https://www.responsibleagroinvestment.org/node/256
  - Enabling environments for agribusiness and agro-industries development http://www.fao.org/docrep/017/i3121e/i3121e00.pdf
  - Private sector agribusiness investment in sub-Saharan Africa http://www.fao.org/docrep/016/k7443e/k7443e.pdf
  - Agricultural value chain finance http://www.fao.org/docrep/017/i0846e/i0846e.pdf
  - Smallholder business models for agribusiness-led development http://www.fao.org/docrep/015/md923e/md923e00.pdf
  - The Africa Agribusiness Investment Promotion Programme website: http://www.3adi.org/tanzania-workshop-on-agribusiness-investment-promotion



MODULE 3

PREPARING TO FORMULATE A NAIP

MODULE 3 - **PREPARING TO FORMULATE A NAIP**

Learning objectives:

At the end of this module, you will be able to:

- appreciate the importance of anchoring a NAIP in existing national processes;
- recognize good practices in NAIP preparation; and
- identify key analytical tasks to formulate NAIPs.

This module describes the initial phases of the CAADP process, including the institutional set-up and the required steps to ensure appropriate anchorage of the NAIP into existing national processes. It will then elaborate on some of the analytical work that underpins NAIP development, which aims at providing a robust evidence-based foundation to the Plan.

3.1 ANCHORING THE NAIP IN EXISTING PROCESSES

You will remember from Module 1 that CAADP is meant to build upon existing country processes rather than replacing them with an externally-driven process. Only when firmly anchored in national systems and processes will CAADP be able to add value to FSNARD. Hence, it is critical to identify the appropriate anchoring point for the NAIP and draw consensus around it.

A first step involves reviewing the key strategies, policies and relevant planning documents in the sector in order to map out all ongoing or completed processes, identify strengths and weaknesses and define where/how the NAIP should fit. Such a review will allow CAADP to build upon the existing frameworks and align and add value to them, as opposed to creating externally-driven parallel processes. A group of national experts is usually tasked with undertaking this review as part of the CAADP launching process.

The strategic positioning of the NAIP must be carried out with the involvement of all relevant ministries in FSNARD and with country partners. It is critical to reach the broadest consensus possible around the strategic position of the NAIP, as this will affect interministerial support and coordination for its subsequent implementation.

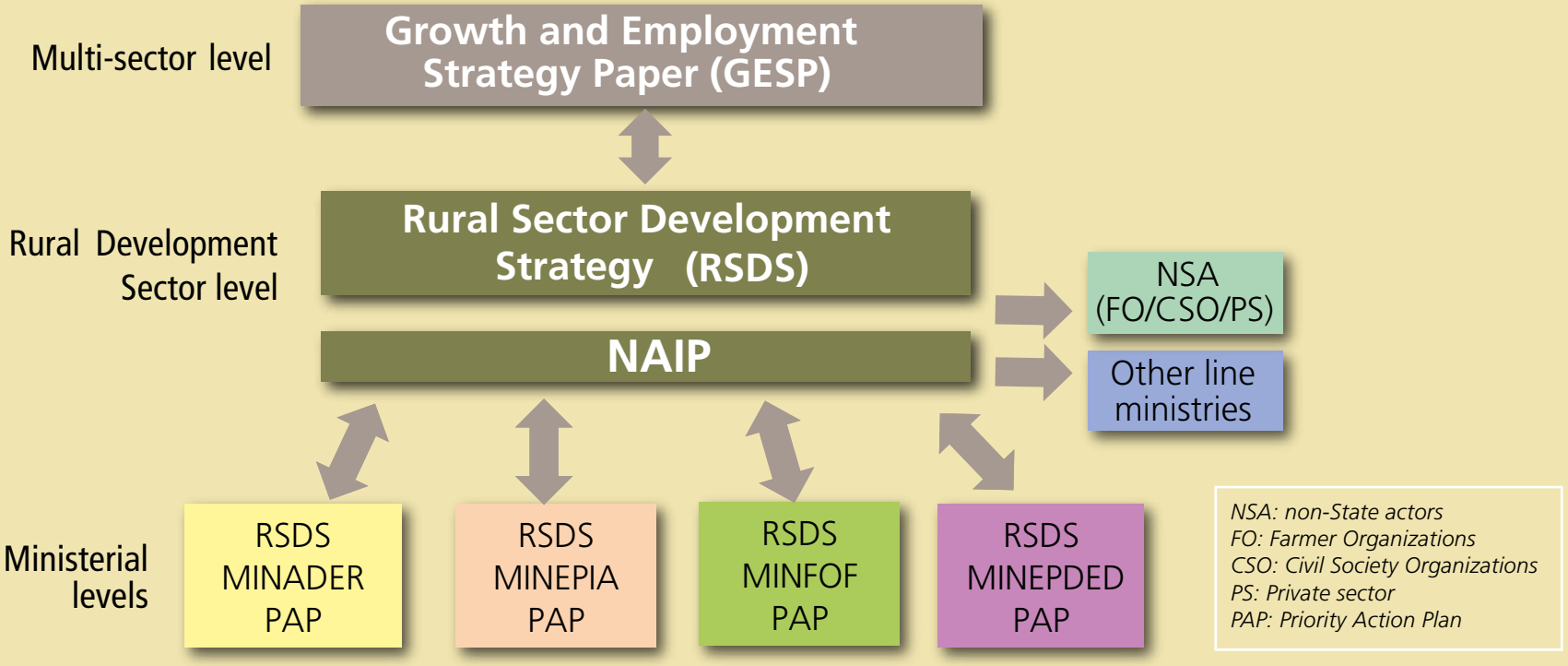
Box 7: Cameroon – Anchoring the NAIP in the Rural Sector Development Strategy (RSDS)

In Cameroon, a mapping of existing processes started shortly after the launch of the CAADP process in July 2012. A group of national experts undertook a general review of key policy and strategic documents, in close complementarity and harmonization with other ongoing processes, particularly the review/formulation of the Rural Sector Development Strategy (RSDS) *(Stratégie de Développement du Secteur Rural – SDSR)* and the Public Expenditure Review. Following a series of workshops and high-level dialogue, it was decided that the CAADP process would be integrated as a single national planning exercise in which the future NAIP would provide the action plan for the RSDS. This led to the formulation of the Compact, which sets out the following:

"NAIP positions itself in the context of ongoing planning processes in Cameroon and will contribute to ensure the coordination, harmonization and alignment of the ensemble of interventions in the rural sector. It will take into account the needs, the existing funds and the financial gaps required to support investment and the recurrent costs in the sector between 2014–2020. NAIP federates/integrates the ensemble of ongoing and planned programmes and projects, and feeds into the planning, programming, budgeting and monitoring chain (chaine PPBS) of each Ministry involved in the development of the rural sector" – Compact Cameroon, signed on 17 July 2013.

The strategic position of the NAIP in Cameroon is illustrated in the diagram below.

Figure 10: The strategic position of the NAIP in Cameroon



3.2 PRINCIPLES FOR AN EFFECTIVE MULTISTAKEHOLDER PROCESS AND INSTITUTIONAL SET-UP[27]

As noted in previous modules, an effective and inclusive NAIP must be developed with the participation of a vast array of stakeholders (see Figure 11). When NAIPs are formulated through a process that includes various national stakeholder groups with strong ownership and leadership by national government, it is likely that more credible and effective plans will be produced, even though more time and resources may be required. Generally, 12-18 months may be needed to create a NAIP through an effective and inclusive process. On the other hand, when the NAIP development process is delegated entirely to external consultants, the process might be quicker, but it is likely to result in low commitment by national authorities, a plan of limited credibility and a missed opportunity for developing national capacities.

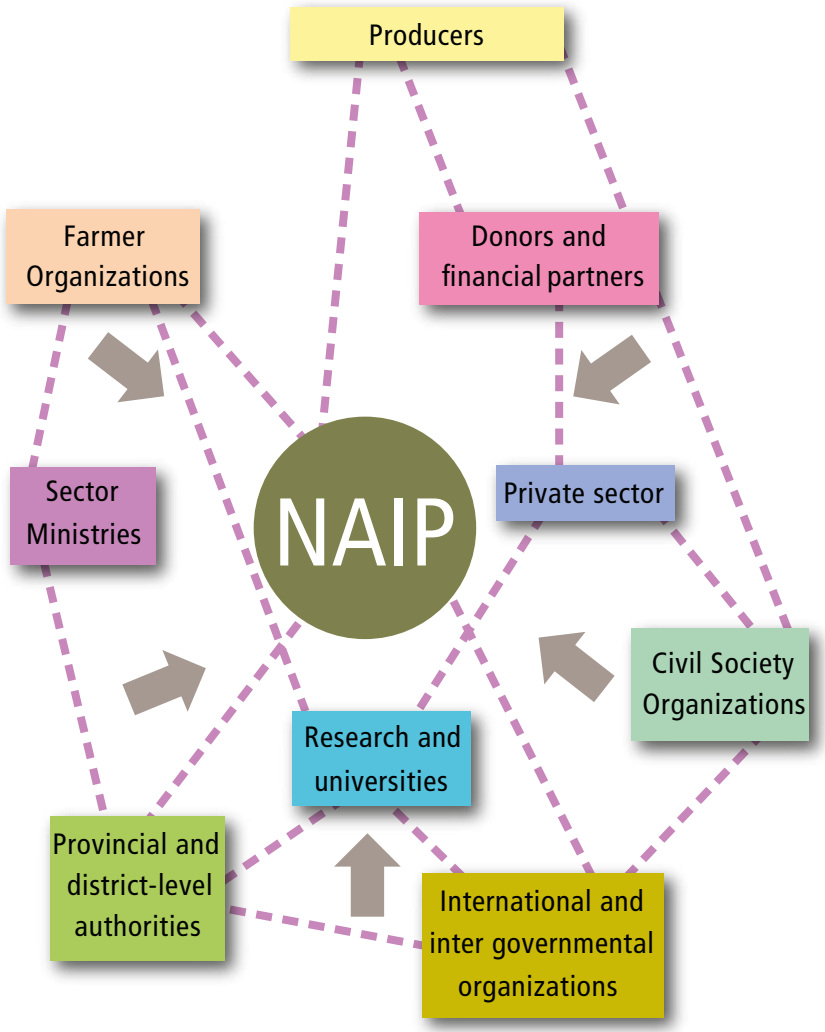
Leadership from one ministry at appropriate levels is necessary to move the process forward and avoid excessive fragmentation; at the same time, the process must be firmly multidisciplinary/ multiministerial and involve many stakeholders so that all actors may make meaningful contributions at various stages of the process. It is essential to establish a clear institutional set-up and coordination mechanisms that specify roles, responsibilities and accountabilities for the various actors involved.

The following principles should guide the establishment of a conducive institutional set-up for the development of NAIPs:

- effective coordination and cooperation;
- efficient flow and exchange of information;
- responsiveness and accountability;
- inclusiveness and multidisciplinary nature; and
- compliance with agreed operating modalities

27. This section draws primarily on the internal stock-taking exercise carried out by FAO's Investment Centre (TCI) in 2013, the FAO Learning Note (2012) and CDPIP country experiences.

Figure 11: Stakeholders involved in NAIP development



3.3 GOOD PRACTICES FOR SET-UP AND MULTISTAKEHOLDER CONSULTATION

Following are some good practices for effective institutional set-up and preparation of NAIPs drawing on CAADP guidelines and based on CDPIP country experiences:

- The creation of a high-level steering committee, under the overall leadership of the Ministry of Agriculture or the Ministry of Planning, is recommended to drive and take responsibility for the NAIP formulation process. Strong political will and high-level engagement significantly affect the process by stimulating interest and commitment and positively influencing the quality of the final product. In CAADP countries, CAADP national teams serve as a steering committee to guide and support the work of formulating the NAIP. The lead ministry is expected to ensure that other sector ministries (e.g. trade, industry, health) are equally involved in the process.
- From the start of the NAIP formulation process, it is essential to involve a broad array of state and non-state actors to build their ownership and future commitment to the Plan. At the beginning of the process, initial events *(Ateliers d'appropriation or ownership events)* that bring together different stakeholders may help to: (1) improve participants' understanding of the CAADP process; (2) establish roles and responsibilities in the

development of the Compact and the NAIP; and (3) ensure a common understanding of challenges and expectations from the process. Participants attending the initial workshops are likely to stay engaged throughout the process, resulting in greater cohesion among stakeholders and a common understanding of sector priorities. Box 8 below shows how such initial events could be used to engage stakeholders in prioritization exercises.

Box 8: Democratic Republic of the Congo: Using a participatory approach to define NAIP priorities

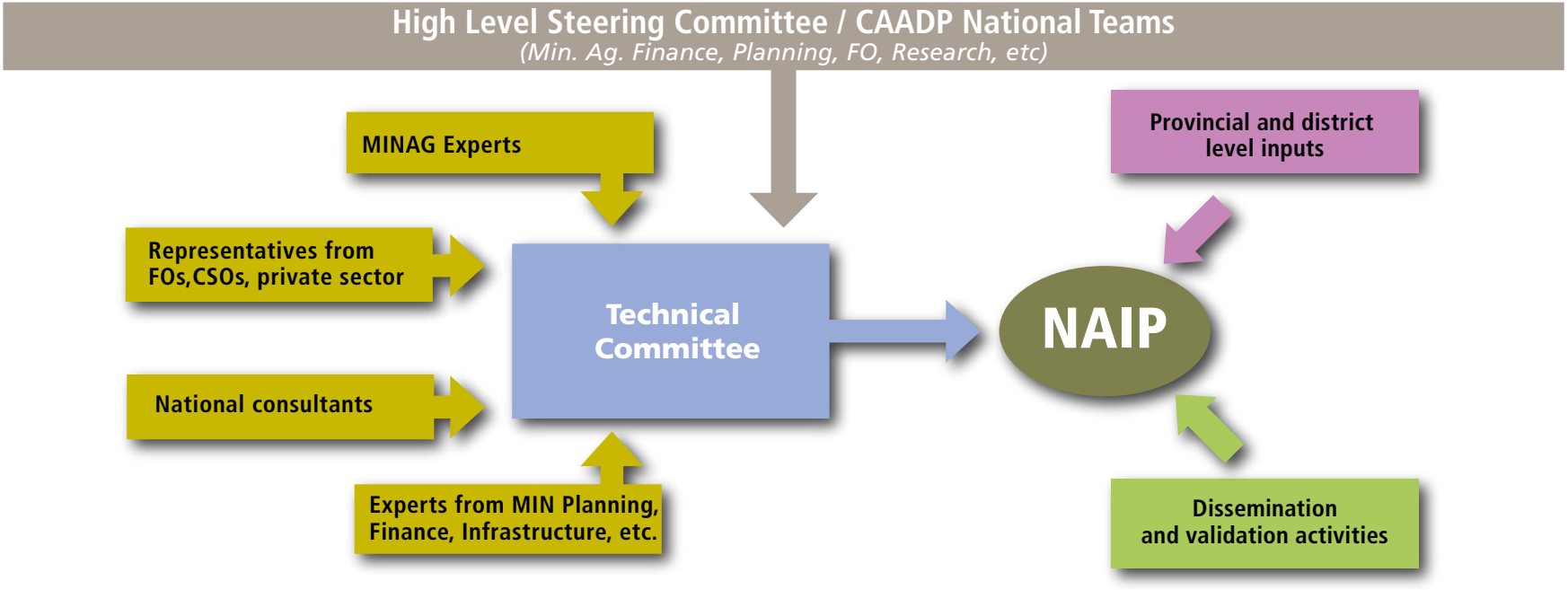
In the Democratic Republic of the Congo, a participatory prioritization exercise was held as part of an initial ownership workshop. With FAO facilitation, state and non-state actors gathered in working groups and identified the criteria by which investment priorities were to be defined. At the end of the work group discussions, the following criteria were listed: (i) contribution to food security; (ii) creation of sustainable employment, particularly for youth; (iii) inclusion of women in the implementation of value chains; (iv) sustainable management of environmental resources; (v) support to private sector; (vi) actions contributing to improved soil fertility; (vii) contribution to gender equality in the sector; (viii) promotion of family farming; (ix) development of institutional capacities; and (x) creation of a legal framework conducive to investments in agriculture. Several of these criteria were eventually retained in the final version of the Plan.

The exercise enabled CAADP stakeholders to realize that, while economic and financial revenues are the primary criteria for prioritizing NAIP investments, there is a broad array of other criteria that should be considered.

For stakeholders in general, it was a great opportunity to have input into considerations that should guide agriculture investment in their own country. For non-state actors, participation in the workshop facilitated a better understanding of their roles and responsibilities in CAADP, which strengthened their perceived legitimacy as full-fledged contributors to the process. This, in turn, increased their internal motivation, resulting in better participation and increased representativeness.

- Multidisciplinary and multistakeholder 'thematic' technical committees must be defined to identify NAIP priorities and undertake technical work to formulate specific components of the Plan, under the leadership of the Steering Committee (or CAADP national teams). Technical committees are typically led by experts from the Ministry of Agriculture, but should have robust representation from other relevant sectors (e.g. finance, planning, trade, infrastructure) and include non-state actors (e.g. NGOs, private sector, FOs) and national/international consultants with specific expertise (see Figure 12). Box 9 below provides an example of how roles and responsibilities of technical committees were defined, in relation to those of national and international consultants.

Figure 12: Role of technical committees



Box 9: Chad – Roles and responsibilities in plan formulation

In Chad, a technical committee (Secrétariat élargi multi acteurs) was set up to work on each of the five programme areas of the NAIP. Five national consultants were recruited, each one assigned to a specific programme area, coordinated by an international consultant. Elements of the Terms of Reference for the technical team and the consultants were defined as follows:

Technical committees:

- Define the structure of the specific programme area under the NAIP
- Define objectives and targets of the programme areas, based on existing policy and strategic documents and econometric simulations (e.g. growth of agriculture GDP, achievement of Millennium Development Goal 1, employment creation)
- Define priorities within programme area, based on criteria agreed upon consensually
- Review and integrate existing budget and funds (projects and programmes)
- Cost programme area components
- Calculate financing gap

National consultants:

- Guide and participate in the work of the technical committees and collect/process all information related to the thematic domain
- Contextualize the identified investment priorities based on existing or planned interventions
- Prepare a technical document describing the contents of the programme area with related costs and ensure effective integration in the main NAIP document
- Co-facilitate the various validation workshops of the NAIP

International consultant:

- Support the CAADP National Focal Point and the CAADP Country Team to coordinate the NAIP formulation, and ensure effective participation of all relevant stakeholders
- Oversee the harmonious integration of all contributions of various technical teams in the final document
- Support on-the-job learning of national consultants and coordinate CD activities of relevant actors
- Ensure coherence of the NAIP formulation with the National Development Plan *(PND – Plan National du Development)*
- Establish links between the NAIP and the programming, planning, budgeting and monitoring processes *(chaîne PPBS: Programmation, Planification, Budgétisation et Suivi)* and ensure coherent coding of activities
- Co-facilitate national and regional workshops

- Depending on the country and the timeframe allocated to this process, technical committees engage in broad country-wide discussions before presenting the draft NAIP for national 'validation'. In order to capture robust facts and thematic inputs to inform NAIP design, it is recommended to conduct field consultations at decentralized and regional levels.

Box 10: Cameroon – Regional review workshops

In Cameroon, regions were given an opportunity to review and comment on the first draft of the NAIP in the context of regional review workshops. The three workshops, co-facilitated by national consultants under the guidance of a CDPIP international consultant, aimed to provide an opportunity for regional actors to review, comment upon and enrich the initial draft of the NAIP document.

The one-day workshops were perceived by participants to be great opportunities for increasing awareness of investment planning issues in the regions, clarifying roles and responsibilities and supporting better coordination among actors at the different levels. Comments from the regions were integrated in subsequent drafts of the document, which was validated in May 2014.

- Knowledge-sharing and outreach events, information campaigns and dissemination through local media and farmer networks appear to be important to enhance the breadth and quality of inputs and build understanding. This helps support buy-in which facilitates eventual implementation. In Cameroon and Chad, short videos were produced and broadcast on national television (videos are in the Toolbox).

- Engaging in activities during the NAIP formulation process (e.g. on-the-job learning, knowledge-sharing through exposure visits to other NAIP processes and more formal training and learning events) has proven to be important for reinforcing national capacities.

Box 11: Lesotho – Outreach and regional peer exchange

The CAADP process in Lesotho was launched in 2011 and finalized in late 2014 with stakeholder validation of the Plan. The process during those three years included various outreach activities (e.g. information campaigns and dissemination through local radio, newspapers and farmer networks) which proved critical to building understanding among national actors and support at the highest level.

The national consultants drew a comprehensive sensitization programme covering the whole country and categorizing the different stakeholders. The strategy aimed to ensure that all relevant stakeholders were aware of the process and would feel ownership of the process and the Plan once completed.

The following stakeholders were sensitized about the process:

1. Minister and Deputy Minister of Agriculture and Food Security
2. Steering Committee of Principal Secretaries (six ministries, CEO of Lesotho National Farmers Union, Executive Director of the Lesotho Council of Non-governmental Organizations, CEO of the Private Sector Foundation of Lesotho)
3. The Cabinet Ministers
4. The Committee of Principal Secretaries
5. Districts (seven out of ten districts were visited with farmers, local government authorities, business people, Ministry of Agriculture officers, chiefs)
6. Economic Cluster Committee of Parliament
7. Farmers' Forum
8. NGO Forum
9. CAADP Country Team
10. Extended Secretariat

Lesotho national consultants were asked to share their experiences and lessons learned on the Plan development process with their counterparts from the Swaziland CAADP country team. This peer-exchange initiative helped to establish a regional network of actors sharing the same approach and understanding in supporting the NAIP development process.

3.4 CHECKLIST OF KEY QUESTIONS FOR SETTING UP A MULTISTAKEHOLDER PROCESS

These are key questions to consider when planning an effective NAIP preparation process:

- Who should serve as the lead ministry (e.g. Agriculture, Planning, Finance)?
- Which other key ministries, institutions and non-state actors must be involved and at what level? And with what type of mandate and accountability mechanisms to their own management or constituency?
- What is the composition and institutional home of the technical team?
- What are the accountability lines, i.e. who is accountable to whom for the process and its results?
- What interministerial and intraministerial linkages are required?
- Is access to relevant information and knowledge available?
- Are there sufficient financial and non-financial incentives for the team?
- What is the best way to ensure consultations and inputs from the decentralized levels?
- What is the best way to engage private-sector actors?
- What format is appropriate for involving non-state actors and for managing their involvement?
- Are tasks and process of NAIP formulation clearly described and understood (i.e. TORs of team)?
- What early actions need to take place (e.g. documents shared, preliminary discussions held, invitations sent, representatives appointed)?
- What is the level of prior understanding and involvement of each stakeholder (this determines what needs to be communicated to each of them and how)?
- What lessons are to be drawn from stakeholders' involvement in the Compact development?

3.5 PREPARING FOR ANALYTICAL WORK

The analytical work must provide a basis for achieving the quality criteria outlined in the NEPAD guidelines.[28] To summarise, a quality NAIP:

- builds on clear national/ community priorities and expressed development needs;
- translates from concrete analysis and evidence;
- provides detailed costing with a clearly defined financing gap based on current financial and economic analysis;
- includes clear sequencing;

28. CAADP Post-COMPACT Review Guide, p.7

- is integral to existing institutional and policy frameworks and contributes to their strengthening;
- has clear instruments and institutional arrangements for robust m&e as a basis for impact assessment; and
- embraces technical considerations and public opinion.

3.6 ANALYSING EVIDENCE TO UNDERPIN INVESTMENT DECISIONS

Using "evidence-based analysis" to inform the identification of the investment priorities that will be formalized in the Compact document will contribute to better outcomes from the CAADP process and help to make the NAIP credible, robust and realistic. Evidence-based analysis is undertaken through a series of diagnostic studies aimed at measuring the agricultural sector's performance and analysing its main bottlenecks, challenges, opportunities and drivers for growth.

Analysing the evidence should provide relevant information on where and how resources should be allocated to most effectively and efficiently achieve national policy objectives for agriculture, food security and nutrition. When planning for the future, it is also important to assess past performance and experience, understanding what has worked in achieving desired outcomes and how good practice can be upscaled. An assessment of past performance will also help determine if the assumptions underlying the projections for growth are realistic and will provide baseline elements to assess progress. A review of practical implementation experience and lessons learned from past or ongoing investment projects can complement more formal analytical work.

Along with quantitative analysis, qualitative policy analysis, consultations and consensual approaches are recommended to support or re-evaluate existing policy frameworks and investment priorities, and ensure they are consistent. Tools and approaches can be used to help identify areas where better-targeted policies and investments can improve agricultural growth and to estimate the potential impacts of policy reform options on the sector. These tools and approaches include: sector analysis; statistical data; Public Expenditure Review (PER); analysis of policy effects on price incentives (see Module 8); and Computerized General Equilibrium (CGE) modelling (linked to CAADP, this is usually run with the assistance of IFPRI). CGE modelling can provide an understanding of the critical external factors that will affect agricultural development and also indications of the interaction between agricultural growth and the rest of the economy, thereby helping to make a case for investing in agriculture, which has important multiplier effects. It can further provide information about which subsectors in agriculture are likely to contribute in which ways to overall growth and development goals.

A PER is a powerful tool to provide insight into past patterns of public expenditure. A PER maps relevant budget votes for areas that have been or are currently prioritized. PERs can indicate the degree to which public funds are allocated in line with stated policy objectives and highest returns and to what extent the budgeted amounts are actually spent. This provides an indication of implementing capacity and – depending upon the specific PER methodology applied – highlights complementarities and trade-offs between different categories of spending.

Evidence-based analysis should be pursued in a process that brings together key national institutions and experts, fostering exchange between them and linking them to decision-makers who design and implement the NAIPs. As an example, the Zambia NAIP was formulated with the support of a national independent policy research institution that was well-positioned to supply qualitative and quantitative research. Zambia's NAIP document can be found in the Toolbox.

Evidence is important, but making decisions about investment priorities is a complex process that also inevitably involves a mix of science, value preferences and practical judgements about feasibility and legitimacy. This implies that evidence may be used to inform policy and investment planning choices as part of multidimensional, multistakeholder and often complex decision-making processes. Hence, each country should determine what type and level of evidence-based analysis is needed for its specific context.

3.7 KEY DESIGN TASKS

Once priorities are consensually agreed upon, the following key NAIP design tasks should be undertaken:

1. **Formulate the NAIP results framework** (see Modules 4 and 5), setting overall results to which the NAIP contributes at the impact level (e.g. reducing poverty and chronic malnutrition, improving economic growth) as well as specific results at the outcome level for each programme and subprogramme area, with result indicators and target values.
2. **Define the NAIP architecture,** in particular programme areas, subprogramme areas and components, linked to the RF, and identify responsible/accountable actors for each programme and subprogramme area. Guidance for formulation of key thematic programme areas is provided in the CAADP pillar framework documents.[29]

29. Sustainable Land and Water Management: Pillar 1 Framework: http://www.caadp.net/pdf/CAADP%20Pillar%201%20Framework.pdf;
Framework for Improving Rural Infrastructure and Trade Related Capacities for Market Access: Pillar 2 Framework: http://www.nepad-caadp.net/pdf/CAADP%20Pillar%20II%20FIMA%20Full%20Document.pdf
Framework for African Food Security (FAFS) – Pillar 3 Framework: http://www.nepad-caadp.net/pdf/CAADP%20FAFS%20BROCHURE%20indd.pdf
Implementing the Framework for African Agricultural Productivity (FAAP): Pillar 4 Framework: http://www.caadp.net/pdf/The%20FAAP%20Operational%20Guide%20-%2018%207%2009%20-%20%20l.pdf

3. **Set priorities** on the basis of criteria agreed upon consensually, in line with existing national development priorities. Prioritization implies identifying programmes that are likely to have the most significant impact upon the target beneficiaries with respect to the set goals and results, as set out in national policies and strategies and guided by the CAADP RF, which highlights goals of wealth creation and economic prosperity (e.g. jobs and poverty alleviation), food security and nutrition, resilience and environmental sustainability. Geographical balance within the country must also be taken into account.
4. **Integrate cross-cutting themes** that are important to FSNARD (e.g. climate change, nutrition, gender and risk) in the NAIP in relevant programme areas. These will be reflected subsequently in the project and programmes that will implement the NAIP. Mainstreaming guidance documents are included in the Toolbox and examples are presented in Box 12.

Box 12: Mainstreaming cross-cutting issues into NAIPs – country examples for nutrition and climate change

Chad – Integrating nutrition in the NAIP

In Chad, nutrition security was included in the NAIP structure as part of Programme Area 4 in alignment with the country's Compact, which explicitly contemplates nutrition among the country's national priorities. Hence, Subprogramme Area 4.2 of the NAIP includes the improvement of nutrition in rural households. Inclusion of nutrition in the NAIPs provides a guarantee that this important cross-cutting issue will be taken into account systematically in the formulation of projects and programmes. In fact, by having nutrition-specific outcome statements and indicators in the NAIP RF, the government provides clear strategic direction for investors.

Lesotho - Integrating climate smart agriculture in the NAIP

In Lesotho, climate change has been identified as a major risk area as the latest reliable modelling (FAO, 2011) indicates that by 2030 Lesotho will face mean temperatures 1°C higher than currently experienced. Lesotho will see increasing intensities of rainfall and decreasing frequencies of low intensity ("soft soaking") rainfall with longer dry periods between rainfall events. This pattern of increasing frequency, magnitude and duration of climatic shocks leaves little or no time to recover from the last event unless adaptation measures are put in place.

Climate Smart Agriculture is fully integrated in the NAIP at all levels. In Programme 1, the NAIP focuses on "creating resilient livelihoods by reducing vulnerability and managing risk", i.e. mitigation and preparation through evidence-based analysis and investment in multisystem early warning systems. In Programme 2, the NAIP invests in improving the resilience of livestock production systems under climate change conditions for wool and mohair, poultry, pigs and dairy cattle value chains and diversifying crop value chains to respond to climate change. In Programme 3, through "sustainable natural resources management", the NAIP aims to employ Climate Smart Agriculture by using conservation agriculture as one means to achieve a sustainable agricultural system, the rehabilitation of degraded lands and protection of wetlands and overall best practices in water harvesting, conservation and promotion of indigenous vegetation and reduced deforestation. Programme 4 invests in "human and institutional capacity development" to ensure that the programmes are based on scientific exploration and data by providing adequate resources to improve the research systems to respond to climate change and by utilizing the meteorological services for farming systems.

5. **Prepare the NAIP budget,** based on an estimated cost per component/output for each programme. Output-based costing is recommended at the level of the Plan, since more specific activity-based costing will take place during the subsequent preparation of projects and programmes[30]. NAIP costing will help determine the financing gap of the Plan, which will assist in attracting NAIP investment and leveraging funding. The NAIP budget must be realistic and credible (see Module 6).
6. **Conduct a financial and economic (FEA) analysis** to help assess the potential benefit of the NAIP against the total incurred costs. The value of the analysis depends on the quality of the assumptions that underpin it, and on its ability to capture a variety of costs and benefits and accurately predict the NAIP outcomes. The FEA undertaken at the Plan level only aims to capture a broad indication of whether expected returns can justify the planned expenditure, and the methodology therefore differs from the more detailed FEA applied at the investment project level. The NAIP matrices for Cameroon and Chad (in the Module 2 Toolbox) provide an example of how this broad NAIP-level FEA was done. Where good data exist, it may also be possible to carry out an economic justification analysis, assessing the *ex ante* productivity, effectiveness and efficiency of public-sector investments in different subprogrammes. This was recently done in Rwanda to underpin the second-generation NAIP.
7. **Design an M&E framework for the NAIP** consistent with the results-based management (RBM) approach which underpins NAIP formulation. Such a framework is an integral section of the NAIP document, and must be coherent with the NAIP RF. The M&E framework should be designed in close partnership with all NAIP stakeholders to ensure that the NAIP objectives and M&E institutional roles are well-understood and shared (see Modules 4 and 8.)
8. **Conduct a risk analysis** at the end of the process and include this in a 'risk' section or as an annex to the Plan. Risks that could affect the progress or success of the NAIP are first analyzed and categorized as follows[31]:
   a. based on their nature, risks can be: (1) contextual (e.g. climate change); (2) planning/programmatic (e.g. governance); and (3) institutional (e.g. lack of coordination and alignment by partner countries);
   b. based on their likelihood of occurring, risks can be: (1) rare; (2) possible; (3) likely; and (4) almost certain;
   c. based on their potential impact on the sector, risks can be: (1) meaningless; (2) minor; (3) major; and (4) very important.

30. CAADP guidelines (CAADP Post-COMPACT Review Guide, Annex 1) recommend an activity-based costing. However, this was not found viable based on country experiences.

31. Based on the European Union Risk Analysis model

Further, options of risk mitigation are presented, such as: (1) avoid risk ; (2) reduce risk; (3) transfer risk; and (4) accept risk. Finally, the residual risk (after mitigation) is presented, which could be: (1) meaningless; (2) minor; (3) major; and (4) very important.

An example of risk analysis undertaken in the context of the Cameroon NAIP is provided in the PowerPoint presentation contained in the Toolbox.

TOOLBOX

- **PowerPoint presentations**
- **NAIP descriptive document for Zambia**
- **Additional references:**

CAADP Pillar Framework Documents

- Sustainable Land and Water Management: Pillar 1 Framework: http://www.caadp.net/pdf/CAADP%20Pillar%201%20Framework.pdf
- Framework for Improving Rural Infrastructure and Trade Related Capacities for Market Access: Pillar 2 Framework: http://www.nepad-caadp.net/pdf/CAADP%20Pillar%20II%20FIMA%20Full%20Document.pdf
- Framework for African Food Security (FAFS) – Pillar 3 Framework: http://www.nepad-caadp.net/pdf/CAADP%20FAFS%20BROCHURE%20indd.pdf
- Implementing the Framework for African Agricultural Productivity (FAAP): Pillar 4 Framework: http://www.caadp.net/pdf/The%20FAAP%20Operational%20Guide%20-%2018%207%2009%20-%20%20l.pdf
- Framework for Mainstreaming Livestock in the CAADP Pillars: http://www.nepad-caadp.net/pdf/Action%20plan%20for%20development%20of%20livestock.pdf

Cross-cutting issues

- FAO, 2012. Incorporating climate change considerations into agricultural investment programming. http://www.fao.org/docrep/016/i2778e/i2778e.pdf (also available in French)
- FAO, 2014. Synthesis of guiding principles on agriculture programming for nutrition. http://www.fao.org/docrep/017/aq194e/aq194e00.htm (also available in French)
- FAO, 2014: Key recommendations for improving nutrition through agriculture http://unscn.org/files/Agriculture-Nutrition-CoP/Agriculture-Nutrition_key_recommendations.pdf
- FAO, 2014. Guidelines: Agreeing on causes of malnutrition for joint action. http://www.fao.org/docrep/019/i3516e/i3516e.pdf
- FAO/NPCA, 2013, Integrating Risk Management Tools and Policies into CAADP : Options and Challenges. http://www.nepad.org/system/files/Risk%20Management%20Brief_final%20May%202013.pdf
- FAO/IFAD/Worldbank, 2012, Gender in Agriculture Sourcebook, http://siteresources.worldbank.org/INTGENAGRLIVSOUBOOK/Resources/CompleteBook.pdf
- Guidance Checklist for Mainstreaming Nutrition in Agriculture Investment Plans – FAO/NPCA, 2013
- Identifying opportunities for climate smart agriculture investments in Africa (Screening Guide for NAIPs) – FAO, 2012

MODULE 4

USING RESULTS-BASED MANAGEMENT TO FORMULATE THE NAIP

MODULE 4 - **USING RESULTS-BASED MANAGEMENT TO FORMULATE THE NAIP**[32]

Learning objectives:

At the end of this module, you will be able to:
- understand the processes for planning NAIPs with a results-based management (RBM) approach; and
- define the role of the RF in the NAIP planning process.

This module will introduce general result based management (RBM) principles and the benefits of adopting an RBM approach in NAIP development.

Previous modules have explained that to be effective, NAIPs must respond to rigorous quality criteria. Using RBM in planning a NAIP will ensure that the two following quality criteria[33] are addressed:

- a robust RF linking the NAIP's goals with its programme objectives; and
- an effective M&E framework.

4.1 GENERAL RESULTS-BASED MANAGEMENT PRINCIPLES

RBM is "a broad management strategy aimed at achieving improved performance and demonstrable results".[34] The RBM approach promotes a learning environment which supports enhancing the effectiveness of development initiatives.

RBM is based on three interconnected processes:

- PLANNING – identifying the vision, goals and objectives to be achieved;
- MONITORING: obtaining regular feedback on the progress being made towards achieving the goals and objectives; and
- EVALUATION: rigorous and independent assessment

32. A complete resource list for this module is included at the end

33. Annex 1: Post Compact Country Investment Plan Review Criteria, CAADP Post-Compact Review: Guidelines, April 2010

34. OECD, Glossary of Key Terms in Evaluation and Results Based Management, 2002

to determine the relevance and the extent to which development initiatives achieve stated objectives.

The RBM approach builds on connecting these three processes (see Figure 13). Good planning helps to focus on the results that matter, while effective M&E helps to learn from the past to ensure that future initiatives better contribute to development impacts.

The benefits of using RBM (i.e. good planning combined with effective M&E) in NAIP formulation are:

- it supports accountability;
- it helps to take prompt corrective action;
- it ensures informed decision-making;
- it promotes risk management; and
- it enhances learning from successes and failures, and thus supports continuous updating and actualizing of NAIPs.

4.2 THE RESULTS CHAIN THEORY

RBM adopts the results chain theory which describes the causal sequence among different levels of results. In this module, results are defined as a measurable development change resulting from a causal sequence. Results are linked together into a results chain. Different levels of results capture different development changes as shown in Figure 14.

Figure 13: The RBM life cycle

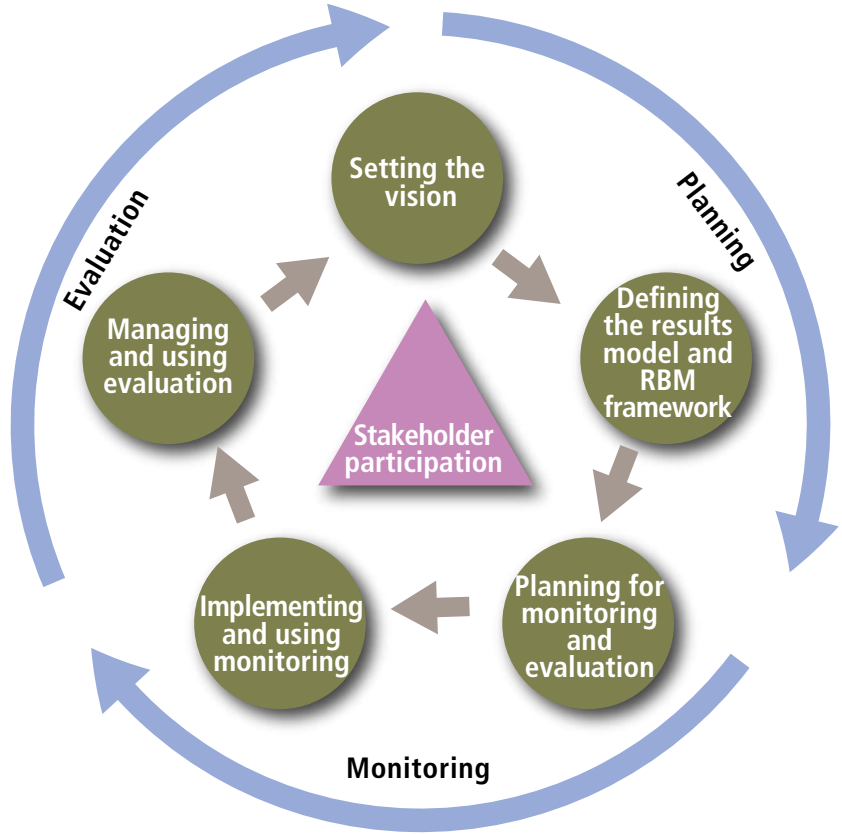
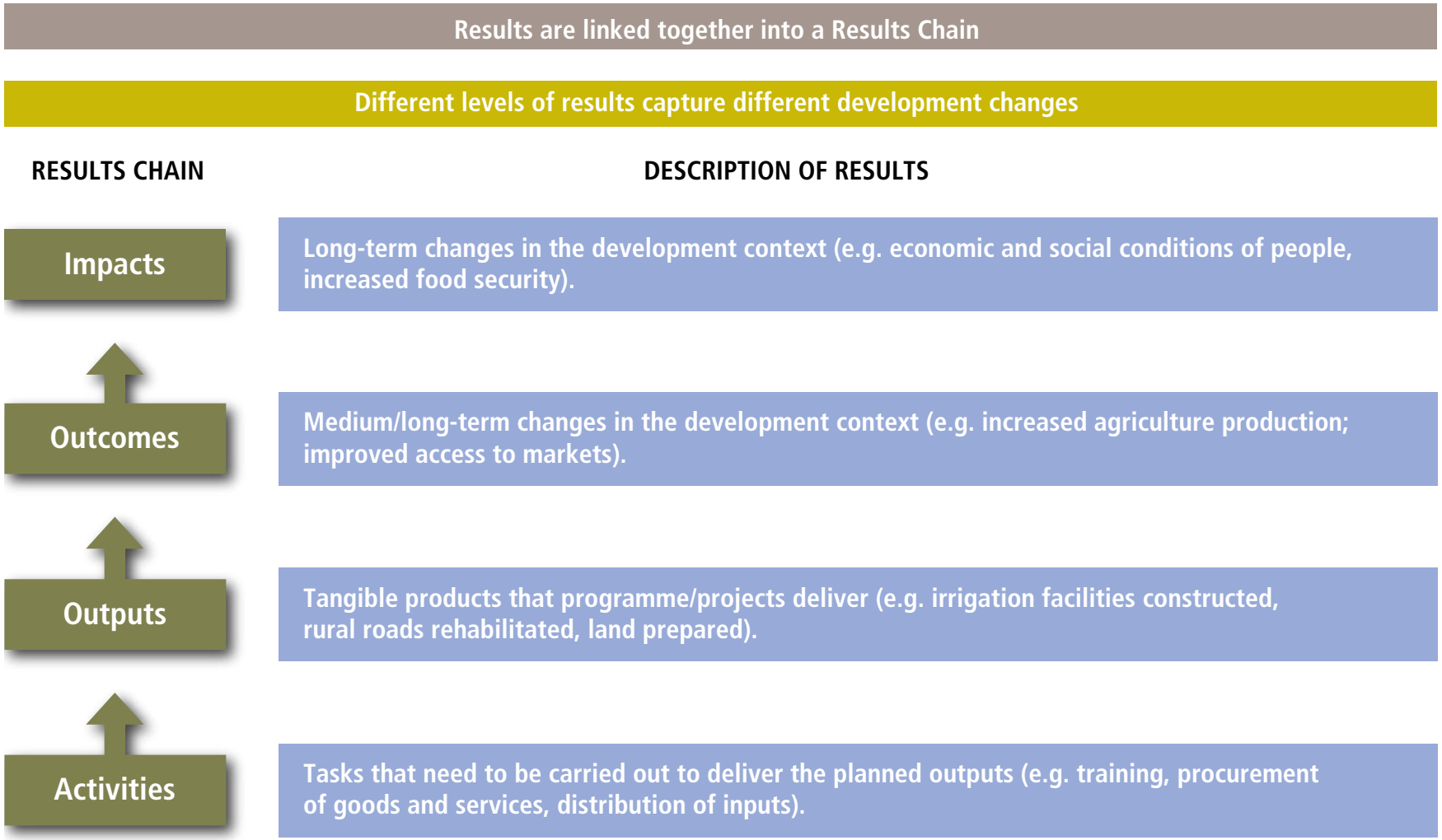


Figure 14: Results levels in a results chain



The results chain links expected impacts and outcomes to outputs to be delivered and activities to be carried out according to a logical flow. The results chain is reflected in the RF matrix.

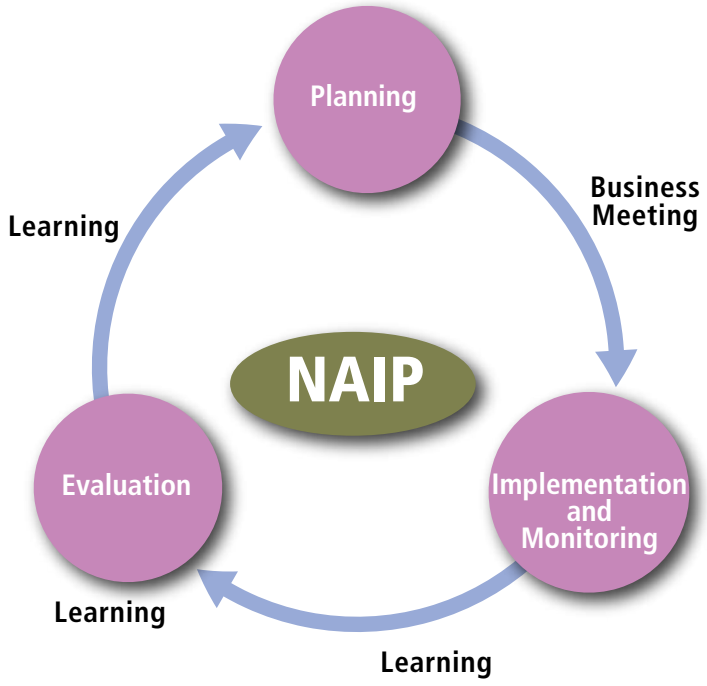
By adopting the results chain theory, the RBM approach emphasizes the process of setting expected impacts and outcomes (of projects, programmes, plans, strategies, etc.) and identifying the outputs (e.g. products) that need to be delivered to contribute to the achievement of the desired results.

The RBM approach requires that expected results for each strategic programme area of the NAIP are clearly defined. It will also help national actors who are involved in planning the NAIP to monitor its achievements and evaluate its overall impact.

4.3 RESULTS-BASED MANAGEMENT IN THE NAIP LIFE CYCLE

RBM is consistent with the nature of the NAIP as a "living tool" and an iterative process (see Module 2). In fact, planning, monitoring and evaluation (i.e. the three RBM processes) allow continuous learning and improvement along the NAIP life cycle and hence promote ongoing updating and actualization of the plans (see Figure 15).

Figure 15: The NAIP life cycle



- Planning: Setting the goals, targets and results that are expected from the NAIP, as well as the required inputs and indicators to measure performance
- Monitoring: Obtaining regular feedback on the progress being made towards achieving goals and objectives
- Evaluation: Assessing the extent to which planned results have been achieved and determining the relevance and impact of strategies and initiatives implemented

- Learning is a key component of the NAIP life cycle, and it should occur throughout. It allows a NAIP to be an ongoing and iterative process.

4.4 THE ROLE OF RESULTS FRAMEWORK IN NAIP PLANNING

Given the NAIP architecture as defined in Module 2, NAIP planning is the process by which desired objectives are set, strategies and implementation arrangements are defined and resources to achieve those objectives are allocated. The following overarching questions inform the NAIP planning process:

a. **What are the vision and goals for the sector areas?** Identify the vision, goals and objectives to be achieved in each programme area of the NAIP, drawing on the objectives of the signed Compact, and reflect these in the NAIP RF (impact and outcome levels).
b. **How will we achieve them?** Formulate the strategy (activities and outputs) to be adopted to achieve the set outcomes.
c. **What resources are required?** Determine the inputs (e.g. financial, human resources) required to deliver the set outputs and outcomes (inputs are presented in the cost table).
d. **How do we know that we are on track?** Define a plan to monitor progress towards the set results as part of the NAIP's implementation arrangements.

Development of the RF is thus a fundamental step in the NAIP planning process. This is consistent with the CAADP guidelines,[35] which highlight that the NAIP quality judgment is, to a large extent, focused on the RF. The RF helps to plan the NAIPs expected results at the macro level and informs the development of an M&E framework to assess progress towards the achievement of those results.

A well-designed RF can support NAIP planners in the following ways:

- **Planning:** The RF summarizes NAIP objectives, expected impacts and outcomes in a tabular format.
- **Consensus-building, coordination and ownership:** During the formulation process, the RF guides discussions among stakeholders and helps them: agree on expected results; identify the implementation approach; highlight and check the underlying assumptions; and specify needed resources.
- **Management:** The RF is a tool for guiding the implementation of NAIP programmes and projects towards the set objectives.

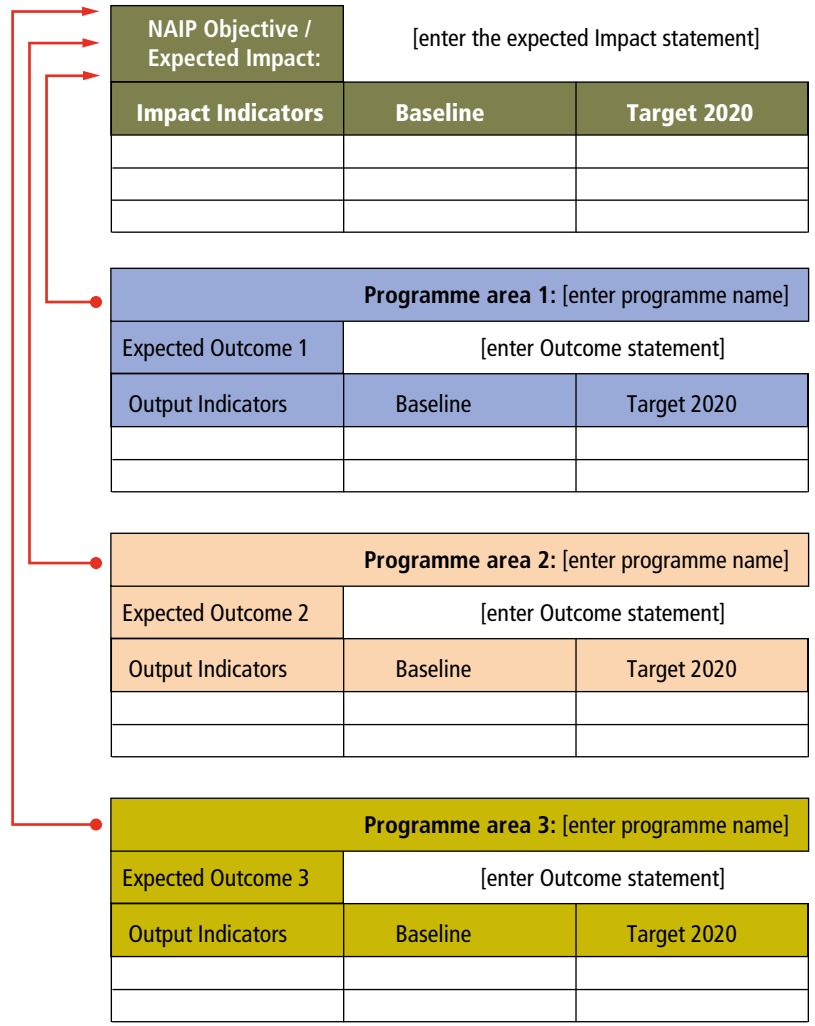
35. CAADP Post-Compact Review: Guidelines, April 2010

- **Monitoring and evaluation:** The specification of each level of results with associated indicators and targets underpins the development of an M&E framework, which also supports informed decision-making about improvements to be made, corrective adjustments to activities and reallocation of resources.

While RFs are frequently presented in the back of NAIP documents as part of the annexes, it is recommended that the RF be built at the start of the NAIP formulation process and that it be considered an integral tool in NAIP development.

There is no single standard format for an RF, even though good practices exist. A simplified format is presented in Figure 16, which can be adapted based on needs. A ready-to-use Excel version of this format is available in the Toolbox.

Figure 16: Results Framework format for impact/outcomes



NAIP Objective / Expected Impact:	[enter the expected Impact statement]	
Impact Indicators	**Baseline**	**Target 2020**

Programme area 1: [enter programme name]		
Expected Outcome 1	[enter Outcome statement]	
Output Indicators	Baseline	Target 2020

Programme area 2: [enter programme name]		
Expected Outcome 2	[enter Outcome statement]	
Output Indicators	Baseline	Target 2020

Programme area 3: [enter programme name]		
Expected Outcome 3	[enter Outcome statement]	
Output Indicators	Baseline	Target 2020

Because the RF is meant to provide the "big picture logic" of the NAIP, results are presented at Impact/Outcomes levels, and each result is associated with indicators, baselines and target values over a given time period. The exact monitoring protocols relating to the indicators (e.g. data collection methods, frequency, sources of information) are addressed as part of the M&E framework.

Module 8 will analyse in greater detail the creation of an M&E framework for the NAIP. The next module will provide step-by-step guidance on developing the RF for the NAIP.

TOOLBOX

- **PowerPoint presentation**
- **Template RF (Excel)**
- **Additional references:**
  - OECD, 2002. Glossary of key terms in evaluation and results-based management (available in French) http://www.oecd.org/development/peer-reviews/2754804.pdf

MODULE 5
FORMULATING THE NAIP'S RESULTS FRAMEWORK

MODULE 5 - **FORMULATING THE NAIP'S RESULTS FRAMEWORK**

Learning objectives:

At the end of this module, you will be able to:
- identify the appropriate RF format for your country's NAIP;
- list the steps required for developing an RF for the NAIP; and
- define appropriate indicators for the NAIP.

5.1 CREATING CONSENSUS AROUND A SUITABLE FORMAT

In earlier modules, you learned that the development of a NAIP follows the definition and endorsement of a country Compact, and why it is important to adopt an RBM approach in NAIP formulation.

In this module, you will be offered more specific step-by-step guidance on how to define the RF for the NAIP of your country. Guidance for translating the descriptive RF data into a living management tool (in an Excel matrix) is provided in Module 6.

A generic RF format was suggested in Module 4, which can be adapted to the needs of stakeholders. Identification of the most suitable format for the RF depends on: (1) the country context; (2) the purpose and functions of the NAIP; and (3) the M&E needs of stakeholders.

Also, the level of detail and complexity of an RF matrix varies depending on the scope and scale of the NAIP. An RF needs to convey what is meaningful and understandable to its users. However, all RFs must contain the required components to guide implementers in achieving results and to guide evaluators in assessing them. At a minimum, an RF matrix must provide:

- expected results statements at impact and outcome levels; and
- indicators, baselines and targets to be associated with each of the set results.

The association of results statement to indicators, baselines and targets makes the RF "S.M.A.R.T" (i.e. Specific; Measurable; Achievable; Relevant; and Time-bound).

Box 13: Key considerations when selecting a format for a Results Framework

- The RF is a tool to help plan and monitor NAIP results at the macro level. Hence, activities and related outputs are normally not included, to ensure that the RF keeps the focus on long-term and medium-term results (i.e. impact and outcomes).
- The appropriate format for an RF will depend on the structure, functions and nature of the NAIP to which it refers, and on the specific needs of NAIP implementers.
- As a general rule, it is advisable to keep the NAIP RF matrix as simple as possible and to ensure that the information included is relevant, consistent and coherent. The RF should provide a 'snapshot' overview of the NAIP.
- Indicators should have a baseline value already available, or one that can be identified quickly.
- A good indicator allows reporting performance at a reasonable cost and is preferably identified from an existing set of indicators that is already monitored.

The technical committee, in agreement with the National Country Team, decides what to include in the RF. Any chosen format must be used consistently throughout the NAIP. It is recommended that the format presented in the previous module (Figure 16) be adopted to the extent possible. However, should stakeholders prefer to discuss alternative formats for their NAIP's RF, the following high-level questions might be of help:

- What level of complexity can we accept?
- Are there additional fields that need to be added in the RF matrix (e.g. assumptions/risks?)
- What information cannot be made available with reasonable efforts?
- Does the RF contain sufficient information to inform the M&E framework?

Remember that it is preferable not to overwhelm the RF with fields that can be addressed in the M&E framework (e.g. data collection methods, frequency of M&E actions, sources of information).

Box 14: Cameroon – Participatory design of the Results Framework

In Cameroon, the NAIP RF was designed during a five-day FAO-facilitated workshop held at Ebolowa in November 2013. The event targeted some 40 actors who had appropriate competencies, authority and a specific role in NAIP formulation. The event was attended by high-level ministry representatives (at the level of Director-General) and their equivalents from farmers' organizations and civil society. The CAADP Country Team, the Focal Point and the President of the Country Team (i.e. the Secretary-General of the Ministry of Agriculture and Rural Development) also attended the event. National consultants facilitated the event and consolidated inputs into the draft NAIP, under the guidance of a CDPIP international consultant.

Based on *ex ante* and *ex post* evaluation feedback, the event was considered extremely useful, both in terms of the acquired content and the participatory process. Over the five days, participants were exposed to training sessions on RBM concepts, advanced Excel skills and methods for costing investment plans. Skills acquired during these sessions were immediately put to use, as participants actively contributed to formulating the first draft of the NAIP RF. The workshop resulted in the definition of the NAIP structure, RF, M&E framework and plan, roles and responsibilities of actors and in the costing of the Plan. A synthesis of Cameroon's RF is included at the end of this module.

5.2 DEVELOPING THE NAIP RESULTS FRAMEWORK: STEP-BY-STEP GUIDANCE

The development of an RF begins with building stakeholder consensus on the problems to be addressed; the desired impact and outcomes; and the strategy to address them – all linked in a results chain. This must be consistent with the NAIP strategy and architecture (i.e. its programmes, subprogrammes and components) as was shown in Figure 6.

Developing the RF structure entails the following initial steps:

- Define the overall objectives (i.e. expected impact) for the NAIP.
- Define the expected outcomes by programme area.
- Ensure consensus-building.

5.2.1 Defining an impact statement

The RF is built to support the NAIP's objectives. These are reflected in the RF according to a results chain logic which adopts impact, outcome and output terminology. Results are defined based on their relevance to the objectives. An expected impact statement is formulated based on the NAIP's objectives.

Example of a NAIP impact statement:
Enhanced resilience of drought-prone communities in the Intergovernmental Authority on Development (IGAD) countries

5.2.2 Defining outcomes

The next step requires identify many the NAIP result chain logic, with expected outcomes for each programme area. Outcomes should be specific, relevant to the objectives and adequately quantifiable.

Typically, a technical committee can identify a many relevant outcomes under each programme area objective. An important task in developing an RF is to reach consensus on a small core set of critical outcomes through prioritization and strategic focus. Guiding questions to identify critical outcomes include the following:

- Are the outcomes realistic and attainable within the NAIP/ programme lifetime?
- Do outcomes fall within the scope of the programme?
- Are outcomes meaningful and relevant?
- Are outcomes linked as progressive steps towards a longer-term objective?
- Are outcomes formulated as 'change' statements?
- How can we measure progress?

5.2.3 Ensuring consensus

It is important that all participating actors be familiar and comfortable with the proposed architecture and logic. The following questions might be useful to ensure consensus:

- Is each listed outcome clearly an outcome? Are they clearly separated from outputs?
- Do outcomes and outputs reflect the opinion and support of all relevant stakeholders? Were any stakeholders left out?
- Do outcomes represent a truly meaningful benefit for all stakeholders concerned? Are they a real priority?
- Is the model truly logical? Are the causal relationships supported?
- How valid are the assumptions behind the RF logic?

5.3 SETTING RF INDICATORS, BASELINES & TARGETS

Once the NAIP's impact and outcomes are identified along the results chain, it is necessary to establish indicators, targets and baseline values to monitor and evaluate progress.

5.3.1 Indicators

Impact and outcomes need to be translated into a set of

measurable indicators to establish whether progress is being achieved. An indicator is a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention or to help assess the performance of a development actor.[36]

Three broad categories of indicators can be considered:

- **Quantitative indicators:** based on quantitative data (e.g. statistical measures) which imply measuring numbers, percentages, rates or ratios
- **Qualitative indicators:** based on qualitative data which imply assessing 'compliance with', 'quality of', 'extent of', level of', etc.
- **Proxy indicators:** indirect measures for assessing progress against a result. In some instances, data will not be available for the most suitable indicators of a particular result. In these situations, stakeholders should use proxy indicators.

Indicators can be found at impact, outcome and output levels:

- **Impact indicators** are global objective-level indicators. They measure the achievement of sustainable benefits and long-term changes produced by the NAIP.

Example of impact statement:

- Enhanced resilience of drought-prone communities in the IGAD countries

Example of impact indicators:

- Change in the proportion of the affected population who are in need of humanitarian assistance and food aid
- Percentage of households below the acute and chronic food insecurity level
- Number of drought emergencies recorded in the targeted countries by biennium
- Average annual household income
- Level of assets in drought-prone communities

36. OECD, 2002

- **Outcome indicators:** are meant to measure the medium-term and long-term changes generated by programme outputs. They relate to the benefits derived from using outputs.

Examples of outcome statement:

- Access to natural resources secured and sustainably managed for drought-prone countries
- Enhanced drought preparedness prevention and management in IGAD countries

Example of outcome indicators:

- Percentage of households having secure access to sustainably managed natural resources
- Response time between early warning and response
- Percentage of national recurrent budget available for early warning response

- **Output indicators:** are meant to measure short-term results. They relate to the delivery of physical products and services resulting from an activity.

Examples of output statement:

- A sustainable water management programme is in place
- A water information system is in place for the arid and semi-arid lands (ASALs) and information is available

Examples of output indicators:

- Number of km of irrigation canals constructed
- Water management board established
- Percentage of drought-prone communities claiming to have access to updated and appropriate information on water

Indicators should be:

- **limited in number:** While there is no standard number of indicators per outcome/output, it is advisable to focus only on the ones that really matter.
- **relevant:** They should be useful to assess progress and guide decision-making.
- **based on available data sources and cost-effective:**

Each indicator represents a cost in order to collect the data, and this cost should be considered affordable and worthwhile.

- **developed with the participation of relevant stakeholders:** Relevant stakeholders should agree upon, understand and be committed to the identified indicators.
- **contextually appropriate:** Indicators must be culturally, socially and politically acceptable to the ultimate beneficiaries.

Some guiding questions for the technical committee might include:

- Is the indicator necessary and useful to measure progress towards NAIP achievements?
- What is the question(s) that this indicator is addressing?
- Is the indicator sufficiently specific and measurable?
- Is the indicator based on available information and data sources?
- Is there baseline information?
- Will this indicator create too much burden on data collection?
- Is the indicator aligned with the CAADP RF?

Wherever possible and suitable, indicators should be selected that are already being monitored, in particular at the impact level (e.g. national development indicators) and at the output level. This would allow aggregation of results across programmes or regions at national and even international levels (in particular the CAADP RFs).

Monitoring, measurement and reporting protocols should also be aligned to ensure consistency and reduce cost of compliance.

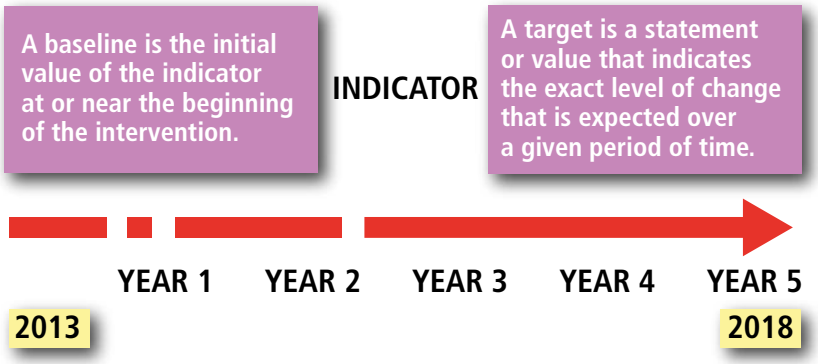
5.3.2 Target and baseline values

Indicators are associated with a target value and a baseline. When a baseline is not available or is difficult to identify with reasonable efforts, the previously selected indicators have to be revised. It is important to understand that an indicator with no associated baseline is useless because there is no mechanism for measuring progress.

Including targets and baselines in the RF provides a planned performance standard against which actual performance may be compared and measured.

- A baseline is the initial value of the indicator at or near the beginning of the intervention.
- A target is a statement or value that indicates the exact level of change that is expected over a given period of time.

Figure 17: Baseline and target



Example 1

Indicator: Number of trained farmers in the region XY who apply improved integrated pest management (IPM) techniques

Baseline: Around 20 farmers within the region XY are applying improved IPM techniques as a result of previous trainings

Target:
(Quantity): 100 farmers in the region XY apply improved IPM techniques

(Time): 100 trained farmers (i.e. 20 percent from region XY) apply improved IPM techniques by December 2013

Example 2

(Indicators, including targets, from Ethiopia's NAIP)

Outcomes	Milestone Indicators
• Production of food, cash crops and livestock increased.	• At least 8% increase in annual crop and livestock production levels.
• Agricultural productivity increased.	• 4% annual change in total value productivity (value outputs/value inputs) per crop and livestock unit.
• Qualitative and quantitative post harvest losses reduced.	• 3% annual reduction in post harvest losses by key commodity.
• Proven best agricultural practices scaled up.	• 6% annual increment of farming households using improved agricultural inputs and practices.
• Use of agricultural inputs and improved agricultural practices increased.	• Amount of improved seed and fertiliser utilised: total and per hectare. • 6% annual increment of farmers using agricultural inputs and improved practices. • Number of new agricultural technologies generated, tested and released.
• Dependence on commercial imports of staple food products reduced.	• % of staple food requirements imported.

Conducting baseline studies can be difficult, costly and time-consuming. In the context of the NAIP formulation process, it is advisable to identify indicators for which the baseline figures are already available or easy to gather (e.g. national statistics, studies or estimates based on previous programmes or interventions). Identifying the baseline values can be done through an ad hoc baseline study that is carried out prior to setting up the RF, or immediately after it.

Targets should be set on the basis of actual baseline data and on evidence-based calculations and projections. Targets must be realistic and credible; this is one of the technical review criteria set by NEPAD.[37] Setting targets requires a

37. CAADP Post-Compact Review: Guidelines, April 2010

mix of experience with the foreseen intervention and good knowledge of the context. While projections are important, realistic targets in the RF must be based on the level of institutional and human capacity which exists to achieve those targets within the set timeframe.

Targets should be based on these considerations:

- evidence-based projections;
- previous experience with the sector/subsector;
- knowledge of the context;
- existing capacities;
- reliable benchmarks for the sector or subsector; and
- anticipated resource flows/resource mobilization.

Benchmarks are reference points or standards against which performance or achievement can be assessed. They are often useful for setting targets. A benchmark refers to the performance that has been achieved in the recent past by other comparable organizations, or what can reasonably be inferred to have been achieved in similar circumstances. It therefore represents a reference to a standard of what is achievable.

5.4 EXAMPLE OF A RESULT FRAMEWORK

An example of an RF for the NAIP in Cameroon is presented in Box 15 and in the Toolbox (Module 2). While the budget column is not included in this version, the example is useful to illustrate the type of outcomes and indicators that can be found in an RF and the alignment of the country-level results with the three levels of results set forth in the CAADP RF. Specifically, these result levels are:

- **Level 1 results:** define the agricultural sector impact on economic growth and poverty alleviation, which corresponds to the overall NAIP objective;
- **Level 2 results:** look at the modernization of the sector through the logic of sustainable development. This level corresponds to the first three thematic fields of the NAIP and to the ministries' operational programmes;
- **Level 3 results:** define systemic CD for all sector stakeholders and institutions. This third level corresponds to the NAIP fourth thematic field and to ministerial support programmes.

Box 15: The NAIP RF in Cameroon

NAIP impact statement: The rural sector is an important driver of the national economy, which generates decent employment and wealth to satisfy internal and external demand ensuring food and nutrition security of the population in a context of sustainable development.

Level 1 results indicators	Baseline	Target
GDP annual growth	5.3 % (2013)	An average of 7% in 2014, 10% as from 2020
Poverty incidence in rural areas	39.9 %	29.2 %
Stunting rate of children < 5 years	33% (2011)	<15%
Number of new jobs created	261 000	300 000
Ratio of agriculture import/export	>1	<1

Outcome statement (Programme area 1): Rural sector products are more competitive and gain additional shares in the subregional and international markets, while ensuring satisfactory coverage of domestic food and nutritional needs.

Level 2 results indicators	Baseline	Target
Production/output obtained	Specified according to sector stream	Specified according to sector stream
Increase in agriculture exports	10%	50%
Food insecurity prevalence	9.6 % (2011)	3.5 %

Outcome statement (Programme area 2): Fundamental enabling factors that support production are strengthened through optimal use of water and soil, improvement of rural producers' living environment and access to market and improved access to material, equipment and adapted financing.

Level 2 results indicators	Baseline	Target
Surface of irrigated or drained agricultural land	33 000 ha (2011)	125 000 ha
Volume of agriculture credit for producers	343 billion FCFA/year (2012)	700 billion FCFA/year
Rate of agricultural mechanization	< 3 tractors/100km^2 arable land	17.1 tractors/100km^2 arable land
Km of rural roads constructed/rehabilitated	< 500 km/year	1 500km/year

Outcome statement (Programme area 3): Optimized sustainable use of natural resources towards balanced promotion of all sectors, mindful of environmental protection constraints and adaptation to climate change.

Level 2 results indicators	Baseline	Target
Surface of newly developed and replanted forests	5 696 000 ha (2013)	8 419 041 ha
Surface of cultivated agricultural land using soil fertility management techniques	Not available	>35%
Surface of rehabilitated land with climate mitigation measures	< 1500 ha	36 200 ha rehabilitated; a national strategy REDD+[38] and PNACC implemented

Outcome statement (Programme area 4): A conducive enabling environment is in place for rural sector development, with improved governance structures and strengthened capacities of all actors to ensure effective and efficient planning, programming, budgeting, resource mobilization, implementation and monitoring-evaluation of rural sector development.

38. REDD: Reducing Emissions from Deforestation and Forest Degradation

Level 3 results indicators	Baseline	Target
Percentage of research themes having generated findings worthy of dissemination	Not available	>70%
Proportion of youth, women and vulnerable groups having benefitted from financial assistance towards project creation	< 10 %	>25 %
Number of trained and actively performing people in the sector	TBD	>50 %
Number of annual sector reviews at national and regional levels	None	1 Joint National Sector Review (as from 2015) 10 Joint Regional Reviews per year (as from 2016)

5.5 IDENTIFYING INTERVENTIONS, PRIORITIZING AND SEQUENCING

How do we go from the NAIP's broad RF to identifying interventions, prioritizing and sequencing them?

From the NAIP's broad programme areas, national technical committees will then build a detailed structure specifying and sequencing key intervention areas (subprogrammes) and actions to be put in place (components). Priorities already contained in existing country strategy and policy documents will inform such prioritization and sequencing work. CAADP country teams will subsequently validate the choices made by the technical committees.

In determining the sequencing of interventions, the following should be considered:

- How different interventions build upon results and milestones of others

- Expected availability of resources over the implementation period
- Implementation and financial absorption capacity

NAIP priorities may change based on the variations of national agriculture policies or the international context (e.g. price fluctuations of import and export prices). The NAIP represents an interface which translates the priorities of sector policies and allows the costs of their implementation to be calculated over a given time period (see Module 6).

5.6 OUTPUT/ACTIVITY MATRIX

After the RF has been developed describing the expected impact- and outcome-level results and once interventions have been prioritized and sequenced, the next step is to create a detailed Output/Activity matrix to describe the required outputs and activities for every component of each programme/ subprogramme area of the NAIP. This matrix is used to identify the outputs that need to be delivered to produce the outcomes stated in the RF. The Output/Activity matrix is used to build a more detailed log frame for the Plan. For example:

- OUTCOME: Secured access to shared rangeland resources and cross-border livestock routes.
- OUTPUT: Cross-border livestock routes are mapped and demarcated.

From the outcome level, the matrix is created by working backwards and asking 'how' the outcomes will be achieved and which products/outputs need to be delivered. A suggested format (in Excel) for creating this matrix is included in the Toolbox (Module 4).

TOOLBOX

- **PowerPoint presentation**

MODULE 6
COSTING NAIPS

MODULE 6 - **COSTING NAIPS**

Learning objectives:

At the end of this module, you will be able to:

- illustrate the key principles and methodology for costing NAIPs where the NAIP functions as the comprehensive sector planning framework; and
- use the suggested matrix to cost and update a NAIP.

This module will provide guidance on how to convert the NAIP descriptive data into a matrix in order to make the NAIP a living management tool as described earlier in Module 2. In particular, it will describe the process of costing NAIPs with a coherent and systematic approach. The suggested matrix (in Excel) is contained in the Toolbox.

The costing approach reflects a situation where NAIPs function as the comprehensive sector planning framework (e.g. as in Cameroon and Chad).

6.1 KEY PRINCIPLES FOR COSTING NAIPs

The NAIP can serve as a strategic communication tool addressed to government decision-makers and development partners and can assist in attracting NAIP investment and leveraging funding. It provides information on financing gaps and can be used strategically to inform policy changes and investment decisions.

NAIP costing will form the basis for NAIP financing. In order to cost a NAIP, it is necessary to identify and calculate the overall budget needs (i.e. investments and recurrent costs) for the country's agricultural sector for the period covered by the NAIP (usually five to ten years). The more accurate and realistic the costing, the higher the likelihood that the NAIP can inform investment decisions and policy changes.

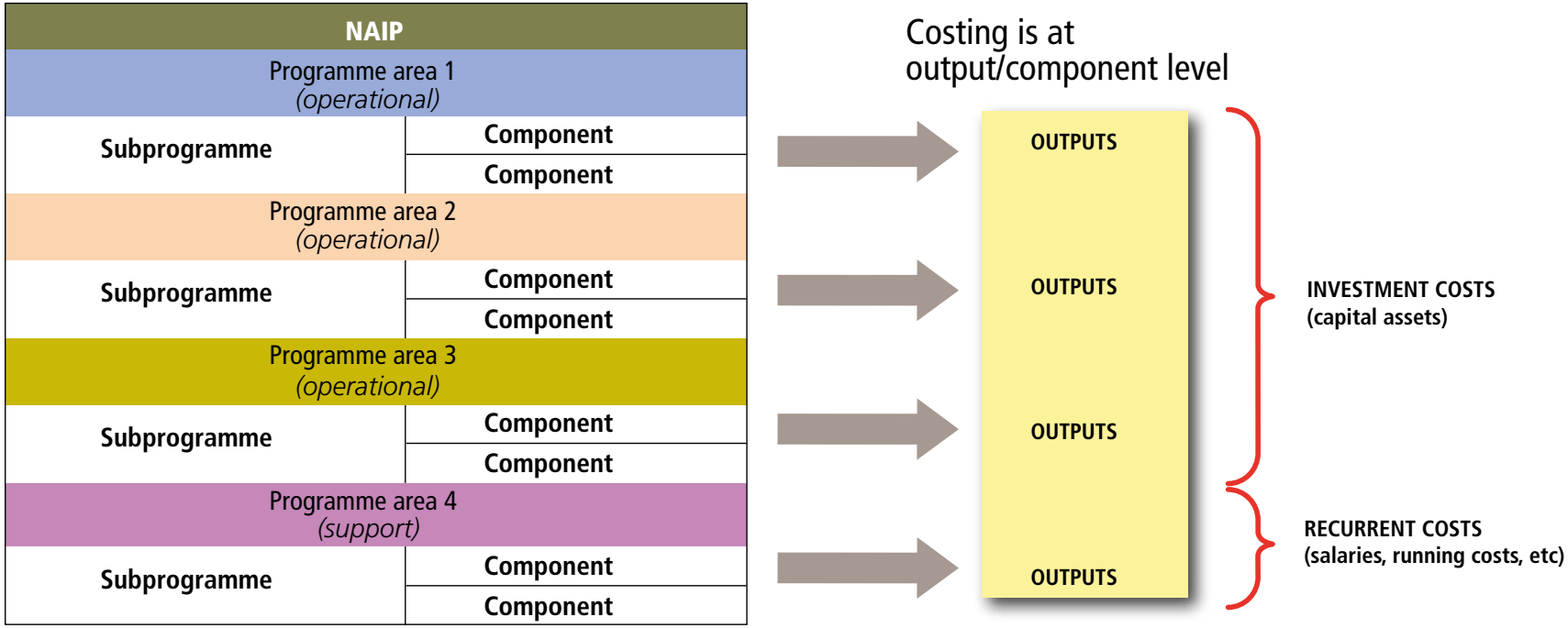
NAIP costing is a key stage in the NAIP preparation process and usually takes place in parallel with the development of the NAIP's RF descriptive document. This is referred to as 'strategic-level' costing to differentiate it from the project-level costing that takes place during the preparation of projects and programmes.

The following are prerequisites to accurately cost a NAIP:

- a common understanding of the role of the NAIP in the national planning and budget structure;
- a clear definition of the scope of the NAIP and of its 'boundaries' (e.g. specification of sector expenses falling under the NAIP); and
- a shared understanding of the methodology for costing NAIPs.

As shown in Figure 18 below, both investment and recurrent costs are included in the NAIP costing table. However, recurrent costs are grouped in one single programme area, which in some countries is called the 'support programme' area.

Figure 18: Division by expenditure category



6.2 A NAIP'S COSTING METHODOLOGY

The NAIP structure is reflected in the Excel matrix according to a results chain logic which adopts the impact, outcome and output terminology. According to the RBM approach, the expected results for each strategic programme area of the NAIP must be clearly defined.

Costing is usually done at the level of outputs/components. While costing should be accurate, it should be noted that the NAIP provides estimate costing towards a realistic order of magnitude, as explained further in this module. Costing will then need to be further detailed and actualized when formulating projects and programmes.

The costing methodology described in this learning resource provides for four sequential phases:

1. Definition of NAIP structure, indicators and targets in line with the RF (Worksheet 1)
2. Output-based costing (Worksheet 2)
3. Identification of existing funds: projects & programmes and national budget (Worksheets 3 and 4)
4. Gap calculation (Worksheet 5)

Worksheet 1 of the NAIP matrix (Sections A and B) makes it possible to translate identified priorities in programme areas (see Figure 19). For each programme area, subprogramme areas and components should be identified. In relation to each component, output-related data must be entered for each programme and subprogramme area, including the indicators (i.e. unit costs and quantitative targets) and the calculation method of the source used for the estimates.

Figure 19: Worksheet 1 of the NAIP matrix

PROGRAMME AREA 1	Gestion durable des ressources naturelles et adaptation aux changements climatiques	INDICATOR		
SUB-PROGRAMME AREA 1.1.	Prévention et gestion des conséquences des changements climatiques et inversion de la dégradation des milieux naturels	CALCULATION METHOD/SOURCES	TARGET 2020	UNIT COST
Component 1.1.1	Gestion Durable des Eaux et Résilience des Ecosystèmes Aquatiques (GDEREA)	PANA (6.150M/3an) + Plan d'action national GIRE lac Tchad (118255589euro/5ans)+ schéma directeur eau (20.950M/20ans) + Plan action	7	18.612.633.277
Composante 1.1.2	Gestion Durable des Terres et Résilience des Ecosystèmes Terrestres (GDTRT)	PANLCD(29.518M/10ans)	7	2.951.800.000
Composante 1.1.3	Gestion Durable de la Biodiversité et Résilience des Aires Protégées (GDBRAP)	Stratégie N biodiversité (3,475M/an)	7	3.475.000.000
Composante 1.1.4	Gestion Durable des Ressources Halieutiques et Résilience des Pêcheries (GDRHRP)	Plan National Dev Aquaculture et pêche (9.933M - investissements infrastructure 6.875M)	7	611.600.000

6.2.1 Setting unit costs and quantitative targets

After the NAIP structure has been defined (i.e. programme areas, subprogrammes and components), the most challenging task in the process can begin: setting unit costs and quantitative targets for every component/output. This is the very essence of NAIP costing.

Unit costs should be determined based on current costs as defined in existing and already validated national strategic documents.

Specific sources of cost data include:

- budget law, MTEF and PER reports; and
- ministerial action plans, policies and strategies.

When the above sources are not sufficiently available, costs may be estimated based on information gathered from: existing projects and programmes;

- existing projects and programmes;
- technical specialists (e.g. agronomists, roads, irrigation works);
- price lists (e.g. from input suppliers, manufacturers, retailers);
- government's staff; and
- service providers.

Quantitative targets must be set to allow the growth in the agriculture sector necessary to achieve the minimum 6 percent growth goal as set forth in CAADP:

- Targets must be based on existing policies and strategies, indicating what is realistic and necessary for the sector and the country.

- Targets can be expressed in various ways. For example, for a target of x number of kms of road to be built, the cost would be the unit cost per km multiplied by the number of kms. For social grants, targets might be expressed as the number of beneficiaries, and then that number would be multiplied by the cost per beneficiary. In other situations, yearly lump sum amounts can be defined.

Contingency allowances reflect physical and price changes that can be expected to increase base costs. These may include:

- price contingencies (e.g. inflation, local and foreign exchange rate fluctuations); and
- physical contingencies (e.g. changes in quantities, differences in implementation).

The calculation of contingencies might be required at the NAIP level and will be updated usually on an annual basis and taken into account during the subsequent formulation of projects and programmes.

6.2.2 Output-based costing

Worksheet 2, composed of two sections, introduces more detailed costing for each component of the Plan. In the first section of the worksheet (see Figure 20), the total projected target units per year are inserted. The respective unit cost per year (inclusive of the inflation rate, if appropriate) will be automatically calculated for the entire life span of the Plan. In the second section of the worksheet (see Figure 21), yearly projected targets are automatically multiplied for the respective unit cost per year (inclusive of an inflation rate). The result is the total projected cost per component, per year and cumulatively for the entire life span of the Plan. Technical committees, in accordance with the CAADP country team, may decide which currency is to be used in the NAIP (i.e. national currency or US dollars).

Figure 20: Worksheet 2, section I of the NAIP matrix

INSERT: Yearly projected targets

INSERT: Total projected targets

AUTOMATIC CALCULATION: Unit cost per year with % inflation

YEARLY PROJECTED TARGETS									OUTPUT UNIT COSTS						
2014	2015	2016	2017	2018	2019	2020	TOT. TARGET	DIFF	2014	2015	2016	2017	2018	2019	2020
1	1	1	1	1	1	1	7	0	18.612.633.277	19.264.075.441	19.938.318.082	20.636.159.215	21.358.424.787	22.105.969.655	22.879.678.593
1	1	1	1	1	1	1	7	0	2.951.800.000	3.055.113.000	3.162.041.955	3.272.713.423	3.387.258.393	3.505.812.437	3.628.515.872

Figure 21: Worksheet 2, section II of the NAIP matrix

AUTOMATIC CALCULATION: Cumulative cost per component and for the plan

Projected cost per component, per year

	CUMULATIVE COSTS	YEAR						
	2014 - 2020	2014	2015	2016	2017	2018	2019	2020
	2.344.550.426.934	*216.170.872.848*	*331.925.494.576*	*388.623.901.499*	*335.636.398.540*	*345.370.343.384*	*357.161.383.826*	*369.662.032.260*
PROGRAMME AREA 1	**258.798.058.482**	**33.267.065.420**	**34.431.412.709**	**35.636.512.154**	**36.883.790.080**	**38.174.722.732**	**39.510.838.028**	**40.893.717.359**
SUB-PROGRAMME AREA 1.1.				27.478.028.122	28.439.759.106	29.435.150.675	30.465.380.949	
Component 1.1.1	144.795.259.050	18.612.633.277	19.264.075.441	19.938.318.082	20.636.159.215	21.358.424.787	22.105.969.655	22.879.678.593
Composante 1.1.2				3.162.041.955	3.272.713.423	3.387.258.393	3.505.812.437	
Composante 1.1.3	27.033.441.089	3.475.000.000	3.596.625.000	3.722.506.875	3.852.794.616	3.987.642.427	4.127.200.912	4.271.662.259
Composante 1.1.4	4.757.885.632	611.600.000	633.006.000	655.161.210	678.091.852	701.825.067	726.388.945	751.812.558
Sous-programme 1.2.	20.584.238.176	2.645.990.478	2.738.600.143	2.834.451.148	2.933.658.938	3.036.334.531	3.142.606.663	3.252.597.886
Composante 1.2.1	2.204.165.460	283.333.333	293.250.000	303.513.750	314.136.731	325.131.517	336.511.120	348.289.009
Composante 1.2.2	11.496.408.415	1.477.800.000	1.529.523.000	1.583.056.305	1.638.463.276	1.695.809.490	1.755.162.822	1.816.593.521
Composante 1.2.3	6,883,664.300	884.857.143	915.827.143	947.881.093	981.056.931	1.015.393.924	1.050.932.711	1.087.715.356
Sous-programme 1.3.	38.663.979.455	4.970.041.667	5.143.993.125	5.324.033.884	5.510.374.035	5.703.237.127	5.902.850.426	6.109.450.191
Composante 1.3.1	6.048.489.337	777.500.000	804.712.500	832.877.438	862.028.148	892.199.133	923.426.103	955.746.016
Composante 1.3.2	8.173.564.155	1.050.666.667	1.087.440.000	1.125.500.400	1.164.892.914	1.205.664.166	1.247.862.412	1.291.537.596
Composante 1.3.3	24.441.925.963	3.141.875.000	3.251.840.625	3.365.655.047	3.483.452.974	3.605.373.828	3.731.561.912	3.862.166.578

6.2.3 Identifying existing funds

Once the total projected costs for the NAIP are calculated, the next step is to identify external and internal funds that already exist, in the form of:

- ongoing and pipeline projects or programmes financed by development partners and managed by the various sector ministries and by NGOs; and
- national budget funds.

These funds represent te current contribution of all stakeholders (i.e. state, non-state and development partners) to the financing of the NAIP.

Worksheet 3, section (I) (see Figure 22) documents information about existing or planned projects and programmes under each ministry (e.g. Ministry of Agriculture, Livestock, Forestry), along with the total budget and the portion of the budget that is counted against the NAIP timeframe. In section (II) (see Figure 23), the total budget of each project/programme is mapped against the NAIP programmes, and an estimate is calculated showing the percentage contribution of each project/programme to all of the NAIP programme areas.

Figure 22: Worksheet 3, section (I) of the NAIP matrix

(I). INSERT: Name of Project/Programmes, financing source, timeframe of Project/Programme and total Project/Programme budget against NAIP timeframe

Ministère	Code/Name of Programme or Project	Financing Source	Status	Dates		Total Budget	Budget 2014-2020
				Start	End		
MAI	Projet de gestion et de valorisation des ressources naturelles en zone soudanienne PGRN	BAD, BADEA, BID	Ongoing	16-03-2009	31-12-2017	23.085.318.000	13.439.023.000
MAI	Programme "maraichage"	SUISSE	En cours	01-02-14	31-12-2016	1.800.000.000	1.800.000.000
MAI	Projet de gestion des eaux de ruissellement dans le Tchad sahélien	SUISSE	En cours	01-06-11	31-12-15	3.164.000.000	1.440.000.000
MAI	Projet de gestion des eaux de ruissellement dans le Tchad sahélien Phase 2	SUISSE	Préparation	01-01-15	31-12-18	3.000.000.000	3.000.000.000
MAI	Projet de Développement de la Région du Guéra (PADER-G)	FIDA	En cours	01-11-11	31-12-14	8.103.000.000	6.560.000.000
MAI	TOTAL PROJECTS/PROGRAMMES MAI					366.794.790.999	338.143.769.999
TOTAL MAI:		19 Projets:	338.143.769.999 FCFA				

Ministère	Code et nom du Programme ou Projet	Source de financement	Statut	Dates		Budget total	Budget 2014-2020
				Début	Fin		
MDPPA	Projet d'Infrastructures Rurales Pastorales et de transhumance (PIRT)	BAD	En cours	2012	2016	8.028.800.000	7.690.000.000
MDPPA	Fonds d'expertise et de renforcement des capacités n 5	FRANCE	En cours	15-01-12	31-12-14	262.400.000	65.000.000
etc.							
MDPPA	TOTAL DES PROJETS ET PROGRAMMES					70.999.071.000	69.296.432.000

Figure 23: Worksheet 3, section (II) of the NAIP matrix

(II). INSERT: Estimate % contribution of each Project/Programme to NAIP Programme areas and apportioning to total NAIP budget

Apportioning to Programme Areas of PNISR						Apportioning to PNISR Budget 2014-2020				
Programme 1	Programme 2	Programme 3	Programme 4	Programme 5	Total	2014	2015	2016	2017	2018
8%	81%	7%	0%	4%	100%	3.439.023.000	4.000.000.000	3.500.000.000	2.500.000.000	0
1.075.121.840	10.885.608.630	940.731.610	0	537.560.920	13.439.023.000					
5%	15%	60%	5%	15%	100%	200.000.000	800.000.000	800.000.000	0	0
90.000.000	270.000.000	1.080.000.000	90.000.000	270.000.000	1.800.000.000					
50%	15%	10%	0%	25%	100%	800.000.000	640.000.000	0	0	0
720.000.000	216.000.000	144.000.000	0	360.000.000	1.440.000.000					
50%	15%	10%	0%	25%	100%	0	200.000.000	1.200.000.000	800.000.000	800.000.000
1.500.000.000	450.000.000	300.000.000	0	750.000.000	3.000.000.000					
10%	45%	5%	15%	25%	100%	3.500.000.000	3.060.000.000	0	0	0
656.000.000	2.952.000.000	328.000.000	984.000.000	1.640.000.000	6.560.000.000					
22.159.461.090	244.460.118.129	21.856.965.360	14.218.429.000	35.448.796.420	338,143,769,999	48.865.969.999	122.275.000.000	106.402.800.000	32.300.000.000	26.800.000.000

It may be difficult to allocate existing project/programme funding to a specific NAIP programme in a detailed manner. This is because log frames of existing projects/programmes are not aligned with the NAIP structure. Approximate percentage figures should be estimated in such cases. In the future, this problem should cease to exist, as all projects should be aligned to the NAIP RF as the overarching planning framework for FSNARD investment.

In Worksheet 4 (see figure 24), the country's national budget is allocated to various NAIP programme areas for the duration of the NAIP. This is done by projecting the previous budget allocation and also by using the findings of the PER, which provides a more realistic idea of actual government contributions in previous years:

1. First, a reference year (e.g. 2013) budget is spread over the various programme areas under each ministry based on clear and explicit criteria (which must be reported in the NAIP descriptive document).
2. Next, the budget is projected for the duration of the NAIP (e.g. 2014-2020). Projections should include an annual increase percentage rate, calculated on the basis of patterns emerging from PERs showing government expenditures in the sector over the past five to ten years.

Figure 24: Worksheet 4 of the NAIP matrix

INSERT: Annual budget allocation
(From previous year: 2013)

Projections based on 2013 annual budget and public expenditure Review - (E.g. Calculated at 12.5 for Chad)

	PNISR	Projection Budget Law based on 201 with12,5% annual increase							
	2013	2014	2015	2016	2017	2018	2019	2020	Total 14-20
Programme 1	5%	3.645.000.000	4.100.625.000	4.613.203.125	5.189.853.516	5.838.585.205	6.568.408.356	7.389.459.400	**37.345.134.602**
Programme 2	45%	32.805.000.000	36.905.625.000	41.518.828.125	46.708.681.641	52.547.266.846	59.115.675.201	66.505.134.602	**336.106.211.414**
Programme 3	25%	18.225.000.000	20.503.125.000	23.066.015.625	25.949.267.578	29.192.926.025	32.842.041.779	36.947.297.001	**186.725.673.008**
Programme 4	5%	3.645.000.000	4.100.625.000	4.613.203.125	5.189.853.516	5.838.585.205	6.568.408.356	7.389.459.400	**37.345.134.602**
Programme 5	20%	14.580.000.000	16.402.500.000	18.452.812.500	20.759.414.063	23.354.340.820	26.273.633.423	29.557.837.601	**149.380.538.406**
TOTAL MAI	**64.800.000.000**	**72.900.000.000**	**82.012.500.000**	**92.264.062.500**	**103.797.070.313**	**116.771.704.102**	**131.368.167.114**	**147.789.188.004**	**746.902.692.032**
Programme 1	15%	2.750.625.000	3.094.453.125	3.481.259.766	3.916.417.236	4.405.969.391	4.956.715.565	5.576.305.010	**28.181.745.093**
Programme 2	35%	6.418.125.000	7.220.390.625	8.122.939.453	9.138.306.885	10.280.595.245	11.565.669.651	13.011.378.357	**65.757.405.217**
Programme 3	33%	6.051.375.000	6.807.796.875	7.658.771.484	8.616.117.920	9.693.132.660	10.904.774.242	12.267.871.023	**61.999.839.204**
Programme 4	2%	366.750.000	412.593.750	464.167.969	522.188.965	587.462.585	660.895.409	743.507.335	**3.757.566.012**
Programme 5	15%	2.750.625.000	3.094.453.125	3.481.259.766	3.916.417.236	4.405.969.391	4.956.715.565	5.576.305.010	**28.181.745.093**
TOTAL MDPPA	**16.300.000.000**	**18.337.500.000**	**20.629.687.500**	**23.208.398.438**	**26.109.448.242**	**29.373.129.272**	**33.044.770.432**	**37.175.366.735**	**187.878.300.619**

Usually government contributions are more significant than external funds contributed by development partners through projects and programmes.

6.2.4 Gap calculation

In Worksheet 5 (see Figure 25), the estimated financing gap of the Plan is calculated by indicating the global projected costs of the NAIP, minus the existing funds. This gap, which should be realistic, represents the amount required to fully finance the Investment Plan.

Figure 25: Worksheet 5 of the NAIP matrix

PNISR		COSTS	EXISTING FUNDS P/P	NATIONAL BUDGET	GAP	% GAP
PROGRAMME AREA 1	Gestion durable des ressources naturelles et adaptation aux changements climatiques	258.798.058.482	75.114.533.090	165.344.430.821	18.339.094.571	7%
PROGRAMME 2	Développement des infrastructures et des équipements du secteur rural	1.294.268.499.951	323.964.025.079	545.077.597.318	425.226.877.554	33%
PROGRAMME 3	Développement des filières agro-sylvo-pastorales et halieutiques	382.534.804.953	31.758.450.860	278.947.408.177	71.828.945.916	19%
PROGRAMME 4	Sécurité alimentaire et nutritionnelle, genre et renforcement de la résilience des ménages ruraux	100.592.906.321	16.322.916.650	54.911.179.396	29.358.810.275	29%
PROGRAMME 5	Recherche, adoption et diffusion des technologies, renforcement des capacités humaines et institutionnelles	308.356.157.227	60.745.550.320	228.220.267.010	19.390.339.897	6%
TOTAL		2.344.550.426.934	507.905.475.999	1.272.500.882.721	564.144.068.214	24%

A realistic financing gap should normally range between 20-30 percent of total projected costs; however, this may vary based on a country's budget consumption capacity. There are several factors that might influence whether a gap is realistic, including:

- the country's institutional capacities;
- the coherence of the Plan against annual public expenditures in agriculture (e.g. the NAIP annual budget should be no greater than 130 percent of annual public expenditures) ;
- past records of public financial management;
- growth rates (future tax revenues); and
- increase in budget allocation to agriculture (Maputo commitment).

Box 16: The effective contribution of private producers

The estimated costs for the NAIP represent essentially public funds (from both projects/programmes and the national budget) that support agriculture producers in the country (e.g. family farms, small and large-scale farms, processing and marketing industries, cooperative organizations) which directly invest their own funds and labour in agricultural production.

However, achieving the global objectives set out in the NAIP requires a combination of public investments (i.e. those ensured by the state) and private investment (realized by producers). It is thus necessary to estimate the contribution from private investment. An estimate of producers' contribution can be obtained from the global volume of production targets for all commodities and the average production costs of each commodity, which should be available from existing studies. An indication can also be obtained from commercial banks and microcredit institutions.

As an example, in Cameroon, the total financing of the rural sector for the period covered by the NAIP is estimated to be over 15 000 billion CFA, where more than 75 percent should be provided by producers. This is shown by the following table which presents an overall estimate of sector financing:

Financing source	Amount	Percentage
Total NAIP	3 551	23.5%
Domestic (budget) and foreign acquired financing (projects & programmes)	2 042	13.5%
Financing gap	1 509	10.0%
Estimated producer contribution	11 585	76.5%
Producers' contribution	9 184	60.7%
Banking and microfinance institutions of agriculture credit	2 401	15.9%
Total costs for achieving sector objectives	15 136	100.0%

Source: Cameroon NAIP, section 6.4

This appears in line with findings from the State of Food and Agriculture 2012, which reports that "the best available data show that farmers in low- and middle-income countries invest more than four times as much in capital stock on their own farms each year as their governments invest in the agriculture sector" (Executive summary, p. xi).

Box 17: Chad – The challenge of 'realistic' costing

In Chad, NAIP costing took place during a four-day participatory workshop involving more than 40 people, mainly from sector ministries, and a few representatives from the private sector and civil society organizations. Five national consultants, under the guidance of one international consultant, were tasked with consolidating workshop findings into both the NAIP descriptive document and the Excel matrix. The national consultants and the Country Team were given the opportunity to become familiar with the Excel matrix prior to the workshop.

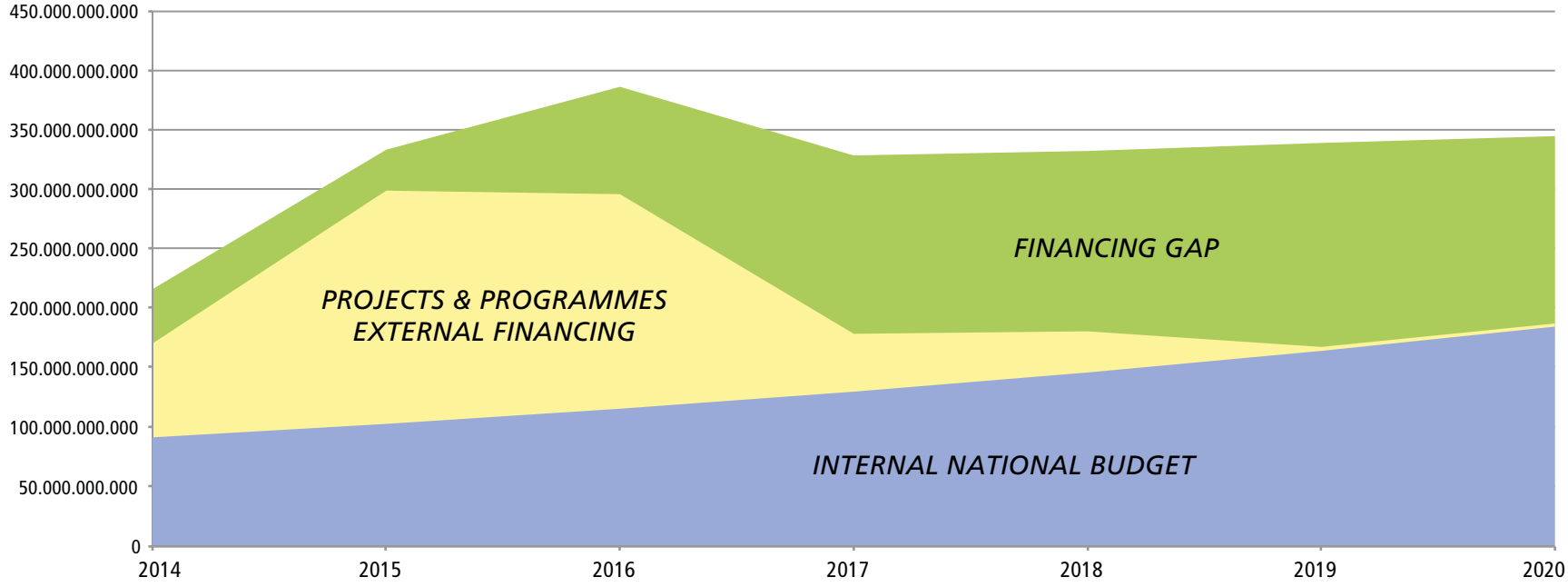
During the initial portion of the workshop, participants developed consensus on the structure of the NAIP (i.e. programme areas, subprogramme areas and components) and assigned roles and responsibilities for each of those areas. Subsequently, they discussed the costing of the Plan. A clear challenge was to identify existing funding, both in terms of ongoing and pipeline projects and programmes managed by the various sector ministries and NGOs, as well as projections of the national budget's contribution to the sector.

Forty-nine projects were eventually tracked from various sources and counted as existing funds. The great majority of these projects have a duration of three to four years, which makes their contribution to NAIP time-bound as shown by the yellow line in Figure 26 below.

Participants also calculated the national budget's projected contribution to the sector. Data emerging from the PER (underway with the World Bank) were useful to identify a pattern of government expenditures made in the sector in the last ten years. This helped to project the likely annual expenditures that the government would realistically undertake for the entire duration of the NAIP (seven years), assuming stable country conditions. This amount was based on the 2013 annual budget with an annual 12.5 percent increase rate (see the blue line in Figure 26). While the findings from the PER had actually indicated a higher increase rate (around 14 percent), the participants decided to take a realistic stance and limit the increase to a more conservative 12.5 percent. All information was inserted into the matrix by one of the consultants, and from this it was possible to see the gap (i.e. the overall projected costs of the NAIP minus the existing funds). Several iterations of data were necessary to ensure that the resulting gap was realistic and credible.

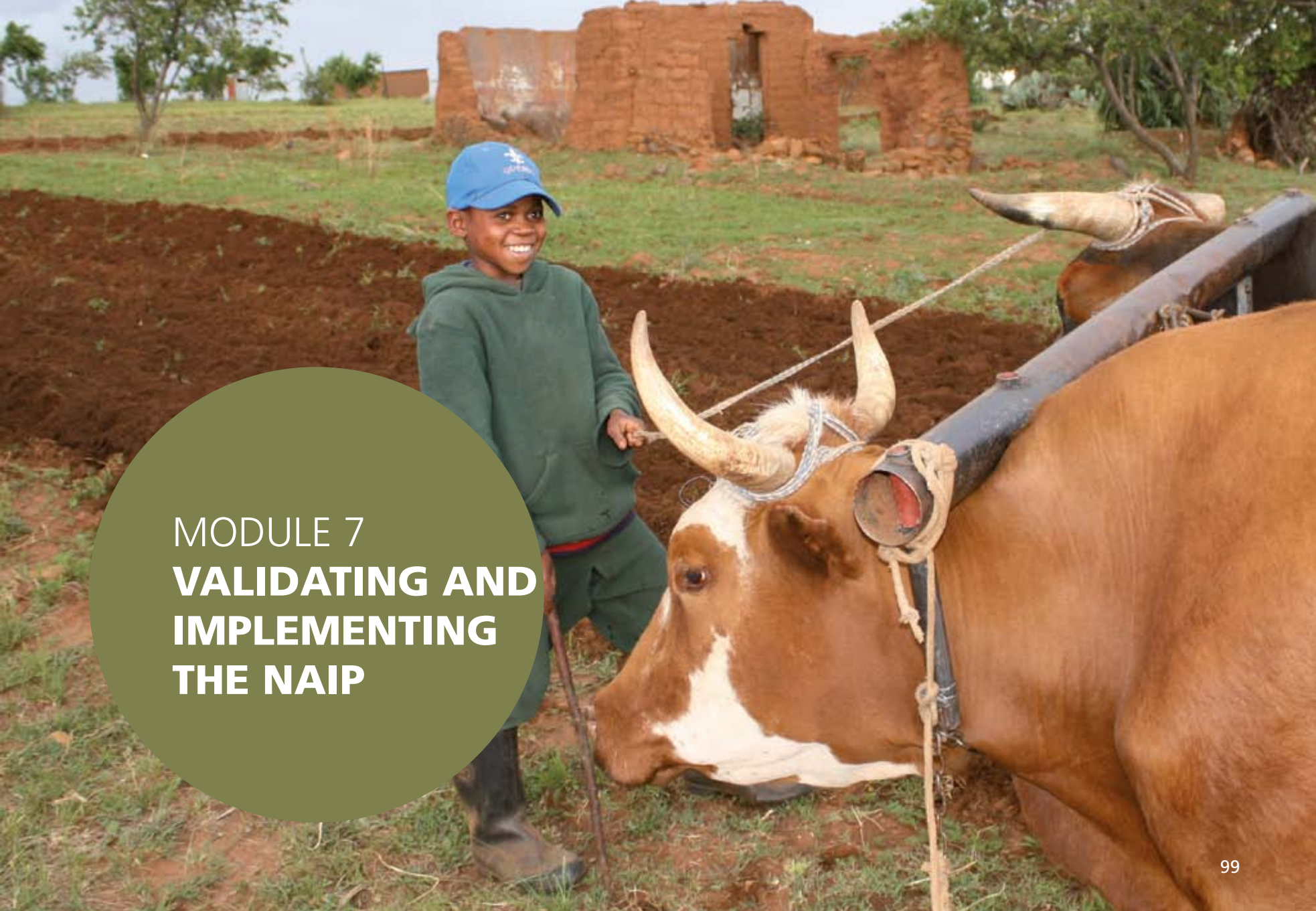
While this costing exercise underscored the existing gaps in terms of information, data monitoring and knowledge-sharing systems, it also emphasized the importance of consensually agreeing on and documenting the costing methodology/criteria in the NAIP descriptive document.

Figure 26: Chad - Contributions to NAIP and financing gap



TOOLBOX

- **PowerPoint presentation**
- **Costing Excel matrix**



MODULE 7

VALIDATING AND IMPLEMENTING THE NAIP

MODULE 7 - **VALIDATING AND IMPLEMENTING THE NAIP**

Learning objectives:

At the end of this module, you will be able to:

- describe the process for validating the NAIP and for holding the Business Meeting;
- illustrate possible financial mechanisms for implementing NAIPs; and
- appreciate the importance of coordinated implementation of investments.

7.1 VALIDATION OF NAIPS

The NAIP development process is iterative, and several drafts will be required to achieve consensus on a final version of the document. All the involved stakeholders must formally validate the NAIP, which is usually done concurrently with NEPAD's external technical review.

Validation can take place in the context of a workshop led by the Country Team/Steering Committee and attended by all stakeholders involved in the process and high-level representatives from the lead ministry. While the validation workshop is an important event to officially formalize the country's agreement with the NAIP document and obtain actors' support for its future implementation, the iterative feedback process preceding the event is what makes validation meaningful.

The validation process provides an excellent opportunity for actors to engage in a genuine exchange about the sector priorities expressed in the Plan. Various types of interaction with different levels of formality are possible during this process. Draft documents are usually made available to the different constituents with adequate time for them to review and provide comments. Actors at the decentralized level should also be involved, especially when it has not been possible to involve provinces and districts substantively in the early drafting process (see Module 3).

Actively involving resource partners in the validation process is particularly important to ensure their alignment of views and commitment. It is recommended to conduct a formal feedback process to capture, discuss and formally respond to comments made by resource partners and other stakeholders.

7.2 NEPAD TECHNICAL REVIEW

As part of the CAADP process, NEPAD conducts an external technical review before the NAIP is discussed and presented at the Business Meeting. The review aims to ensure that the Plan is of appropriate quality and has the highest chances of being approved in the Business Meeting.

NEPAD's review is conducted against four types of criteria[39]: (1) overarching; (2) institutional; (3) technical; and (4) economic and financial. Specifically, the following issues are examined:

OVERARCHING CRITERIA

1. Is the NAIP aligned with the CAADP vision, principles and strategy?
2. Are NAIP programmes coherent with the commitments and strategy agreed upon in the Compact?
3. Is the projected incremental financing realistic, considering existing budgets and sector analysis?
4. Has there been appropriate prioritization of investment in the sector and within individual programmes, and based on what criteria?
5. Are there outstanding sector policy issues that need to be addressed as prerequisites for successful NAIP implementation?

39. NEPAD technical review criteria, contained in Annex 1 of the CAADP Post-Compact Review Guidelines, April 2010

INSTITUTIONAL CRITERIA

1. Do relevant sector institutions have the required individual and organizational capacities to implement the NAIP?
2. To what extent were sector stakeholders consulted; do they 'own' the plan and are they likely to support its implementation?
3. Has an institutional assessment been carried out to highlight strengths and weaknesses of the main sector institutions and to identify challenges to interministeral collaboration mechanisms?
4. Is the private sector involved in the NAIP process, and has private investment been incorporated into the plan?

TECHNICAL CRITERIA

1. Do NAIP programmes demonstrate credible projections of productivity growth, and are these consistent with sector growth targets?
2. Are NAIP programmes technically viable, based on CAADP pillars' guidelines and good practices?
3. Has a solid M&E framework been designed on the basis of the RF, and are indicators, baselines surveys and data gathering systems adequate?
4. Have major cross-cutting issues (e.g. gender, nutrition, environment and climate change) been mainstreamed in the NAIP programmes?

ECONOMIC AND FINANCIAL CRITERIA

1. Has an accurate cost table been provided, with cost details for existing programmes and incremental programmes?
2. Has a clear indication been provided on the total budget ceiling likely to be applied to the sector within the MTEF?
3. Has an assessment of the financial management capacity of the public sector been done at centralized and decentralized levels?
4. Has a financial and economic assessment of the NAIP programmes been done to assess their viability?
5. Is an indicative financing plan available to sources of existing/pipeline financing and to establish the scale of the gap?

7.3 HOLDING THE BUSINESS MEETING

The Business Meeting follows the validation and external technical review of the document, yet it is not the end of the process. In the Business Meeting, national public and private actors and development partners endorse the NAIP, indicate financial commitments to cover financing gaps and agree on modalities and timelines to address funding needs of the Plan.

Box 18: Democratic Republic of the Congo – Holding the Business Meeting

In Democratic Republic of the Congo, the Business Meeting was held on 7-8 November 2013, with over 400 participants from government, partners and the private sector (national and international). Pledges were made for US$300 million, half of which was from the private sector. The government, which received intense coaching from FAO to prepare for the event, showed strong leadership before and during the meeting, which was appreciated by all those attending. FAO also supported high-level delegations from Cameroon, Chad and Gabon to facilitate experience-sharing, peer learning and network-building.

In the invitation for the event, the Business Meeting was presented as an "opportunity for the DRC Government to sensitize all stakeholders in order for them to support a coordinated implementation of national agricultural development priorities, in a partnership framework, backed by appropriate financial resources. In addition to the DRC Government's will to further support the agricultural sector by allocating appropriate resources to it, the Business Meeting will enable DRC traditional donors to confirm their commitments to ongoing projects and programmes, while announcing new investments in the sector. The meeting will also help mobilize new financial backers from the private sector, both domestic and foreign ones".

The expected results were to:

- affirm of the Government's will to support the agricultural sector with appropriate financial resources;
- confirm of the commitments made by traditional bilateral and multilateral donors; and
- announce new financial commitments for the agricultural sector.

More than 2 000 investment opportunities across the region's 11 provinces were drawn from the Plan and documented in a repository, officially placed on the Web site of the Ministry of Agriculture and Rural Development. A CD-ROM was prepared and distributed to all attendants to allow them to take informed investment decisions.

7.4 IMPLEMENTATION MODALITIES

Once the NAIP has been endorsed in the Business Meeting, it needs to be implemented. Based on existing resources and the financing gaps expressed in the NAIP, private-sector and international donors translate funding commitments made in the Business Meeting into concrete financing and disbursement plans.

Implementation of the NAIP is the result of negotiations on two fronts:

- Internally, among key sector ministries and the Ministry of Budget/Finance – which need to allocate and commit funds to the NAIP – and with national private-sector actors who might want to invest in particular areas of the NAIP; and
- Externally with partners and financing partners, who may contribute to specific areas of the NAIP.

This phase is expected to lead to greater coherence, predictability and harmonization of investments as donors will align their development support with NAIP priorities through financial mechanisms that are jointly defined.

7.5 FINANCING MECHANISMS FOR NAIP IMPLEMENTATION

Financing mechanisms may vary, depending on the needs, the context and previous experiences by resource partners and the country. These mechanisms include:

- **National budget:** The National budget is the most important funding source for the NAIP; however, agriculture still appears neglected in government budgets. According to the latest NEPAD figures,[40] of the 44 countries for which information is available, only nine have reached or exceeded

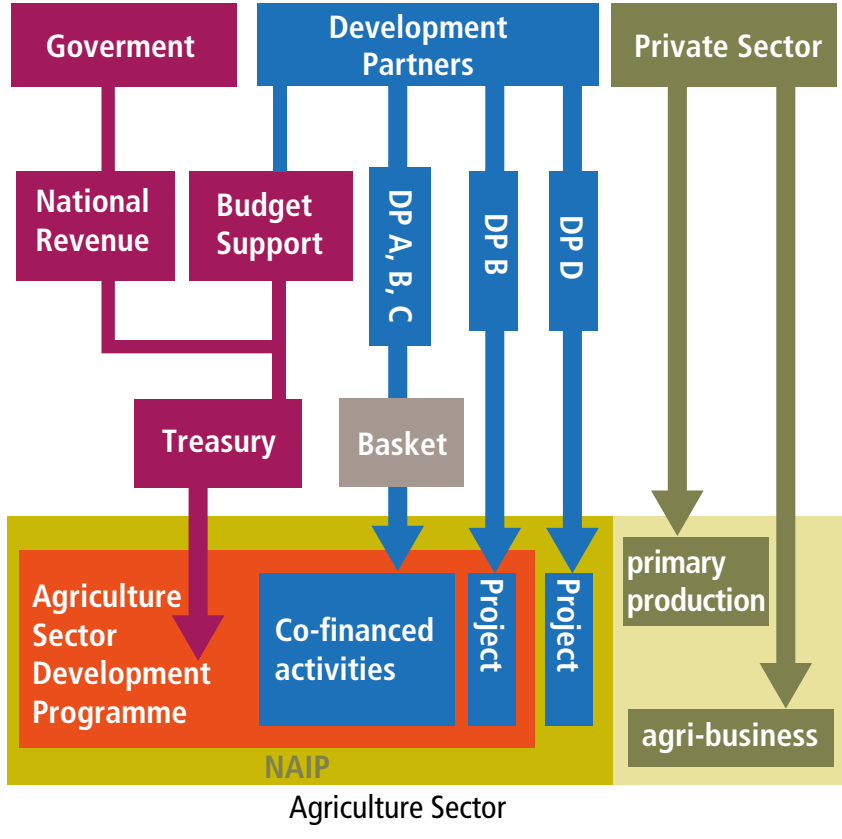
40. African agriculture, transformation and outlook. NEPAD, November 2013, p.45

the 10 percent target set in Maputo, while 22 have allocated at least 5 percent of their national budgets to spending on agriculture.

- **Sectoral budget support:** Resource partners provide support to countries' agriculture sector budget in the following manner:
  - – in total alignment with national financing procedures and systems
  - – with no traceability of funds, no earmarking on projects; and
  - – in coordination with adequate national policies, appropriate M&E systems and indicators, strong institutional capacities, leadership, governance and public financial management systems.
- **Basket fund:** Donors' funding is pooled in a common fund, separated from national government funding, with agreed common procedures and traceability against specific targets.
- **Project support:** Donors support specific projects and programmes that are generated from, and aligned with, the NAIP and which employ donors' systems and procedures.

At present, NAIPs are mostly implemented through investment programmes and projects that have limited alignment with national NAIPs. The modalities are reflected in Figure 27[41], which illustrates resource flows from the government, development partners (DPs) and the private sector.

Figure 27: Financing modalities for the agriculture sector



41. CDPIP report: Towards more effective agriculture sector coordination: methodology and lessons from a guided stakeholder dialogue in Tanzania (2014).

Different financing modalities can co-exist to achieve sector goals, as long as all interventions, regardless of the financing modality, are progressively aligned to the overall policy, planning, budgeting, implementation and monitoring and reporting systems.

7.6 CAPACITIES FOR NAIP IMPLEMENTATION

As highlighted by NEPAD's criteria (section 7.2), strengthening national systems is an essential condition for NAIP implementation. Governments have to take the lead in upgrading processes and systems to improve their own capacity to manage aid resources which will allow national stakeholders and resource partners to plan in a more synergistic way.

Where national systems are inadequate or weak, resource partners will have no incentive to fully and effectively align their programmes and projects to NAIP or to agree to other financial mechanisms that allow greater support to local structures.

On the other hand, limited alignment of resource partners to national systems will further weaken those systems and increase coordination challenges that can result in dispersion, overlapping, inefficiency and waste of resources.

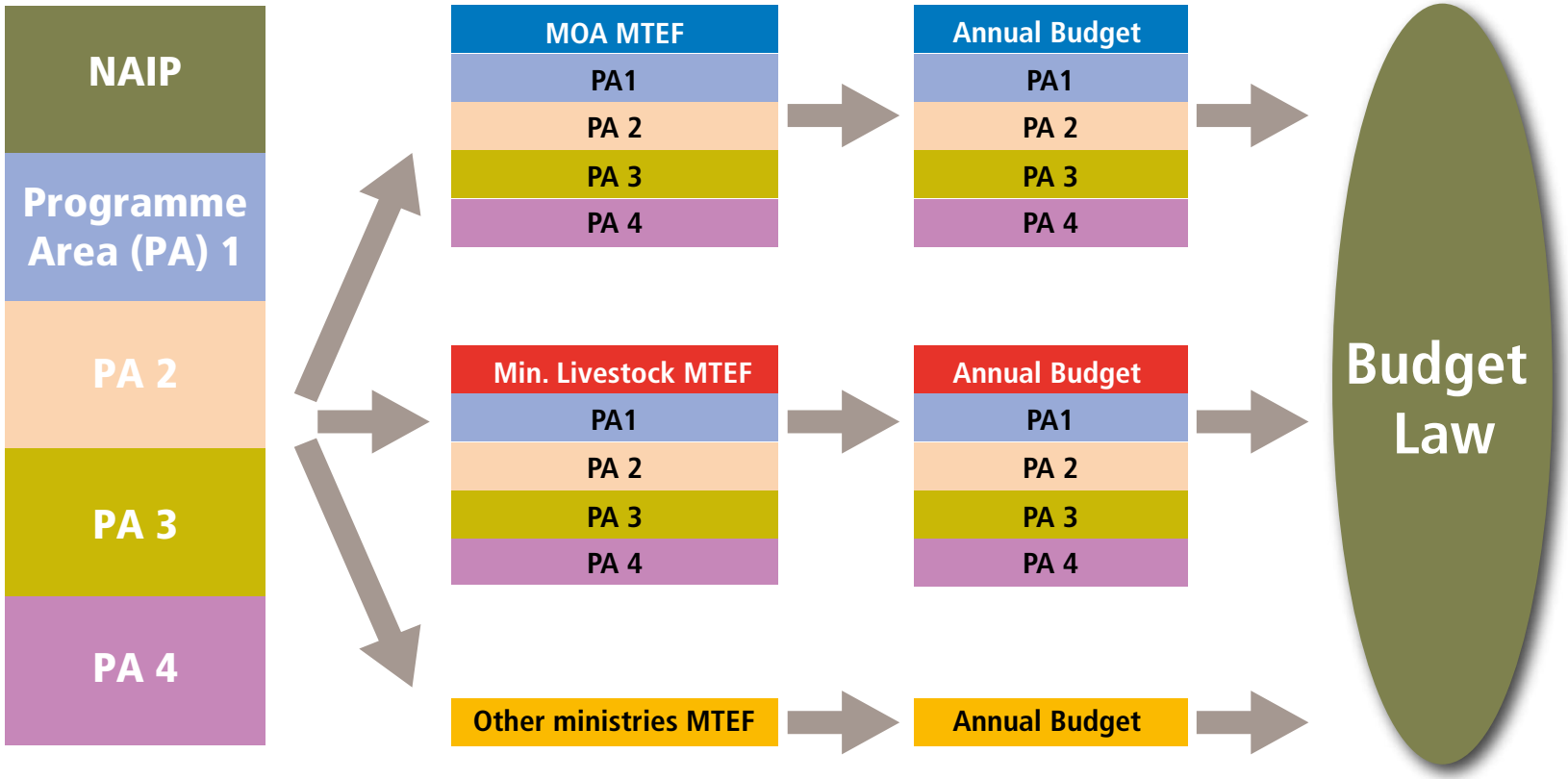
Module 9 provides some suggestions for CD actions to support countries' capacities for implementation.

7.7 NAIP AND NATIONAL BUDGETING PROCESSES

To ensure its implementation, the NAIP should be clearly integrated/linked to national budgeting processes, such as the MTEF and programme-based budgeting. The MTEF is a tool that helps each sector ministry to prioritize and simulate investments over a three-year period based on targeted objectives. Programme-based budgeting is the annual budgeting tool approved under the budget law.

As shown in Figure 28, NAIP represents the long-term budgeting matrix for the sector, which generates the MTEF (three years) and annual budgets (one year) for each sector ministry (e.g. Ministry of Agriculture, Ministry of Livestock). The annual budget is included in the budget law which is approved annually by the national Parliament.

Figure 28: Linkages between NAIP, MTEF and annual budget



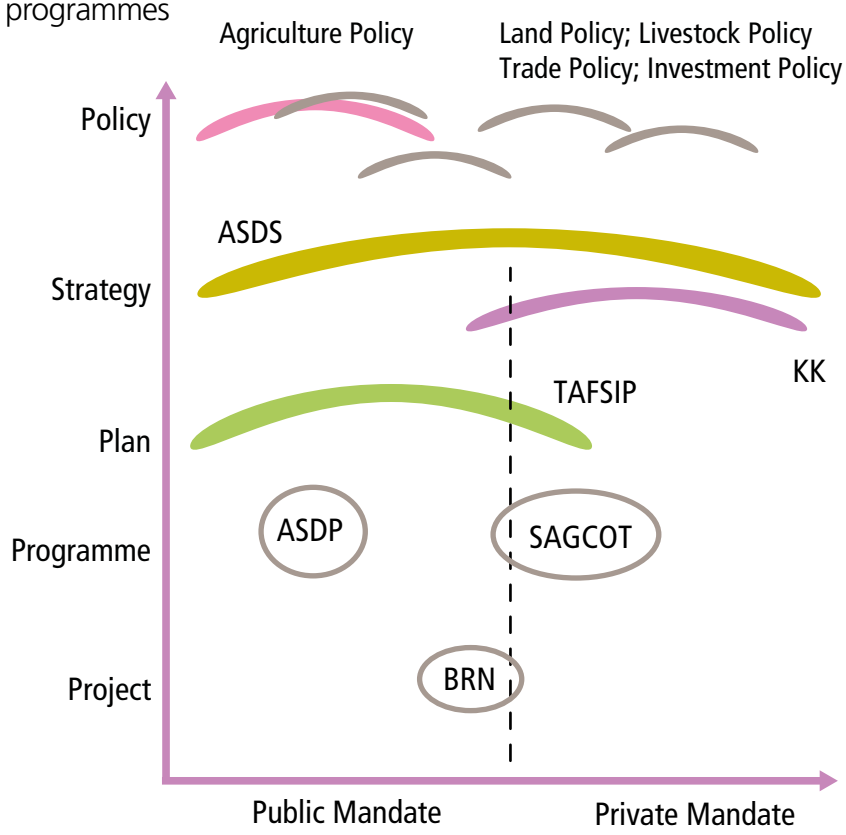
Linking the NAIP with MTEFs will result in increased coherence and predictability in multi-year investment funds in the agriculture sector and will provide a framework for aligning them in development support. For this to happen, there must be: (1) buy-in from the Ministry of Finance; (2) consensus-building between the Ministry of Agriculture and other ministries; and (3) a common understanding among donor partners about the stakes involved.

7.8. PROMOTING COORDINATED IMPLEMENTATION

As noted in Module 6, both public and private-sector investments are needed to attain NAIP goals. The role of public investment is to create a conducive enabling environment to allow private investment, which pursues predominantly commercial objectives, to thrive in a manner that supports national development goals.

Different initiatives and programmes in the sector will focus to varying degrees on public and private mandate areas. To better coordinate implementation, it is important to understand the relationship between the various public and private programmes, as shown in the example of Tanzania (Figure 29 and Box 19).

Figure 29: Tanzania – Mapping public and private investment programmes



BRN: Big Results Now
ASDP: Agriculture Sector Development Programme
ASDS: Agriculture Sector Development Strategy
SAGCOT: Southern Agricultural Growth Corridor of Tanzania
TAFSIP: Tanzania Agriculture, Food and Security Investment Plan

Box 19: Tanzania – Achieving coordinated implementation of investment programmes[42]

In Tanzania, implementation of the CAADP process took place in a complex environment characterized by the presence of an overarching Agriculture Sector Development Strategy (ASDS) as the guiding framework for all interventions in the agriculture sector, which was guided itself by sector-relevant policies. The NAIP (the Tanzania Agriculture, Food and Security Investment Plan – TAFSIP), developed in 2011, is a product of the CAADP process and is linked to the ASDS[43]. It is a ten-year investment plan which prioritizes public and private investment around key result areas in pursuit of achieving 6 percent annual growth in agriculture sector GDP.

To coordinate delivery on development objectives, it is necessary to ensure: (i) complementarities between the actions of public and private actors; and (ii) complementarities between the actions of domestic actors and external partners. To ensure better coordination, CDPIP facilitated a guided dialogue among key national partners responsible for the various agricultural development efforts in Tanzania, through a Technical Meeting held on 17-18 September 2013 preceded by in-depth interviews with key stakeholders. The principle underpinning the dialogue is that coordinated implementation is not just about coordination mechanisms; it is about coordinated delivery of interventions to ensure they are complementary and "add up" on the ground at the level of the farmer.

For this purpose, stakeholders were called upon to undertake a sector diagnosis along four main areas:

- **Policies, plans and programmes (What do we want to achieve?):** Assesses the 'architecture' of the delivery on strategic objectives: How are goals 'cascaded down' into implementation frameworks? Does the policy and legislative framework empower those responsible to play their part towards those strategic objectives?
- **Sector budget and fund flow (What resources do we have to get there?):** Looks at the public financial resources and how these are allocated: Are resources matched to plans and do resources flow to implementation levels? How does public expenditure take account of private investment?
- **Actors, institutions and organizations (Who is going to do it and how?):** Aims for an overview of actors in the sector, including government and private sector (i.e. farmers and agribusiness): What are the roles of key actors, and how are they organized? How does communication and information flow, and how is coordination organized?
- **Monitoring, learning and accountability (How are we going to learn from doing?):** Assesses mechanisms and instruments of M&E and to what extent these are used for learning purposes (e.g. informing new implementation cycles) or accountability processes (e.g. internal domestic accountability and mutual accountability between partners).

42. Source: Preliminary FAO Mission Report, 24 September 2013

43. Subsequently revised.

The Technical Meeting identified issues and next steps, which were then prioritised, endorsed and presented for consideration and follow-up action to the Agriculture Sector Consultative Group, the key multi-stakeholder coordination organ in the sector.

TOOLBOX

- **PowerPoint presentation**
- **Additional references:**
  - NEPAD technical review criteria for NAIPs: Annex 1 to the CAADP Post-Compact Review: Guidelines, April 2010 - English and French version
  - Towards coordinated implementation in the agriculture sector, the case of Tanzania, CDPIP report, March 2014

MODULE 8
MONITORING AND EVALUATING NAIPS

MODULE 8 – MONITORING AND EVALUATING NAIPS

Learning objectives:

At the end of this module, you will be able to:
- understand the importance of M&E to support informed decision-making in agriculture investments;
- define the differences and complementarities of M&E at strategic and operational levels; and
- identify possible tools for ensuring M&E of NAIP at the strategic level.

The role and importance of the RF was discussed in Modules 4 and 5. This module will address the M&E framework, another required feature of the NAIP, as illustrated in the CAADP guidelines[44]. The RF informs the development of the M&E framework, and so these two tools must be consistent with each other.

8.1 KEY PRINCIPLES OF MONITORING AND EVALUATION

Monitoring is the ongoing process by which NAIP stakeholders obtain regular feedback on *progress* towards achieving the set results. Evaluation aims at assessing the *impact* of the NAIP on FSNARD. Both monitoring and evaluation processes enhance the effectiveness of NAIP implementation and contribute to its ongoing revision and update. In particular, M&E helps to:

- facilitate the review of progress against planned results;
- support decision-making on investments;
- contribute to the enhancement of synergies and coordination among key actors; and
- identify problems and gaps and encourage prompt corrective actions.

While M&E under traditional management focuses on completing activities and achieving outputs, the RBM approach promotes focusing M&E activities on achieving results. Hence, the key question is not: *Are we taking the actions we said we would take?* Rather, the key question is: *Are we making progress on achieving the results that we wanted to achieve?*
Monitoring and evaluation are complementary processes. While monitoring is an *internal function* under the responsibility of the NAIP implementers, evaluation is an *external and independent* assessment function. The main

44. CAADP Post-Compact Review: Guidelines, April 2010

differences between the two processes are summarized in Table 1 below.[45]

Table 1: A comparison of monitoring and evaluation processes

MONITORING (internal function under the responsibility of NAIP implementers)		EVALUATION (external/independent assessment function)
Regular	*Frequency*	Episodic
Keeping track	*Main action*	Appraisal
Improve progress in implementation, efficiency and making adjustments to the work plan	*Purpose*	Improve relevance, effectiveness, impact and future programming
Inputs, process, outputs	*Focus*	Mainly outcomes and impact

8.2 A COMPREHENSIVE M&E FRAMEWORK

A comprehensive M&E framework aims to provide an overall picture of the performance of the agriculture-related sector (FSNARD) in the country (i.e. the strategic level), including the performance of all existing projects and programmes (i.e. the operational level), to inform appropriate decision-making for the sector strategies.

Such an M&E framework must be based on existing national mechanisms to ensure full anchorage in country systems and processes. Further, it has to be inclusive: the same stakeholders that developed the RF should be guided to define the M&E framework. This creates stronger ownership over the indicators, since these actors have the best understanding of the priorities and outcomes that are set in the RF.

As discussed in Module 4, the M&E framework is underpinned by a well-formulated RF, with well-defined results indicators and target values. Based on the RF, the M&E framework will further specify:

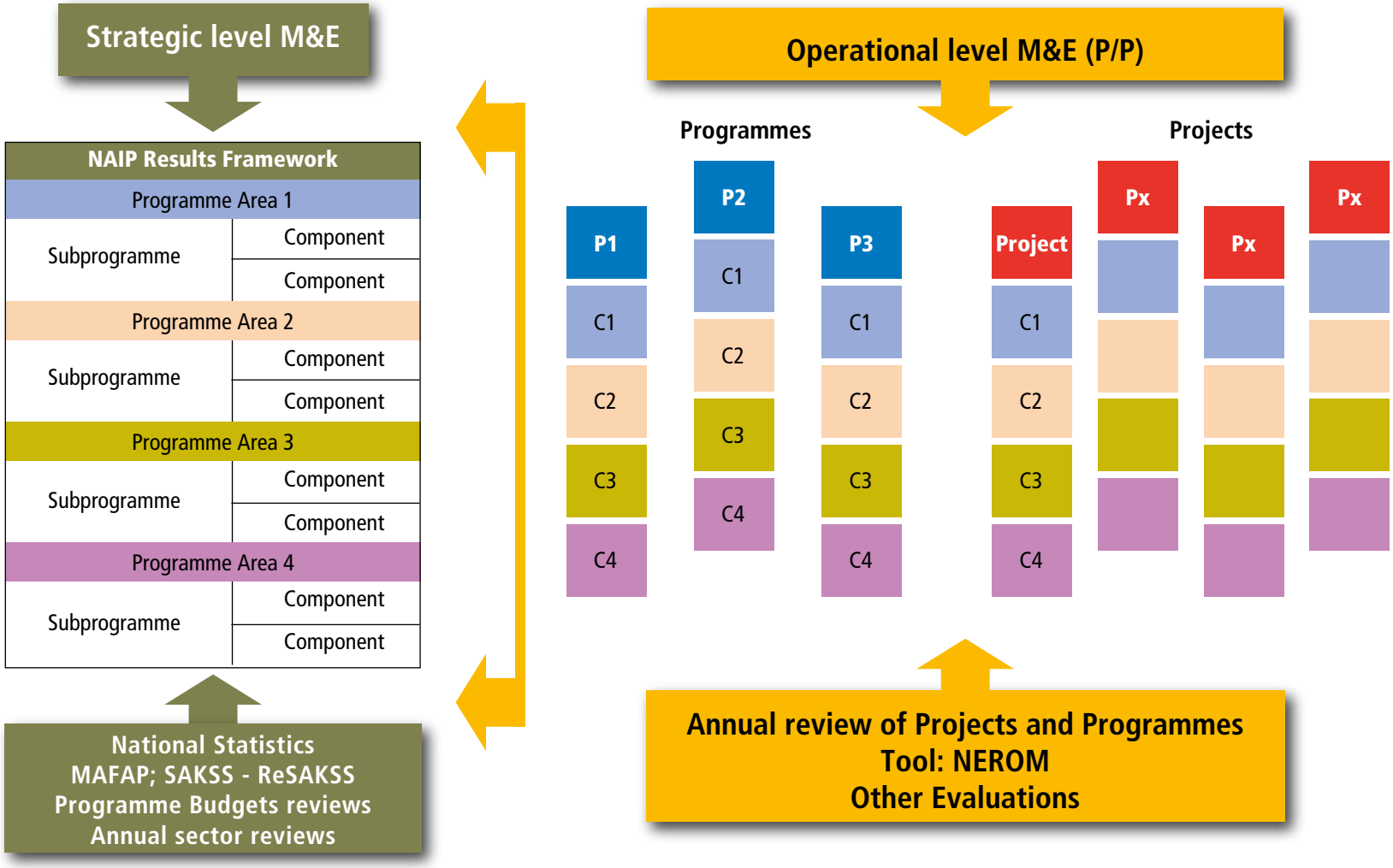
- the dimensions/levels and variables of the NAIP to be monitored;
- monitoring and reporting processes (i.e. how and when data will be gathered, which data exist already and how frequently reporting will be done);
- institutional arrangements (i.e. who is responsible for collecting information and the arrangements that define M&E roles and responsibilities); and
- evaluation processes (i.e. what type of independent assessment will be used to evaluate results achieved and

45. Adapted from World Bank funded Agriculture Development Support Programme (ADSP) Monitoring & Evaluation Workshop Handbook

identify lessons learned, and how will learning be brought to the institutional level to enable positive change?).

A comprehensive result-oriented M&E framework for NAIPs needs to be arranged at two interconnected and yet distinct levels (i.e. strategic and operational), each with specific tools and mechanisms (Figure 30).

Figure 30: Comprehensive result oriented M&E framework



Strategic-level M&E

At the strategic-level, M&E looks at:

- **NAIP impact and outcomes**
  - Progress towards expected results in each of the NAIP programme areas
  - Overall performance of the agriculture sector
- **Financial commitments**
  - Government's NAIP allocations and execution
  - Partner countries' pledges, commitments and disbursements

Institutional arrangements for addressing this level of M&E may vary based on different country contexts. Based on CDPIP country experiences,[46] the single M&E units of the ministries involved in FSNARD play key roles in monitoring the relevant programme areas of the NAIP under their competence during its implementation period. In some countries, a permanent NAIP secretariat consolidates the monitoring results from the single M&E units every six months into a joint report, which is discussed with the NAIP steering committee.

46. Such institutional arrangements were formally included in the NAIP of Cameroon, Chad and DRC.

Operational-level M&E

At the operational level, M&E produces information and knowledge (e.g. from the various projects and programmes) which feeds into the strategic level of M&E relating to the agriculture-related sector performance. At this operational level, M&E looks at:

- **Implementation of investment projects/programmes**
  - Budget execution performance
  - Progress towards expected programme and project results
  - Evaluation of results and lessons learned

8.3 M&E FRAMEWORK AT THE STRATEGIC LEVEL

Strategic level M&E may take place through multiple tools/mechanisms:

- sector indicators (impact and outcome) and policy monitoring;
- budget monitoring; and
- annual multistakeholder sector review.

8.3.1 Impact and outcome monitoring

At the strategic level, M&E involves monitoring outcome indicators for each programme area and the impact for the entire Plan, as these are defined in the NAIP RF.

All relevant ministries will be responsible for monitoring specific indicators for the programme area under their area of competence. Primary and secondary data (e.g. relating to production, rate of adoption of given techniques) will be collected. To reduce complexity that is likely to arise in data gathering, it is advisable to include only verification sources that already exist in the country. Existing data might need to be adapted or upgraded to the requirements of the monitoring exercise. A standardized reporting template should also be designed to facilitate effective consolidation of information produced at the country level.

Monitoring and reporting is a bottom-up process; monitoring information has to be collected by national M&E focal points responsible for the programme areas at central and local levels. This information is then processed and consolidated by the NAIP permanent secretariat. The result of the monitoring process is a set of reports that need to meet the verification needs of different stakeholders.

Findings resulting from NAIP impact and outcome monitoring might be relevant to many actors such as the national government; local/decentralized government; farmers' organizations; private business; civil society organizations; universities and research centres; and development partner countries. Critical reflection and communication of M&E findings are fundamental aspects of the NAIP planning and updating process and allow all stakeholders to make informed decisions on investment.

Some questions to support critical reflection of M&E findings are:

- What do the findings show?
- What works well (as planned)?
- What is not working as planned, and why?
- Which findings are unexpected?
- What did we discover that we didn't know before?
- What are the implications for the next iteration of NAIP planning?
- What are the implications for national decision-making?
- What are the implications for development partners?
- What are the strategic implications for the sector?

Impact and outcome monitoring is supported by the national Strategic Analysis and Knowledge Support System (SAKSS), which is linked to the Regional SAKSS (ReSAKSS).

Box 20: National and Regional Strategic Analysis and Knowledge Support System (SAKKS[47] and ReSAKKS[48])

As African governments and their partners begin identifying areas for agricultural and rural investment and policy intervention, it is crucial that the links among investments, agricultural growth and poverty reduction are clearly understood. To this end, the Strategic Analysis and Knowledge Support System (SAKSS) was established to compile, analyse and disseminate data, information and tools in order to help inform the design, implementation and monitoring and evaluation of rural development strategies to make them more effective. At the regional level, SAKSS has been integrated into the Regional Strategic Analysis and Knowledge Support System (ReSAKSS).

ReSAKSS supports evidence and outcome-based planning and implementation of agricultural-sector policies and strategies in Africa. In particular, ReSAKSS offers high-quality analyses and knowledge products to improve policy-making, track progress and facilitate policy dialogue, benchmarking, review and mutual learning processes of the CAADP implementation agenda. ReSAKSS is organized as a network of three nodes among the major regional economic communities in Africa. Each node, at the country level and Africa-wide, has set up a network of national, regional and international partners that provide policy-relevant and timely analysis, data and tools of the highest quality.

47. IFPRI Web site: http://www.ifpri.org/book-38/node/5229

48. ReSAKKS Web site: http://www.resakss.org

8.3.2 Sector policy quantitative monitoring

Policies represent what is often referred to as 'the enabling environment' for investment (see Module 2). To ensure that NAIP is implemented effectively to result in increased sector performance, NAIP stakeholders, including policy-makers, need to monitor whether public resources are being allocated to priority areas, whether they address investment needs and whether they are consistent with government policy objectives. Results from this policy-level monitoring should feed into a global M&E framework for the NAIP and inform policy decisions.

Box 21: FAO's MAFAP provides evidence to inform policies

The approach outlined by FAO's Monitoring and Analysing Food and Agriculture Policies (MAFAP) seeks to provide sound evidence to support informed policy dialogue at national, regional and international levels and to develop sustainable, country-based systems for monitoring:

- the level and composition of public expenditure in support of the food and agriculture sector;
- the effects of policy on price incentives for producers, consumers and other agents in key agricultural value chains; and
- the degree of coherence among governments' stated policy objectives; policy measures implemented to achieve these objectives; and the effects they generate.

Some key questions that policy-makers need to answer include the following:

- Do policies in place provide incentives for production, processing and marketing for key food and agricultural value chains, or do they penalize them?
- Which agents in key agricultural value chains benefit the most from the policies in place – producers, processors, traders or consumers?
- Which policies should be changed to bring the price incentive structure in the food and agriculture sector more closely into line with government objectives?
- Are policies adequately targeted to reduce market access costs (including transaction costs between urban and rural areas) to narrow the gap between the prices that urban dwellers pay for food and the prices that farmers receive for their produce?
- Is public spending allocated in a way that addresses the key issues faced by the food and agriculture sector? For example, what is the most efficient way to improve farmer incomes – input subsidies or investing in a road?
- Is public investment focusing on key needs?
- Are public resources spent effectively (or, at least, strategically), or is an excessive share of it used for administration?
- Are policy incentives and public expenditure coherent, or do they sometimes send contradictory signals to the economy, resulting in waste of scarce public resources?
- Are current policies harmonious and mutually reinforcing, or are they disconnected or even mutually counter-productive?

A set of quantitative indicators are generated for the key commodities in the country. MAFAP's indicators are comparable across commodities, countries and years. They provide sound evidence to support informed policy dialogue at national, regional and international levels and can therefore be used to advocate for policy reforms when and where they are needed.

Such indicators are the result of a unique effort to institutionalize policy measurement and monitoring and analysis capacity in countries and to embed them in ongoing regional and national policy processes.

The Toolbox contains a synthesis report on MAFAP work in African countries, as well as more detailed methodological guides on the approach.

8.3.3 Annual joint sector review

It is recommended that an annual sector review be undertaken jointly by state and non-state actors, donor groups, civil society organizations, farmers' organizations and decentralized authorities as a qualitative approach for monitoring the performance of the agriculture-related sector. The concept of the annual sector review draws on the CAADP Mutually Accountability Framework.

The objectives of such a joint review would be to:

- undertake a performance review of the sector, based on targets and baselines;
- discuss the overall progress of the sector in terms of implementation challenges and achievements; and
- review planning for the next two/three years with a view to validating or revising targets.

This sector review should be led by the NAIP Steering Committee and should include all sector-related ministries and involved actors, who would also take all decisions concerning validation of the data.

8.4 M&E FRAMEWORK AT THE OPERATIONAL LEVEL

At an operational level, M&E looks at the implementation of all investment projects and programmes in the agriculture-related sector. Specifically, M&E objectives are:

- monitoring project/programme budget execution performance;
- monitoring progress towards project/programme expected results; and
- evaluating projects/programme results and lessons learned

These functions are not to be confused with the project unit's internal monitoring function that is part of project cycle management. Currently, that is carried out through various donor-defined methodologies and procedures established within single project units, although they are to be increasingly aligned through the NAIP process.

In reality, usually only a modest budget is allocated to the ministerial units in charge of operational M&E, and so project/programme monitoring is often very poorly done and not reported accurately. Moreover, reporting is often conducted for donor partners as the funding sources of the projects/programmes, but it is more rarely done for the functional ministries and, as a result, they are not always aware of the quantity, quality or performance of ongoing projects/programmes in their sectors. Also, evaluation of projects and programmes is only done when funding opportunities are available.

To support national actors and to ensure an effective global M&E function, institutional capacity for operational-level M&E needs to be strengthened.

8.4.1 Annual review of projects and programmes

The planning units of the Ministry of Agriculture (or other ministry, such as the Ministry of Planning) is mandated to ensure M&E of all projects and programmes in the sector and to provide relevant stakeholders, including resource partners, with a description of the project and programme portfolio, including ongoing projects and those in the pipeline.

To support the ministry to fully undertake this function, it is recommended that a review of all projects and programmes be conducted annually to provide stakeholders with an understanding of the projects and programmes resulting from field visits and/or a project database. This review could then contribute to a project/programme directory to be issued at the beginning of the year. Examples of directories are included in the Toolbox. Key information that should appear in the directory is organized in two parts:

- GENERAL PRESENTATION OF THE SECTOR
  - Mapping of projects/programmes against sector and subsector by amount of funds allocated
  - Type of financial sources (i.e. internal, external)
  - Rate of budget disbursement
  - Average timeframes of projects and programmes
  - Geographical distribution of projects/programmes
- DESCRIPTION OF PROJECTS AND PROGRAMMES (maximum of two pages)
  - Project/programme description (i.e. title, total budget, modalities of support, objectives, management unit)
  - State of progress (e.g. state of physical and financial execution of project)
  - Contribution towards outcome/impact

Box 22: National external results-oriented monitoring (NEROM)[49]

To complement the annual review of projects and programmes, a results-oriented evaluation approach could be considered. The approach, known as national external results-oriented monitoring (NEROM), has been designed by African country actors through participatory methods from an existing methodology used by the European Union (Result Oriented Monitoring – ROM) to evaluate its programmes and projects throughout the world. It has been consistently tested in the field and is now an established approach in Mali.

NEROM aims to achieve the following objectives:

- Be an independent national methodology to assess project/programme performance, as a complement to the project/programme's externally-driven M&E system.
- Provide a standardized methodology to be implemented by national stakeholders (possibly with initial external quality control) in order to reinforce national capacity for M&E.
- Support the country's ownership of its own M&E function and reinforce ministries' and civil society's position as key players in the context of independent external performance evaluation of projects and programmes.

The methodology works through two different tools that are compiled as a result of field M&E missions:

- **Background conclusion sheet (BCS)**, designed in Excel, which includes performance criteria (i.e. relevance, efficiency, effectiveness, impact, sustainability) with a scaled rating (from -2 to +2) to consolidate conclusions from field visits of projects and programmes. This is an internal document, not for external sharing.

- **Standardized M&E report**, which is a deliberately short four-page document comprised of:
  - a two-page descriptive section with financial and material data available on the project on the day of the field mission (this is the monitoring section that is used to update the annual review of projects and programmes explained in section 8.4.1); and
  - a two-page analytical section, describing the performance of the project and summarizing evaluation conclusions under each of the five evaluation criteria, with final remarks and recommendations (this is the evaluation section).

Adoption of this approach obviously requires financial, technical and capacity-development support and a roster of trained M&E civil servants. While initial investments might be demanding, lessons learned from Mali show that:

49. This section is based on lessons learned acquired from a pilot project undertaken in Mali, outside of the scope of FAO's and CDPIP's work.

- the approach supported M&E for more than 60 projects funded by 20 different donor partners in five years;
- improved performance during the project life cycle was noted in two-thirds of the cases;
- M&E reports are used and recommendations are capitalized upon in new project formulations; and
- there has been increased credibility of national structures (i.e. projects, programmes and donor partners).

Templates of a Background Conclusion Sheet and Standardized Reports are included in the Toolbox.

TOOLBOX

- **PowerPoint presentation**
- **Templates of NEROM Background Conclusion Sheet and Standardized M&E Reports**
- **Sample of NEROM Project/Programme Directory**
- **Additional references:**
  - Monitoring African Food and Agricultural Policies (MAFAP) a review of relevant policy analysis work in Africa - main document. This review lists several sources on pages 25-28.
  - MAFAP methodological guidelines and other products, which are available on this Web site: http://www.fao.org/mafap/products
  - Monitoring and Evaluation (M&E) System for the Comprehensive Africa Agriculture Development Programme (CAADP), ReSAKSS Working Paper No. 6, March 2010 http://www.fao.org/fileadmin/user_upload/eufao-fsi4dm/doctraining/CAADP_ME_system_hendricks.pdf
  - NEPAD, Mutual Accountability Framework for the Comprehensive Africa Agriculture Development Programme, March 2011 http://www.nepad.org/system/files/CAADP%20MAF%20Final%20Draft%20Report%20%20March%202011.pdf

MODULE 9

STRATEGIES FOR STRENGTHENING COUNTRIES' CAPACITY FOR INVESTMENT PLANNING

MODULE 9 – STRATEGIES FOR STRENGTHENING COUNTRIES' CAPACITY FOR INVESTMENT PLANNING

Learning objectives:

At the end of this module, you will be able to:
- define approaches for country capacity assessment in CAADP investment planning; and
- identify possible approaches and priority areas for country capacity strengthening.

In the preceding modules, we discussed the meaning and implications of 'systemic' capacities in the context of CAADP, and reviewed some key technical guidance for national actors to lead the development and implementation of the NAIP in an effective and participatory way.

This final module will provide practical direction for national actors to assess capacities that need to be strengthened at the country level to implement and manage the NAIP effectively and to put in place appropriate CD approaches. This module might also be useful to address NEPAD's 'institutional criteria' for conducting NAIP's review as explained in Module 7.

9.1 ASSESSING EXISTING CAPACITIES

Developing national capacities is a long-term investment in the future. As such, countries must plan to strengthen their own capacity by putting capacity concerns consciously at the core of their investment strategies and planning processes. To do so, it is necessary to understand that CD is not a simple 'training issue' that may or may not be considered, but rather a fundamental and strategic concern that is central to sector performance.[50]

NEPAD fully understands this concern, and so it integrated the matter of strengthening countries' capacities into the core of the CAADP RF and included an assessment of countries' institutional/organizational implementation

50. LenCD, Perspectives Note on Sector Capacity Development, January 2011 http://www.lencd.org/group/busan/document/sector-capacity-development-perspectives-note

capacities as part of the quality features required for NAIPs to receive positive consideration from NEPAD's review.

Addressing capacity needs for investment planning involves three steps:[51] (i) capacity assessment; (ii) design of CD strategies; and (iii) setting up M&E mechanisms to track progress in capacities along with technical advancements.

It is always advisable to conduct an internal or external capacity assessment that cuts across the individual, organizational/ institutional and enabling environment dimensions in order to ensure a clear and common understanding of the goals of the CD process. A capacity assessment identifies capacity gaps and highlights the institutional dynamics that cause a development challenge to persist.

Undertaking a capacity assessment is worthwhile because it:[52]

- promotes ownership and inclusiveness, as stakeholders play key roles in assessing the situation and designing successful interventions, leading to stronger ownership;
- harnesses local knowledge, which is critical for understanding the complex systems and dynamics that underlie a challenge;
- brings champions on board, as many participants in the capacity assessment process go on to play key roles in moving the CD process forward; and
- provides a baseline against which to measure results.

Two key questions help scope the capacity assessment:

- Capacity *'for what'*? This includes: what is the originating issue/problem, what capacities are targeted, which technical or functional area is highlighted and what level(s) of analysis are appropriate (e.g. individual, organizational, enabling environment)?
- Capacity *'of whom'*? This includes: which groups, individuals, subsectors and organizations need to have their capacities strengthened? Who are the possible champions?

Several examples of tools and questionnaires to undertake a capacity assessment, which can be customized to the context, are available in the FAO CD Learning Modules (LMs) referenced at the end of this module.

Commonly used tools include the *Problem Tree*, which helps clarify the underlying causes and effects of a current challenge (e.g. inadequate investment planning capacities); and the *Capacity assessment questionnaire*, covering the three dimensions of capacity development and exploring for each dimension: 1) the existing situation; 2) the desired

51. This section draws on the FAO core course on capacity development targeting its own staff, 2014 edition.

52. Capacity assessment: the key to successful capacity development, Capacity Development Brief, FAO 2014

situation; and 3) what needs to be done to achieve it. Questions should be customized for specific sectors and stakeholders. A simple SWOT assessment can also be effective to encourage stakeholders to reflect and consider strengths and weaknesses in investment planning within their own constituencies.

FAO country experiences suggest that the resulting findings of capacity assessments are stronger when the exercises are internally facilitated by members of the CAADP teams or other actors who enjoy the necessary legitimacy, credibility and neutrality to play such a role. In all countries where a capacity assessment was undertaken, it proved to be an important opportunity for national stakeholders (e.g. FOs) to strengthen their involvement and fully play their role in the CAADP process.

Some capacity assessment tools are listed in the table below. They can be used to provide an initial capacity 'baseline' and to monitor progress achieved.

Table 2 – Capacity assessment and monitoring tools[53]

Individual level	■ Task analysis (Tool 4C, LM3) ■ Learning needs analysis (tool 3F, 3G, LM3) ■ Pre/post knowledge-attitude tests (see Box 25 below)
Organizational level	■ Capacity assessment questionnaire (LM2, Tool 5) ■ SWOT analysis (Tool 2 LM4) ■ Problem tree (LM2, Tool 9) ■ Organizational performance assessment (Toolset 1 LM4) – See Box 23
Enabling environment	■ Capacity assessment questionnaire (LM2, Tool 5) ■ Institutional and political economy scanning (LM2 Tool 6) ■ Problem tree (LM2, Tool 9)

53. Next to each tool, in brackets, is the reference code of the tool as used in the FAO Capacity Development Learning Modules referenced at the end of Module 9 of this document.

9.2 THE THREE DIMENSIONS OF CAPACITIES

In order to assess existing capacities and identify the appropriate CD approaches, it is critical to understand what each capacity dimension entails.

Individual capacities

Development of individual capacities means reinforcing knowledge, competencies, skills, attitudes and values of individual actors through learning and other events/activities.[54] This is a fundamental component of CD in a sector or country. The term "learning activity" is used to indicate any type of structured or semi-structured initiative or intervention with the primary aim of supporting individuals' improved work performance and behavioural change to enable them to better contribute to the development of goals for their own organizations and countries.

However, learning by itself is rarely sufficient to improve sector and country capacities. For learning to contribute to effective CD in agriculture investment planning, individuals must be enabled to work in performing organizations. Learning support, therefore, must be integrated in broader interventions that address organizational factors (e.g. organizational processes and systems, management, motivation, incentives, policies and governance) along with skills and competencies.

Organizational/institutional capacities and the enabling environment

Organizations are defined as *"groups of individuals bound by some common purpose to achieve objectives"*[55]. In the context of CAADP investment planning, the term refers to all public, private, state and non-state organizations at centralized or decentralized levels that have a stake in agriculture investment.

Organization development interventions are an important aspect of country CD. The principle underlying organization development is that organizations are 'living systems' which are embedded in their environment and which continuously adapt and improve. Below the surface of this 'system' and in its surrounding environment, there are elements that influence one another and the organization's overall performance (see Box 23). By intervening strategically on a combination of those elements, organization development support enhances the performance of the organization.

Interventions may involve a variety of processes, approaches and techniques to address organizational issues and increase

54. FAO Capacity Development Learning Module 3

55. North (1990) as adapted in FAO CD Learning Module 4

organizational performance. Two main types of interventions are often integrated:[56]

- **Strategic** interventions, which focus on the organization and its interactions with the external environment, such as how sector ministries interact with other ministries or players; and
- **Operational** interventions, which focus on the extent to which the organization's management, structure, staff and procedures are functioning effectively and efficiently in meeting the stated objectives. Under this category there can be:
  - *functional* interventions, aimed at modifying procedures, roles and structures within the organization;
  - *human resource process interventions*, aimed at enhancing individual and group capacities and interactions, through approaches including delegation, mentoring, conflict management, team building or coaching; and
  - *human resource management interventions*, aimed at increasing the performance of individuals and groups through performance plans and career development among others.

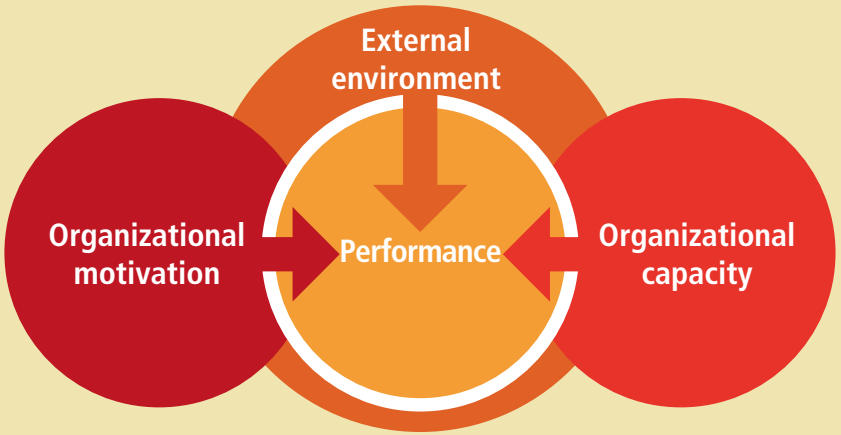
The enabling environment is the context in which individuals and organizations put their capabilities into action. Changes to the enabling environment, such as, for example, through policy dialogue, legislative reforms or high-level advocacy, influence how organizations and individuals behave and progress and whether capacities will be sustained.

56. Examples are included in FAO CD Learning Module 4

Box 23: What is the Organizational Performance Assessment Framework?

The Organizational Performance Assessment Framework, based on Lusthaus (2002) is a tool to analyse the strengths and weaknesses of organizations. It can be used to assess capacities of organizational actors involved in CAADP agriculture investment planning.

Figure 31: Organizational Performance Assessment Framework



Organizational capacity includes two categories:

- The resources that an organization possesses and the processes used to manage them:
  – human resources (i.e. planning, staffing, developing and rewarding human capital);
  – capital resources (i.e. financial planning and accountability, financial statements and systems); and
  – infrastructure (i.e. facility and technology management).
- The systems and processes employed by an organization:
  – strategic leadership (i.e. strategic planning and management);
  – governance structure;
  – process management (i.e. problem solving, decision-making, communication, monitoring and evaluation); and
  – programme management (i.e. designing, implementing and monitoring programmes and projects).

Organizational motivation refers to the ability of the organization to mobilize its internal energy to achieve its goals. It is a function of the organization's vision, mission, culture, history and incentives:

- A *vision* refers to a compelling statement that describes what an organization aspires to be or to accomplish in the mid/long term. A mission is a statement of an organization's core purpose. Both offer insights into the organization.
- The *culture* refers to the common identity, shared values and beliefs of an organization. It can be mirrored in the way the organization conducts its business, the extent to which information flows through the hierarchy and the extent to which employees have autonomy in making decisions.

- *History* refers to the life cycle of the organization and the different characteristics of each phase in it.
- *Incentives* include tangible benefits (e.g. salary, opportunities for advancements) and less tangible benefits (e.g. freedom, openness to innovation, job security).

The external enabling environment consists of two levels:

- The *rules of the game*, which include:
  - political rules, policy context and administrative and legal framework;
  - economic factors;
  - sociocultural factors; and
  - technological factors.
- *Actors,* which include all organizations – private and public – and their relationships that influence the internal functioning and performance of the organization.

9.3 PRIORITY ACTIONS FOR CAPACITY STRENGTHENING

FAO experience in supporting CAADP countries suggests a number of priority areas for capacity strengthening which are directed at ensuring the appropriate systemic conditions for country actors to effectively develop, manage and implement NAIPs (Box 24).

Adapted to country contexts, such measures should target all sector and subsector actors and stakeholders – not only line ministries – and also take into account the enabling environment for non-state actors' participation, including legal and regulatory provisions, mechanisms and processes. It is crucial to prioritize those measures which, based on existing momentum and country readiness, might best lead to change.

The financing practices of partner countries have an important role to play in increasing countries' capacities for NAIP implementation. For example, changes in such practices towards better alignment of programmes and projects with a country's NAIP can contribute to enhancing country capacities 'as significantly as any purposeful CD intervention', for instance by promoting stronger country ownership and accountability and stimulating internal demand for systems performance.[57]

57. LenCD, Perspectives Note on Sector Capacity Development, January 2011 http://www.lencd.org/group/busan/document/sector-capacity-development-perspectives-note

Under the leadership of national capacity champions, it is critical for resource countries and national actors to develop a common understanding of capacity challenges and define joint strategies for addressing them. These could include, for example, holding joint capacity assessments and learning events; piloting full alignment of programmes to the national NAIP in a few pilot countries; and generally creating space for dialogue and ongoing collaboration on CD. Actions on CD should be complementary to those actions foreseen under the CAADP Mutual Accountability Framework, as the two are closely interrelated.

Box 24: Possible capacity strengthening interventions at the level of individuals, organizations and enabling environment

Development and management of NAIPs

- Advanced skill strengthening in planning, RBM management, participatory techniques targeting middle-management of key ministries;
- Top and middle-level management leadership coaching;
- Skill strengthening in policy analysis, evidence-based analysis and policy development targeting policy units of key ministries, research institutions and universities;
- Organizational strategic planning interventions targeting key ministries and non-state actors to better understand the external environment for investment, define priorities and make decisions about allocating resources;
- Operational interventions focusing on key ministries' structure, staff, processes and procedures to achieve investment-related objectives and priorities, such as M&E process re-engineering to increase relevance to investment-related objectives or redesign of organizational structures to increase interministerial synergies and collaboration;
- Operational interventions focusing on non-state actors' management, coordination, decision-making processes and accountability systems;
- Strengthening of statistical units (infrastructure, equipment) and data collection systems at centralized and decentralized levels;
- Twinning arrangements (including through South-South cooperation) in support to countries' policy research institutes to strengthen policy and evidence-based analysis approaches in addition to support to infrastructure and equipment;
- Establishment of investment-related knowledge networks/ platforms targeting state and non-state actors, including research and training institutes.

Implementation of NAIPs

- Strategic planning support to set up a NAIP coordinating body within relevant national structures in coordination with all stakeholders for effective planning, resource mobilization and implementation;
- Upgrading the coordinating, monitoring and evaluation processes and systems within relevant ministries to support stakeholders to plan, mobilize resources and implement NAIPs;
- Functional restructuring of centralized and decentralized ministries, including administrative and financial management procedures, performance audits, human resource processes and incentive systems;
- Strengthening of farmer organizations (and chambers of agriculture), including through improved skills and competencies, upgrade of mandates and missions, access to technology, infrastructures and social protection;
- Support to sector service-delivery organizations (e.g. infrastructure, equipment, technology);
- Network development support to research and training institutes to enable broader linkages across the region in addition to supporting infrastructure, equipment and access to technology;
- Facilitation of institutional partnership development among private and public sector actors;
- Policy dialogue and high-level advocacy to facilitate necessary changes in policy frameworks to enable and sustain investments;
- Interventions and measures to improve overall investment climate, including support to governance, reforms of laws, rules and regulatory frameworks.

9.4 MONITORING CAPACITIES

CD objectives should be explicitly defined and tracked as part of countries' ongoing processes for strategic and operational M&E (see Module 8). This will ensure a common understanding by all stakeholders of the *expected capacity results*, and will serve as an opportunity to check the underlying assumptions.

Tools for tracking capacity progress are listed in Table 2 presented earlier in this module. The Organizational Performance Assessment Framework presented in Box 23 can be effectively used to track changes at the organizational level. An example of tools for tracking individual-level changes is presented in Box 25.

Box 25: Using questionnaires to monitor progress of individual capacities

Monitoring of CD work in investment planning can be done through a variety of measures. In the context of its support to CAADP countries, FAO facilitated an ex ante and ex post evaluation of its CD activities targeting individuals and groups. This method was useful to (i) define the level of initial capacities in the relevant areas before providing mission support; (ii) adapt the contents and methods of mission support to the existing capacities and needs; and (iii) identify progress in the level of knowledge, skills and/or attitudes after mission support and adjust project objectives accordingly.

Before and after each CD support event, customized questionnaires were distributed to participants with an accurate explanation of the objectives underpinning the exercise. Participants were always collaborative and appreciative and never gave the impression of being upset with the exercise.

Within the known limitations of a self-assessment, and combined with ongoing informal monitoring of inputs to the process, this approach enabled the project to identify overall improvement with the CAADP country teams and relevant country actors in terms of: (1) their understanding and knowledge of the CAADP process, its functions and their own role in the process; (2) their perceptions of and attitude towards the investment planning themes; and (3) their confidence in taking actions in the relevant areas. Examples of ex ante and ex post questionnaires are included in the Toolbox.

9.5 COUNTRY LEADERSHIP AND OWNERSHIP ARE KEY TO SUSTAINABLE CAPACITY DEVELOPMENT

CD literature and practice[58] show that cases of successful CD have started from strong motivation and commitment by either the political leadership or key people in the state institution. FAO experiences reiterate this principle by showing that high-level "champions" in the government help ensure that the CAADP roadmap is approved, financial support is available and multisector contribution is ensured.

At the same time, in FAO's experience, CD processes work best when a broader base of country stakeholders is truly committed to developing NAIPs and keeping momentum and demand strong. Internal demand, motivation and interest

58. Birgitte Lind Petersen and Lars Engberg-Pedersen, Danish Institute for International Studies, Capacity Development of Central State Institutions in Fragile Situations, DIIS Report 2013:27

are critical, as capacities cannot be infused from 'outside' but must develop and change from 'within'. As such, external interventions, such as those supported by FAO and partner countries, can only assist the CD process in countries, *but cannot take charge of it.*

CD is a long-term process, the essence of which lies in its iterative and incremental nature. This implies that capacity results develop through repeated cycles and through accumulated small achievements that build on one another, over the course of a number of years. With each iteration, modifications and/or adjustments can be made, based on reflection and learning. This allows all actors to build on earlier successes, using the expertise that they have developed.

Finally, real and lasting change takes place when capacities are not only developed, but *sustained* over time, such as when countries are able 'to deliver an appropriate level of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated'[59]. This can happen only if CD results are firmly anchored and integrated in countries' national structures and systems and appropriate internal resources are released to continue to support and even upscale them.

59. OECD-DAC

TOOLBOX

- **PowerPoint presentation**
- **Tools:**
  - Ex ante and ex post questionnaire samples
- **Additional references:**
  - FAO Learning Module 2: FAO Approaches to capacity development in programming: processes and tools, 2012. http://www.fao.org/docs/eims/upload/299903/LM2_webready_interactive_final.pdf
  - FAO Learning Module 3: FAO Good learning practices for effective capacity development, 2013.http://www.fao.org/docs/eims/upload/301361/LM3_Final_en_webready_and_for_CD_9_5_12.pdf
  - FAO Learning Module 4, Organization Analysis and Development, 2013. http://www.fao.org/fileadmin/user_upload/capacity_building/FAO_CD_LM4.pdf
  - Capacity development in practice, edited by Jan Ubels, Naa-Aku Acquaye-Baddoo and Alan Fowler, Earth scan, 2010 http://www.snvworld.org/sites/www.snvworld.org/files/publications/capacity_development_in_practice_-_complete_publication.pdf
  - Pearson, J., Training and beyond: Seeking better practices for capacity development, OECD-DAC paper, January 2010 http://www.oecd.org/dac/governance-development/47064610.pdf

NOTE ON RESOURCES

This learning resource has drawn from a wealth of materials. Below, resources that were used for Modules 4 and 5 are listed:

- Presentations by T. Alacevich and D. Romano to the Training Workshop on Monitoring Food Security Frameworks in Bangladesh;
- RBM presentation by M. Donnat, IFAD, Asian Institute of Technology, 16-20 April 2011 Thailand;
- RBM presentation by A. Suppa to the expert retreat 'Document d'Orientations Stratégiques pour le secteur de l'élevage (DOS), Développement du Cadre de Résultats, Juin 2013, Burundi;
- ADSP Monitoring & Evaluation Workshop Handbook, July 2012;
- Monitoring and Evaluation of Food and Agriculture Programmes, online course Learning Notes developed by FAO, ITC, Euréval, implemented at FAO Regional Office in Africa (RAF);
- Atelier de formation sur la Gestion Axée sur les résultats dans le cadre du Programme National d'Investissement du Secteur Agricole (PNISA), May 2011, Mali;
- Designing a Results Framework for achieving results: a How-to guide, Independent Evaluation Group (IEG) World Bank, 2012.