

Pro-Poor Livestock Policy and Institutional Change

Case Studies from
South Asia, the Andean
Region and West Africa



Pro-Poor Livestock
Policy Initiative

A Living from Livestock



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Acknowledgements

The case studies showcased in the document are based on the work of very many people. A few are acknowledged in the text – many are not. Any attempt to compile a comprehensive list of those involved is doomed: by their very nature, the broadly-based stakeholder-focused processes described involve large numbers of people and organizations.

An essential ingredient in these change processes is 'space': freedom to experiment and try new, potentially risky approaches, to learn from set-backs and to try again and again. Flexible timeframes and budgetary allocations linked to uncertain outcomes are uncommon features of development assistance. PPLPI was fortunate to be allowed the space it needed to flourish through the support of its principal funder, the United Kingdom Government's Department for International Development (DFID), and its host, the Animal Production and Health Division (AGA) of the Food and Agriculture Organization of the United Nations.

Foreword

Increasing recognition that technology-oriented agricultural projects had largely failed to significantly contribute to broad-based poverty reduction led to a significant shift in development thinking in the late 1990s. An alternative development paradigm began to emerge that placed much greater emphasis on pro-poor institutions and policies. It became widely accepted that an enabling institutional and policy environment is essential to create the framework conditions in which development can be steered to address the needs of the poor.

One response to these developments was the launch, in 2001, of the Pro-Poor Livestock Policy Initiative (PPLPI) by the Animal Production and Health Division (AGA) of the Food and Agriculture Organization of the United Nations (FAO), with financial support provided by the United Kingdom Government's Department for International Development (DFID).

Livestock farming tends to be shaped by national and international policy and institutional frameworks that are rarely pro-poor. One of the aims of PPLPI was to explore ways and means to facilitate and support the formulation and implementation of policies and institutional changes that would have a positive impact on the livelihoods of a large number of livestock-dependent poor people. The Initiative's livestock focus reflected the fact that livestock contribute to the livelihoods of an estimated 70% of the world's rural poor and that the rapid increase in demand for livestock products in developing countries in conjunction with the growing integration of global markets provided both new opportunities and threats to the livelihoods of poor and small-scale livestock producers, traders, and processors.

The three case studies presented here illustrate how PPLPI experimented with the facilitation and implementation of livestock sector-related policy and institutional change. The outcomes of these change processes promise to favourably impact on the livelihoods of millions of livestock-dependent poor. I believe that important lessons can be drawn from the case studies to guide development planners and practitioners in future pro-poor policy and institutional change initiatives beyond the livestock sector.

The experience gained by PPLPI places AGA at the forefront of policy and institutional innovation for equitable livestock sector



development. It also positioned PPLPI at the heart of a process of programmatic transformation within AGA. As a result of this transformation, FAO's work in the livestock sector will now mainly focus on: (i) pro-poor sector policy and management, (ii) the implications of animal diseases for the poor, the economies of developing countries, and the global risks to both animal and human health, and (iii) livestock sector impact on the environment.

Commenting on PPLPI's work on pro-poor policy and institutional change, the recent Independent External Evaluation of FAO noted that it had "influenced global thinking in these areas". So, while PPLPI will come to an end in March 2010, its legacy is ensured both within FAO's Animal Production and Health Division and the development community at large.

A handwritten signature in dark ink, reading "Samuel Jutzi". The signature is written in a cursive, flowing style.

Samuel Jutzi
Director

Animal Production and Health Division of the FAO

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Introduction

The agricultural sector in developing countries is in an era of rapid social, economic, technological and ecological change, making predicting the future difficult. It is against these dynamic rural development scenarios that over half the world's approximately one billion 'extreme poor'¹ live and work. Of these, a majority depend for their livelihoods on farming or supplying farm labour. Agricultural growth and development, therefore, are essential pre-conditions for the relief of rural poverty.

Livestock are a key component of agriculture and can significantly promote passage out of poverty in agrarian, developing-country settings. Possession of animals has been shown to signify important place-markers in households' trajectories upward out of poverty; livestock can represent both a store of wealth and an investment that can lead to higher incomes through increases in agricultural productivity and diversification of income sources.

The livelihoods of many of the most vulnerable are thus, for better or for worse, linked to changes in markets, technologies and disease patterns that are transforming the livestock sector. The need to cope with and exploit change, therefore, presents the context in which livestock sector development policy and practice needs to achieve the social, economic and environmental goals of society.

In the 1990s, an increasing number of development aid experts and analysts came to realize that technology transfer alone was not going to transform development, especially agricultural development, in ways that would necessarily be beneficial to the poor. Policy and institutional change was identified as a pre-requisite to steer agricultural development towards meeting the needs of the poor – and maybe also to deliver on the development community's bold collective promise to halve global poverty within the first 15 years of the new millennium.

Also, in the late 1990s, the UK government was rethinking its development assistance policy and approach. There was a general dissatisfaction with the level of impact that the conventional technology-driven project-based approach to development assistance had achieved on poverty. This process of reflection and re-engineering contributed to the eventual development of the Millennium Development Goals, and also led to a change in the way the UK's Department for International Development (DFID) went about its business. It became more strategic in its approach and released new funding streams that went beyond traditional county-level projects, targeting instead supranational initiatives that, it was hoped, would influence the international institutional aid and development architecture.

Serendipitously, DFID's livestock advisors had recently completed a review of more than 600 livestock-oriented development projects, evaluating them against three criteria: poverty focus, sustainability

¹ The World Bank defines extreme poverty as having consumption levels of less than US\$1 per day (more precisely US\$1.08 in 1993 Purchasing Power Parity terms). Source: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20153855~menuPK:373757~pagePK:148956~piPK:216618~theSitePK:336992,00.html>

and widespread scale of impact. Very few satisfied all three criteria, which again provided strong evidence that a different approach was required.

Responding to the strong steer from this zeitgeist, the foundations were laid for the establishment of what would become the Pro-Poor Livestock Policy Initiative (PPLPI). Launched in 2001 by FAO and backed by DFID, the PPLPI's objective was to explore ways of facilitating and supporting the formulation and implementation of policies and institutional changes that would have a positive impact on the livelihoods of a large number of the world's poor.

The focus on livestock was partly because this was the area of expertise of the initiative's designers, but could be justified by the fact that seven out of ten of the world's rural poor depend to some extent on livestock for their livelihoods, and the rapid increase in demand for milk, meat and other livestock products seen in developing countries provided the context of new opportunities and threats in a rapidly growing sector.

The PPLPI's strategy involved four main elements:

- An assessment of where livestock is a livelihood priority
- The evaluation of the policy and institutional context within which livestock-dependent poor have to make their living
- The identification of the political economy; policy measures – or gaps – that affect livestock-dependent poor
- The formation of a network of partners to create or capitalize on opportunities to achieve pro-poor policy shifts.

In order to derive broadly applicable lessons on pro-poor policy and institutional change PPLPI focused its attention on five regions: South and East Asia, East and West Africa, and the Andean region. Within each region it worked in selected countries and policy/institutional areas. These were chosen following detailed analyses of the political economy shaping the sector: issues and locations were selected pragmatically where there was a good chance of achieving policy and institutional change.

This paper focuses on three very different case studies, undertaken in three contrasting regions: South Asia, the Andean region and West Africa. The case studies have been selected to showcase diverse policy and institutional change processes at three levels: sub-national, national and regional. First the individual case studies are described, analysed and discussed and then, at the end, the broader lessons to emerge from these examples are derived and presented.

Livestock Services for All: Meeting the Needs of India's Poorer Livestock Keepers

We do our best but we can lose a third of sheep to disease.

Sheep farmer, Andhra Pradesh

Until recently, Andhra Pradesh's Animal Husbandry Department (AHD) provided its services mainly to relatively wealthy cattle and buffalo keepers. Following a policy reform process the department has now also begun to respond to the needs of poorer livestock producers who rely for their livelihoods on rearing sheep, goats and poultry. But the reform process was not always straightforward...

Gearing up for impact

Armed with his shepherd's crook, each day Katamraju leaves his home village of Yadvalli to herd his flock of 50 sheep out to graze on distant common land, returning only at dusk. His daily routine is typical of the traditional sheep and goat producers of India's Andhra Pradesh state.

Yet Katamraju does more than herd sheep. In 2002, under a project conducted by AHD and funded by the UK's DFID, he trained to enhance his skills as a *sanghamitra*, a traditional animal health worker (AHW). Already respected in his community as the man to go to when your animals are sick or injured, Katamraju's additional training, undertaken at the nearby Narketpali Veterinary Dispensary, complemented his traditional knowledge and equipped him with important new skills, such as when and how to vaccinate animals.

Most important, the training brought Katamraju into a lasting professional relationship with Dr Surendra Parankusham, a veterinarian based at Narketpali. Though the training is long over, Parankusham continues to provide Katamraju with support and guidance. And it's a mutually beneficial relationship; Katamraju position of trust in the local community enables Parankusham to extend his own reach deeper into the rural outback.

This area has a sheep population of 40,000. The staff at Narketpali cannot hope to serve them all. If there is a problem in this or that village, I ask Katamraju to go for me.

Dr Surendra Parankusham

Recently, for example, Katamraju took part in a mass vaccination campaign against peste des petits ruminants (PPR), a disease which is major killer of sheep in this area. In this way, Katamraju helps AHD to deliver services to producers who would not otherwise receive them. But such relationships are all too rare at present, a predicament mirrored throughout Andhra Pradesh's poorer rural areas.

Despite having the highest population of sheep and goats in India, the state's formal livestock services have so far focused primarily on cattle and buffalo owners – a relatively wealthy group that can afford to pay for services and inputs. That now looks set to change – thanks to a policy reform process undertaken by AHD in partnership with PPLPI and the Indo-Swiss Capitalization of Livestock Program Experiences, India (CALPI) project.

*We could do with
another three like
Katamraju.*

*Dr Surendra
Parankusham*

A climate for change

Reform was already in the air when the three partners came together. The 'darling state' of the World Bank and other international donors since the mid-1990s, Andhra Pradesh has been at the forefront of economic reform in India; the state's former Chief Minister, Chandrababu Naidu, personally championed the reform process. The 1999 state government's ambitious plan, *Vision 2020*, stressed that

Winning over hearts and minds at AHD

An important component of the reform process was a 'perspective-building' exercise designed to create a more receptive climate for change within AHD.

This consisted of a 7-day programme hosted by the Indian Institute of Management (IIM). Initially targeted only at AHD's senior managers, feedback was so positive that two additional programmes targeting a broader selection of staff, especially middle managers, were hastily scheduled. In each case, while most participants were from AHD, a 'sprinkling' of non-government organization (NGO) representatives was thrown in to 'add spice' and provide a pro-poor perspective.

The programme was 'different' in several respects – beginning with the way participants were selected. Normally, in India's civil service, announcements about courses are sent to heads of department, who then identify suitable participants. Instead of following this procedure, application forms asked candidates for a 'statement of purpose' – an indication of what they wanted out of the course. Only those who were judged to have made the best case and who indicated a strong desire to attend were selected.

The content of the programme was also innovative: for example, to facilitate the session on extension, a business strategy professor was engaged who knew nothing about either extension or livestock. By asking the participants to come up with business solutions to the extension challenge, the professor stimulated a fresh approach. Participants rated this session the best on the programme.

The session on gender issues was also an intriguing departure from the norm. Instead of putting on a 'standard issue' livestock and gender lecture, a leading social psychologist, also a professor at IIM, designed a set of exercises that allowed participants to examine their own gender stereotypes.

There was also a lively session on leadership. The take-home message here was: "Not everyone is a Gandhi; but there is a little leader in all of us." In other words, anyone can take the lead at certain moments, on certain subjects.

Although difficult to prove, it seems likely that the IIM programmes contributed to the reform process by encouraging fresh thinking among AHD staff. Increasing the number of programmes and broadening their coverage to include middle management may have created a critical mass in favour of change.

"Animal health staff have changed their attitude; they are now more focused on needs."

A.K. Joseph, Senior Programme Coordinator, CALPI

government should be made simple, transparent, accountable and responsive, and that people should have a strong voice in the governance of the state.

Complementary partners

Each partner brought specific strengths to the reform process. Senior managers at AHD, particularly Dr Piedy Sreeramulu, then the Department's second in command, provided strong leadership. Described as a 'true believer' in the reform process from the outset, Sreeramulu proved instrumental in driving the process forward and retaining focus on poor producers' needs. A kindred spirit was Dr Ramalinga Raju, founding Director of the Andhra Pradesh Livestock Development Agency (APLDA) and a man who had earlier pioneered a successful scheme to bring services to large ruminant owners' doorsteps – the *gopalamitra* (see box). Both men were dissatisfied with AHD's current performance and, inspired by Chief Minister Naidu, determined to seek financially sustainable ways of improving service quality and outreach.

The CALPI project was born of a similar dissatisfaction with current levels of service provision. It was designed to achieve change on the ground rather than add to an already long list of desk studies on the need for reform in India's livestock sector. Funded by the Swiss Development Cooperation (SDC) through its implementation agency, Intercoopération (IC), it was the latest in a series of livestock-related projects and programmes going back over 30 years. This long period of engagement had enabled SDC to build a network of contacts and a fund of goodwill, creating, in AHD and other organizations, a culture that meant problems could be discussed informally and openly in an atmosphere of mutual trust.

A friend – at least to the better-off

Gopalamitr – usually shortened to *gopals* – means 'friend of the livestock farmer'; they are comparable to the community-based AHWs found in many other parts of Asia and Africa. Trained under a government-funded project, *gopals* are supplied with an artificial insemination (AI) kit and a loan to get them started. They then provide their services and charge for them at rates determined by government. A proportion of the charge goes back to government to repay the loan; the rest they keep as income.

The concept of the *gopal* came originally from central government. Raju and his colleagues chose three districts of Andhra Pradesh to run a pilot phase. When this proved successful, the idea was extended across the state. Around 1900 *gopals* have now been set up in business, transforming the delivery of AI and other services.

But *gopals* don't provide services to all livestock farmers. As independent private-sector service providers, they work only for farmers who can afford to pay. So they visit mainly farmers who keep large ruminants and sell surplus milk – farmers who tend to be better off than the more subsistence-oriented keepers of sheep, goats and poultry.

Despite this limitation, the success of the *gopal* system put down a marker for AHD, demonstrating that the department's qualified veterinarians had nothing to fear from using community-based AHWs to increase their outreach.

The challenge was to build on this success by bringing services to the doorsteps of vastly higher numbers of sheep, goat and poultry producers – most of whom are poor and many of whom live in more remote and marginal areas. A major issue, in meeting this challenge, was how to make this massive expansion in service provision financially sustainable.



Enter the PPLPI. Its special advantage, in initiating and facilitating the reform process, lay in its neutrality as an honest broker with no turf to defend. It was also able to channel expertise and resources from elsewhere, and to create the space to enable new approaches to be tried. For example, in addition to providing support from FAO, PPLPI appointed Dr Vinod Ahuja, a well regarded economist and academic from the IIM, to coordinate PPLPI's South Asia programme rather than selecting a livestock professional.



PPLPI and CALPI quickly recognized their common interests and objectives and decided to approach AHD together with a proposal to facilitate a reform process. They met with a favourable response and, after a brief planning phase, the process was launched in mid-2003.

An evolving process

A multi-stakeholder steering committee was formed to provide oversight and guidance, together with a task force to plan and implement activities on a day-to-day basis. The committee also outlined the principles that would underpin the process: these included flexibility and a deliberately open agenda, to help ensure that a spirit of consultation and participation prevailed, and that the eventual outcome would enjoy wide ownership.



The major components of the reform process were:

- A series of 18 village-level stakeholder consultations and participatory workshops
- Training and capacity building for officers from AHD (see box – *Winning over hearts and minds*)
- Expert focus group meetings
- Commissioned studies to plug knowledge gaps
- A state-level workshop to pull together the findings from the consultations and plot the way forward.



The first phase consisted of consultations at village and district levels to gauge the views of farmers and other local stakeholders including cooperative unions, financial institutions, village-level administrative units and field-level government officials. In each location a half-day of rapid rural appraisal in selected villages was followed by a two-day workshop to discuss the findings, reach consensus and make recommendations on the kinds of change needed. Organized by the District Administrator (DA) and his staff and facilitated by consultants from the State Management Institute for Livestock Development (SMILDA), the workshops were led by Sreeramulu and Raju.



The first consultations, held in Musapet and Chittoor districts, unfolded as planned. But it was at this point that the principle of flexibility espoused by the partners was first put to the test.

Besides being a long-term partner of AHD, SDC had also funded the establishment of Anthra, a local NGO founded in 1995 with a mandate to promote the well-being of poor

livestock producers. By the early 2000s, Anthra had become a strong player in Andhra Pradesh's livestock sector and an outspoken critic of the government's livestock policy.

You need people who stir things up.

Lucy Maarse, formerly Deputy Coordinator for Natural Resource Management, SDC

To engage, you have to challenge – don't you?

"Stop the privatization of livestock services," reads the imitation road sign propped up against a desk in Anthra's main offices in a leafy suburb of Hyderabad. The sign – one of several eye-catching agitprop tools designed by the NGO – last saw active service at the state-level workshop held at the end of the consultation phase.

It's an example of the forceful way in which Anthra makes its points. The question is whether these tactics are effective in a stakeholder process, where the aim is dialogue rather than a shouting match. "Some people felt that their campaigning stance isolated them," says Ahuja. In this case it can certainly be said to have oversimplified the issue: even Anthra's Director privately admitted that a blanket ban on payment for services isn't sensible, let alone workable.

But although the confrontational style sometimes misses the mark, there are other instances where it strikes home. Foremost among these was to get minority voices heard – groups such as tribal peoples, untouchables and small ruminant producers, who were originally sidelined in the reform process.

Anthra also made a strong case for government investment in disease prevention, arguing that prevention is a public good, reducing disease incidence and hence the costs of treatment when outbreaks do occur. This point was well taken by the veterinarians and influenced AHD's policy shift towards prevention.

A few weeks after the first consultations, SDC hosted a meeting to review progress and plan the next steps. When invited to give her comments, Anthra's Director, Dr Sagari Ramdas, used the occasion to go on the attack. Demanding to know why her organization had been left out, she argued that the stakeholder process was merely a fig-leaf, designed to legitimize a preconceived agenda – privatization of livestock services. She pointed out that key groups of poor and marginalized people – tribal peoples, untouchables, traditional healers and sheep and goat producers – had not been adequately represented at the consultations, an omission that she believed would skew the findings.

The steering committee responded to this challenge by agreeing to broaden the consultation process to accommodate these groups. What's more they invited Anthra to co-organize the next consultation and workshop to gauge the views of tribal people. Meanwhile Rebecca Katticaren, Coordinator of the SDC-funded Natural Resource Management Programme Andhra Pradesh (NRMPAP), was asked to organize a similar event for sheep and goat owners.



FAO can play a neutral role, but it is important to recognize that other participants may be anything but neutral.

Vinod Ahuja, former Regional Coordinator, PPLPI

The two events unfolded in contrasting ways (see boxes), providing a clear lesson in the difficulties and challenges involved in trying to accommodate diverse, entrenched viewpoints.

The consultation phase revealed a high level of dissatisfaction among poor people with regard to the veterinary services they were receiving – or rather, in most cases, not receiving. Sheep, goats and poultry keepers, whose livestock suffered from a high disease burden, were particularly poorly served. In most areas, access to services for these species was limited to the few villages that had a state-run veterinary dispensary.

Separate tables

Held in Annavam in July 2004, the workshop to gather the views of tribal people was conducted by a local NGO affiliated with Anthra, the Centre for Environment and Development (CED), whose leaders were invited to mobilize farmers and facilitate village sessions.

As the workshop approached, cracks began to open up. CED argued that it would not be able to mobilize farmers autonomously if financial control remained in the hands of the state. Government officials began to express their doubts about CED's intentions – would it bring to the meeting a representative set of farmers? In the end a compromise was reached: the government agreed to increase the budget by providing more funds for farmers' travel, board and lodging, while SMILDA and the DAs set about inviting an additional set of farmers to complement those organized by the NGO.

The cracks developed into a fault line that ran right through the workshop. According to participants from the formal sector, the farmers mobilized by CED came with prepared statements adopting inflexible positions on key issues, notably charging for livestock services.

The CED farmers position contrasted markedly with the more moderate views expressed by the farmers invited by the government. This split was even reflected in the eating arrangements: the CED farmers took their lunch separately, at kiosks across the road, while the government group ate in the dining hall attached to the meeting room.

Beyond veterinary services

The consultative event for sheep and goat producers, held in Nalgonda District, also in July 2004, showed that, to meet the needs of this group, AHD would have to do more than reform its veterinary services.

The producers saw fodder as a key constraint, just as important as the control of major diseases, if not more so. The pressures on fodder resources had become acute in recent years as grazing land had been increasingly converted to crop production or developed for other uses. The producers had been expelled from areas where projects to protect and develop watersheds had been launched. And the practice of lopping tree foliage had been banned, depriving their animals of high-protein browse. Feed shortages were exacerbated during the dry season, when the only alternatives available were highly priced concentrates.

Marketing of sheep and goats was another important issue. The producers were unable to obtain good prices, as these were determined on a 'take it or leave it' basis by the middlemen who visited their villages. They lacked vehicles for taking their animals to urban markets, where they could sell direct to consumers at higher prices. Weighing scales, which might help them negotiate better prices, were also not available.

According to Katticaren, these problems epitomize the low status of sheep and goat producers, who lack economic and social clout and do not have a voice in development planning. Spending much of their time out of the village with their flocks and herds, they are not consulted when priorities are identified and projects are designed. In contrast to cattle and buffalo producers, who are members of dairy cooperatives, sheep and goat producers have, until recently, had no organization to represent their interests.

Towards a plan

The next stage in the process was a series of focus group discussions for AHD veterinary staff. Held at district level in October and November 2005, these discussions drew on the findings and recommendations from the earlier village-level stakeholder consultations, building on them to identify the problems afflicting service delivery and to formulate a plan to overcome them.

As a result of the discussions, a number of special studies were commissioned to plug knowledge gaps – issues on which firm evidence was needed before consensus could be reached on the best way forward. These included, for example, a study of the weaknesses of the current para-veterinary system.

An important outcome of this phase was a paper, *Livestock Delivery in Andhra Pradesh: Veterinarians' Perspective*, which outlined the changes the department is now implementing.

The veterinarians noted that, despite spending 80% of its budget on salaries, the department was still chronically understaffed; such staff as were in position were often undertrained; and there was little money left over for equipment, supplies and the maintenance of infrastructure.

The veterinarians also acknowledged the major policy and institutional shortcomings that had emerged through the consultation exercise. Two self-criticisms were

As they have gopalamitra for the large animals we wanted a village health worker for small animals.

Farmers leader

The only way we could address some of the persisting conflicts was by carrying out ground studies.

Vinod Ahuja, former Regional Coordinator, PPLPI

particularly important here, paving the way for a bold shift in policy. Firstly, there was a bias towards large ruminants and better-off livestock keepers. To reach poor people, much more emphasis was clearly needed on sheep and goats and on backyard poultry. Secondly, there was a lack of attention to disease prevention. As a result small-scale producers suffered severe economic losses during disease outbreaks as their flocks or herds were not vaccinated.

A third shortcoming was that lack of investment in extension had led to low awareness among livestock keepers of disease control measures, such as what times of year to vaccinate their animals.

And lastly, although it was recognized that the para-veterinary system – introduced in 2002 – could be useful to extend the department’s reach to poor producers, it was felt that it needed a radical overhaul. Much of the discussion over how to realize its potential got bogged down in semantics and confusion over roles. A clear definition of the different categories of worker was an essential starting point (see box).

*Preserve the animal;
it's an avoidable
loss.*

*L. Mohan,
Director, AHD*

What's in a name?

Veterinary assistant: an employee of the formal veterinary service who has received training at the State Veterinary College, but is not a fully-trained veterinarian

Animal health worker (AHW): a generic term covering service providers who are largely outside the government system; includes *gopalamitras* and *sanghamitras* (see below)

Gopalamitra: a specific cadre of AHWs who provide AI, vaccination, first aid and limited extension services, mainly to cattle and buffalo owners; these workers are trained by the state but operate independently, against payment for services

Sanghamitra: multi-purpose health workers at village level, generally among poor producers; these are also independent service providers, but they are usually paid only in kind.





The training afforded to these different categories of service providers varied greatly in length, from 6 days to 2 years or more. It was clear to the AHD's vets that standardized training periods and defined skills sets were needed for each category, together with a system for registering, monitoring and regulating AHWs to ensure quality of services.



The veterinarians also looked at the tasks each category should and should not be permitted to perform. A frequent complaint against AHWs was that, in their enthusiasm to meet users' needs, they overstepped the limits imposed by their knowledge and qualifications – for example by prescribing antibiotics. The veterinarians responded by drawing up a graded schedule of interventions requiring different levels of qualification.

We decided to get the two groups [veterinarians and other cadres of service providers] together, to talk with each other. Give them a problem and say, OK you tell us what who should do. Then they started appreciating each other's role in this.

Vinod Ahuja, former Regional Coordinator, PPLPI



It was also recognized that 'minor veterinary services' – which includes first aid, AI and castration – were inadequately defined and addressed in existing legislation.

The outcome of this process was that a new government order covering these minor services was drafted for submission to policy makers and eventual enshrinement in state law. The order, which was formally approved by ministers in 2007, explicitly recognizes the role of AHWs and pledges the government to support them through capacity building.

Mainstreaming disease prevention

In the absence of definitive information concerning the livestock diseases that had most impact on the poor in Andhra Pradesh, a brainstorming exercise was conducted with representatives of the three partners plus invited veterinarians and NGOs. This process identified three diseases affecting small livestock: PPR and enterotoxaemia, which affect sheep and goats, and Newcastle disease, which affects poultry, in addition to black quarter and haemorrhagic septicaemia, which affect cattle and buffalo. Although policy was shifting towards the small ruminant and poultry sectors, it was still regarded as important to protect the higher-value large ruminants. A complementary desk study was also carried out in which disease outbreak data from all 22 districts in the state over the past 7 years were analysed. The findings were then shared with a wide range of stakeholders as a reality check.

This will open doors for the funding of more projects to train AHWs and support them better.

Priyadarshi Das, Principal Secretary, Animal Husbandry, Department of Animal Husbandry and Fisheries, Andhra Pradesh

The outcome was the recommendation of a three-pronged approach to disease prevention and control:

- In the top ten at-risk districts: large-scale one-time vaccination at the right time of year for each relevant disease
- For low-risk districts: restricted vaccination in locations where there had been previous outbreaks and ring vaccination in villages reporting fresh outbreaks
- In districts with low incidence or no reports of disease: no vaccination, allowing 'lurking' diseases to reappear; then limited vaccination according to need.

To ensure the vaccination campaigns achieved the necessary coverage – at least 80% of animals – the veterinarians recommended a substantial increase in the resources allocated to training and support. The key to reaching sheep and goat producers was identified to be strengthening the capacity of *sanghamitras* who, unlike *gopalmitras*, do not currently enjoy institutionalized support from the formal system. In the case of poultry – which are mostly managed by women – it was proposed that women should be trained as vaccinators; the goal being that every village should have at least one woman with the necessary knowledge and skills.

Impact

Farmers are starting to get a better service; their incomes are rising.

Piedy Sreeramulu, Additional Director, AHD

Although it is early days yet, there are signs that the policy change process is starting to bear fruit in providing better services for poor livestock producers. The most noticeable change is in the availability and delivery of vaccines for the priority sheep, goat and poultry diseases. This reflects high-level commitment to disease prevention on the part of government, which has earmarked Rs 500 million (approximately US\$ 10.5 million) per year for this purpose. This money is clearly starting to make a difference. According to Dr L. Mohan, Director of AHD, 10 out of the state's 22 districts were covered by a mass vaccination campaign against PPR in 2006. And in 2007 work started on two other priority diseases, sheep pox and enterotoxaemia.

I am absolutely committed to universal AI and vaccine availability by 2008.

Priyadarshi Das, Principal Secretary, Animal Husbandry, Department of Animal Husbandry and Fisheries

To complement the drive on vaccines, more effort is going into extension. A poster campaign has been launched to inform farmers about the treatments they should be applying each month of



the year. According to Katticareen, this has led to increased demand for vaccination, with producers coming to health centres to ask when the campaign will reach their village.

Training and support for AHWs have been stepped up in the wake of the process, but the record here is patchy and there is still a long way to go, mainly because the new order covering minor veterinary services has only recently become law. Efforts include the training of women in poultry vaccination. According to Sreeramulu, at least one course a year in this is now offered in every district and an estimated 100,000 women have been trained. It seems unlikely that a similar level of coverage has yet been achieved among sheep and goat producers, mainly because migration complicates the provision of training for this group. However, the NGOs are working alongside government in this area, with Anthra, for example, recently training some 600 AHWs. Efforts to create a database of AHWs and an effective regulatory system, however, have yet to start.

Steps have been taken to strengthen the voice, and with it the bargaining power, of sheep and goat producers. With the support of AHD, the first cooperative for these producers has been registered in the Nalgonda area. A provisional governing board has been nominated and elections to the board will take place shortly.

The process has left some unfinished business. One outstanding issue is the controversial one of whether or not small-scale producers should be required to pay for services. Opinions differ sharply on this and there is clearly room for a more-nuanced approach than the rigid ban on privatization ostensibly advocated by Anthra. The experience with *gopals* has demonstrated that, at least among large ruminant owners, most producers are willing to pay. Poorer groups expressed opposition to



the idea. This is perhaps an area where more independent research is needed, carried out by an organization that is trusted and respected by both sides in this, at times, overheated debate.

Dr Sagari's group say that prevention is in the public interest so it ought to be free; but we say, if you want it to be sustainable, rearers must pay.

Rebecca Katticaren, former Coordinator, NRMPAP

Lessons learned

The Andhra Pradesh reform process has brought about genuine policy and institutional change, some of which have started to deliver benefits to poor livestock producers. Several ingredients appear to have contributed to this success.

Crucially, the initiative was purposively located in a state whose leaders had a recognized appetite and track record for reform. The involvement and support, both moral and financial, of PPLPI and SDP provided the 'space' to enable AHD to try new and potentially risky approaches, and to be able to respond in a flexible manner when circumstances dictated. More controlling environments, and less flexible budgetary arrangements, would not have permitted such freedom and flexibility. This represents a considerable challenge to conventional management styles and financial systems.

The broadly based, inclusive consultation phase provided a sound, demand-driven basis for the changes eventually implemented. A top-down approach alone could never have achieved either the necessary consensus for change or the momentum needed to convert good intentions into action. That said, a possible criticism of the overall process is that following the consultation phase, it was largely 'experts' who formulated the plans – with little or no further consultation or buy-in from the intended beneficiaries, the poor livestock keepers themselves. And the entrenched viewpoints of some participants – a blanket objection to payment for services on the part of tribal people, for example – proved difficult to accommodate within the overall plan.

AHD, however, generally responded positively to the findings of the consultation phase. Various factors may explain this response. Strong leadership helped drive the reform process through to its logical conclusion, securing agreement, or at least acquiescence, from those in the ranks who were less sure. Previous experience with the *gopals* system demonstrated that AHWs need not necessarily pose a threat to the veterinarian's role and status. Special studies, conducted by local researchers on topics such as the para-veterinary system and disease epidemiology, helped secure consensus on the way forward. Lastly, it seems likely that the programmes at IIM opened up the department's middle and senior management to new ideas and approaches.

The contribution of PPLPI, through its Regional Coordinator Vinod Ahuja, demonstrated the advantages of remaining neutral, even when the going gets tough. Ahuja's behaviour – particularly his ability to listen and respond imaginatively to others' concerns – illustrates the critical role played by personalities, and the quality of their interaction, in bringing a process through its crisis points to a successful conclusion.

Because FAO is seen as an honest broker, adding it to the mix of stakeholders can be very productive.

Joachim Otte, Coordinator, PPLPI

Despite the use of research-based evidence to secure consensus, the reform process proved more fraught than had been anticipated at the outset. One new challenge for PPLPI and other actors playing a similar role emerges from the Andhra Pradesh case: to understand and harness the factors that can enhance the acceptability of evidence. Issues here include who conducts the research and owns the results – are they perceived as neutral? How reliable and representative the findings are seen to be; and the communication strategy used to get the findings across.

Networking Pro-poor Policy Capacity: Weaving a Strategy for the Alpaca Fibre Sector in Peru

As the new millennium dawned, global demand for higher quality fibre and increased competition from new producers threatened the livelihoods of the *alpaqueros* – traditional alpaca herders who live high up in the Peruvian Andes. With few alternative livelihood options available to them, a marketing system that provided no incentive to produce the quality fibre the market demanded, weak producer associations, no national strategy and a long history of sectoral neglect, the situation for the *alpaqueros* and the sector as a whole looked grim. Eight years on, despite further shocks and challenges, following a policy and institutional change process things are beginning to look more hopeful...

A sector in decline

The *altiplano* of Peru offers some of the most dramatic landscapes in South America – vast, open spaces; cold, windswept grasslands punctured by the sparkling waters of upland streams and lakes. Though beautiful in their austerity, these landscapes offer few means of making a living: sheep, potatoes and the Andean grain, quinoa, provide subsistence at low to mid-altitudes. However, the mainstay of many of the region's poorest people, those living above 3500 metres, is the alpaca.

More than 80% of people here depend on alpacas for their livelihoods. There is no other economic activity; this is the only thing they can do in this region.

Castillo Choque, farmers' leader, Santa Lucia, Puno

One of two domesticated camelid species in Peru, the alpaca, produces better quality fibre than their relatives, the llamas, which are used mainly as beasts of burden and for meat, and are more amenable to sharing it than their wild cousins, the vicuña. Alpaca fibre is valued for its light weight, softness and warmth.

The Department of Puno, on the shores of the world's highest navigable lake, Titicaca, is home to the majority of Peru's alpacas and the people who derive their livelihoods from them, the *alpaqueros*. An average *alpaquero* family may own some 50 animals and currently earns a modest income, up to US\$ 800 a year, from the combined sales of fibre, live animals and the dried, salted meat known as *charqui*.

While international markets now favour fine, light fibres such as mohair and cashmere, Peru's alpaca fibre production had moved in the other direction, losing quality and earning lower prices. Of the



6,400 or so tonnes of alpaca fibre produced in Peru in 2007, less than one-tenth was classified as top quality. Meanwhile, other emerging alpaca fibre producers, such as Australia and New Zealand, are competing with Peru with increasing success due to their more organized breeding programmes, advanced processing technology, quality standards and higher levels of investment in research and development.



For decades in Peru, alpaca fibre has been bought by intermediaries in bulk by weight, with no price differential for quality. Grading occurred only after purchase. With no incentive to produce high-quality fibre, understandably producers have not bothered to invest in buying better animals, maintaining registers of breeding stock, treating parasites, or grading their wool before sale.



Herds of less than 100 animals are too small to maintain good genetic potential and inbreeding is common; few owners, for example, exchange breeding males to introduce new blood. Furthermore, in recent years large numbers of high-quality alpacas have been exported, often illegally, to other countries in the region, which may have further eroded the Peruvian herds' genetic base. The situation is exacerbated by interbreeding between alpacas and llamas, and by infestation with scabies parasites, both of which coarsen the fibre and reduce its quality.



The alpaca fibre trade in Peru is dominated by a small number of processing and exporting companies. Traditionally the processing industry has taken little interest in the well-being of producers or the quality of their herds. Between the dispersed and remote producers in the highlands and the processing companies in the lowland city of Arequipa lies a long and opaque chain of intermediaries.

Small-scale traders collect the raw fibre in remote areas, paying cash or bartering it for other goods, selling it either to larger traders for onward sale to the processors, or to industry commission agents buying on behalf of processors. Although these traders provide a service to producers and link them with processors, they are accused by some of capturing an excessive proportion of the value in the chain. Processors, meanwhile, are alleged to conspire to keep producer prices low.

Zooming in on camelids



The PPLPI's involvement in the Andean region began in 2002. Together with the Consorcio para el Desarrollo Sostenible de la Ecoregión Andina (Consortium for the Sustainable Development of the Andean Ecoregion; CONDESAN) – a regional research and development consortium that taps into a broad and diverse network of organizations working to develop the Andean region – a series of country case studies and stakeholder dialogues were undertaken on livestock sector-poverty dynamics and current policy and institutional frameworks.

Later, in mid-2004, PPLPI concentrated the scope of its involvement in the region on Peru, initially prioritizing networking and building partnerships to create strong linkages within the Peruvian livestock sector.

The prevailing national agricultural policy focus at that time was on lowland, coastal production systems – the high Andes areas were largely ignored. At this time PPLPI took part in various political and development fora and succeeded in creating greater understanding of the importance of livestock – both to the livelihoods of poor highland dwellers and to the wider national economy. This approach resonated with political change then underway in the country, which was leading towards a more decentralized government system and renewed interest in agriculture and rural development. Following a series of dialogues, and taking its cue from renewed interest in rural development issues in the highlands, it was decided that PPLPI would further focus its efforts on the camelid sector. This decision was formally endorsed by PPLPI's Steering Committee in October 2005.

The process

PPLPI's role was to facilitate and provide leadership in five key areas of the process:

- Networking and engagement with diverse potential partners
- Broad-based stakeholder dialogues
- Capacity building at all levels
- Research to fill knowledge gaps
- Trial and error in the application of policies and operational principles.

The immediate goal was to develop a national strategy for a stronger, more equitable alpaca fibre sector; one that was better equipped to compete in the global market – and that could make a real contribution both to improving the livelihoods of the *alpaqueros* as well as to the national economy. Such a strategy would be the country's first attempt to develop a coherent vision and plan for the domestic camelid sector. Directly involving poor and hitherto marginalized producers and their organizations in developing the strategy would also be a first for Peru.

A coordinator, Judith Kuan, was recruited, together with a Regional Advisor, Carlos Pomareda. Funding and activities were channelled and organized through CONDESAN.

PPLPI began its practical involvement with a detailed study of the sector. The aim was to map out who was working where and on what (see box – *Who's who...*), an important early step in developing working partnerships to address the sector's problems.



Who's who in Peru's camelid sector

The Consejo Nacional de Camélidos Sudamericanos (CONACS), an agency of the Ministry of Agriculture, had been responsible for public sector research and development (R&D) since its creation in 1992, with support from the Dutch Agency for International Cooperation (SNV) since 2004.

A number of local associations of *alpaqueros* existed, but were too weak to represent members' interests effectively. However, the recently revitalized Sociedad Peruana de Criadores de Alpacas y Llamas (SPAR) had the potential to fulfil this role. As a national producers' association, it could work with government bodies such as CONACS to push for better conditions for small-scale producers and a better-coordinated, more equitable alpaca sector.

The Instituto Peruano de Alpacas y Camélidos (IPAC), a private, non-profit organization established in 2001 and funded mainly by the large-scale processing industry, was active in pushing for higher-quality wool, developing technical standards and promoting training for producers. In 2002, with funding from the InterAmerican Development Bank (IADB), IPAC had begun implementing a project to increase the competitiveness of small and medium-sized enterprises in Arequipa's textile industry.

Smaller processors were represented by the Central de Cooperativas de Servicios Especiales Alpaqueras de Puno (CECOALP), a second-level cooperative that had been established to provide coordination and advice to eight smaller cooperatives organizing fibre collection and processing from around 1000 *alpaquera* families in the northeast of Puno.

The Comisión Nacional de la Alpaca (CONALPACA) had come together informally in 2004, the fruit of a joint initiative by CONACS, IPAC, SPAR and the Ministry of Production under the leadership of Vice Minister Antonio Castillo. The aim was to bring together all actors in the sector and to promote strategic planning.

The Proalpaca Project, funded by the European Union (EU) and implemented by CONACS, aimed to promote alpaca production in three Andean departments: Huancavelica, Ayacucho and Apurímac. A range of other projects related to the alpaca sector also existed, including various NGO initiatives, and local or national activities undertaken by a number of government departments.



The study also revealed that there had in fact been significant investment in the sector: in recent decades it was estimated that donors had pumped up to US\$100 million into Peru's alpaca sector. But there was little to show for this level of investment. Perhaps because efforts had been fragmented – there was no shared vision or agreed plan for the sector – and had failed to focus on the fundamental institutional and policy issues that needed resolving. The few previous attempts to tackle these issues through negotiation had stalled owing to the entrenched positions of the processors and intermediaries on the one hand, and the producers on the other.

It quickly became apparent that there was a complete absence of any plan.

Judith Kuan, PPLPI Coordinator, Andean Region

In the early stages, PPLPI concentrated on developing a broad and diverse network of potential partners and collaborators. Through CONDESAN, PPLPI entered into formal collaboration agreements with CONACS, CARE-Peru and SNV. PPLPI also built an informal network with other stakeholder groups, in particular the Ministry of Agriculture, the General Office of Agricultural Planning, the Proalpaca project, SPAR, and a wide range of rural development projects, associations, NGOs and local government offices in the Puno, Huancavelica and Arequipa regions.

An early objective was to increase awareness among these potential partners of the role of policy and institutional change in the fight against poverty. Traditionally, policy in Peru's livestock sector had not focused on the needs of poor or small-scale producers; it had tended to be heavily influenced by large-scale, agro-industrial producers and exporters – such as the large pork and chicken operations located in the coastal zone.



The norm in rural development in Peru is that strategies are imposed from above.

Godoy Muñoz, President, SPAR

Together with its partners, PPLPI next launched a broadly based stakeholder dialogue. The first phase consisted of a series of consultations convened by CONACS in ten different regions: Apurímac, Arequipa, Ayachucho, Cusco, Huancavelica, Junín, Lima, Pasco, Puno and Tacna. About 600 people attended overall, representing local and regional government, alpaca and llama producers, NGOs, universities and development projects, and the private sector. While these events focused primarily on the formulation of regional plans for the sector, they also provided an opportunity for broader participation, and at the same time strengthened the capacity of the participants to be instrumental in effecting change.

PPLPI's main role in these events was to assist and support CONACS in its attempts to bring together diverse actors with interests and viewpoints that often conflicted. It provided an impartial and objective presence, for example by emphasizing the importance of contributions based on evidence rather than emotion. Much of this evidence was drawn from studies previously conducted by PPLPI.

The hardest part was getting different representatives to sit around the same table. Farmers complained about the price they receive for their fibre. Processors criticised the quality of the product. This has gone on for years.

Daniel Arestegui, Ex-advisor CONACS



Bringing together such a wide range of stakeholders, with diverse cultures and objectives, was challenging. At first, producers' representatives and the large-scale processors blamed each other for the quality problems besetting the sector. But, through discussion and mediation, a climate of trust was gradually established: the realisation slowly dawned that solving the sector's quality problems could benefit all stakeholders. Developing this shared objective was the tipping point that enabled significant progress to be made, leading ultimately to unanimous agreement on the practical measures needed to improve quality throughout the sector.

The detailed explanation of objectives, by means of personal conversations and in meetings and workshops, facilitated understanding between actors with apparently opposed interests, and there was unanimous agreement on the importance of fibre quality.

Judith Kuan, PPLPI Coordinator, Andean Region

One factor that helped the process through this difficult stage was the identification of 'champions' – leaders who could speak for the different groups and who were able to articulate and defend different interest groups' positions clearly and rationally. According to Judith Kuan, giving these people a seat at the negotiating table greatly aided mutual understanding.

Next, CONACS held a series of six national workshops to develop the outcomes and ideas from the regional consultations into a national strategy. Invited to the workshops were representatives not only of producers, NGOs and universities, but also from the industry: both large- and small-scale processors were involved through IPAC and CECOALP.

Farmers could feel they were a vital part of the shaping of the strategy and the policies. For the first time, the state was taking alpaca producers' opinions and contributions seriously.

Godoy Munoz, SPAR

As well as the direct participants in the fibre value-chain, a wide range of less directly involved institutions participated, including natural resource management institutions such as the Instituto Nacional de Recursos Naturales; providers of services to alpaca herders, such as the Instituto Nacional de Investigación Agraria; institutions related to processing and marketing, such as the Ministry of Production; and potential or actual investors, such as the Ministry of Economy and Finance.

PPLPI acted as facilitator and honest broker. Only the intermediaries – traders and agents – were conspicuous by their absence. Although previously dominant over the producers, not only did they lack a strong representative body that could voice their interests; they also had the most to lose from the process, which would inevitably lead to a reduction in their margins.

The culmination of this process was the formulation of the first National Camelid Development Strategy for Peru.

A framework for progress

Published in October 2005, the National Camelid Development Strategy is a landmark in the Peruvian alpaca sector. The strategy carries endorsements from the Minister of Agriculture, the President of CONACS, the Minister of Production, the President of IPAC and the President of SPAR.

For the first time, leaders of government, industry and the producers agreed on a framework to improve alpaca production and add value through the market chain. The strategy not only expressed the vision of the large-scale processing industry and government, but also gave a voice to the needs and aspirations of small-scale producers. It provides a comprehensive set of underlying principles for planning and implementing technical and institutional interventions, and also serves as a useful tool when seeking investment in the sector. Perhaps most important of all, it showed how the sector could regain its lost export market share (see box).

Following vigorous lobbying by the President of CONACS, in May 2006 the Minister of Agriculture signed a decree adopting the strategy as official government policy. In October the same year a ministerial resolution was passed recognizing CONALPACA as the consultative body responsible for supporting alpaca sector development and for making alpaca fibre a 'flagship product' of Peru.

The national strategy

Peru's National Camelid Development Strategy offers a vision for where the sector should be in 2015 and outlines themes on which to focus in order to achieve this, including market orientation, equality and intercultural respect among stakeholder groups, sustainability issues and value chains.

The strategy sets out 7 goals, including:

- Sustainable management of natural resources and herds; covering genetic improvement, conservation and improved management
- Development of appropriate technology; covering human resource development, research, extension and institutional strengthening
- Development of competitive markets; covering quality throughout the chain, marketing strategies and participatory policy development
- Promoting investment; including legal frameworks, institutional and financial mechanisms and a conducive policy environment
- Development of support services; covering project funding, information systems, infrastructure, technical assistance and certification
- Institutionalization of the value chain approach; including strengthening of producers' organizations, public-private partnerships and fora for dialogue
- Promotion of value addition and processing; including technological innovation, development of product and process standards and new product design.

For each goal, the strategy designates one or more lead institutions, together with organizations willing to participate.



Towards impact

Beyond the development and adoption of the strategy – which was itself a major achievement – the stakeholder process has resulted in other important outcomes.

The workshops and discussions revealed the need to address overlaps in the functions of the various state bodies relevant to the camelid sector, as well as the gaps between their roles. In line with the government's decentralization policy, the strategy gave CONACS the role of providing advice and support instead of directly implementing development interventions. Responsibility for the latter was passed to regional governments, with civil society organizations, such as SPAR, also expected to play a stronger role.

Using the strategy as a basis, PPLPI and CONACS developed a proposal entitled 'Policy, Camelids and Poverty Reduction', which outlined the priorities for action over the short to medium term. At the same time, the Consejo Nacional de Ciencia, Tecnología e Innovación (CONCYTEC) put forward a programme of technical interventions based on the strategy's technology component. This programme has attracted support at the national and regional levels, channelled through the Program for Science, Technology and Innovation funded by the IADB.

In a separate project supported by Oxfam UK and the French Embassy in Peru, SPAR established an Alpaca Training Centre near the town of Macusani, in Puno region. The centre provides training to farmers in selecting and breeding alpaca to produce better quality wool. The quality of wool is affected by its density – the number of hair follicles per square centimetre – and its fineness – the diameter of individual hairs. The centre is equipped to measure both these parameters, providing farmers with an objective basis for deciding from which animals to breed. A further component of Oxfam's assistance provides funding for SPAR to buy high-quality breeding males, which are then lent to individual producers to upgrade their herds. Because there are not enough males to go round, they are distributed according to a monthly lottery, with the winners keeping the animal for a month. This component benefits not only these recipients but also the sellers of the animals, who generally live in other areas. The project as a whole comes under the strategy's first goal, which includes the genetic improvement of Peru's alpaca herd, and is a good example of how the strategy helps guide investment in the sector, encouraging donors to fund priority interventions.

SPAR has developed rapidly since 2004, when SNV began supporting it. The partners undertook a concerted effort to strengthen SPAR's regional, provincial and district coverage. This has worked well and the organization is now represented in at least nine regions and some 46 districts. It was largely through SPAR's regional representatives that small-scale producers acquired a voice in the discussions that led to the strategy's development.



Being involved in this process allows producers to organize. And the capacity building in marketing and genetic improvement has been very good. It had a big impact and allows them to express their demands to the government.

Teodora Cano, former President, SPAR-Macusani



This voice continues to be heard in negotiations with local government. In theory, Peru's policy of decentralization provides civil society organizations with opportunities to influence local budget allocations. In practice, however, marginalized groups such as the *alpaqueros* tend to be under-represented in participatory decision-making fora. By playing a pivotal role in the process that led to the strategy's development and endorsement, SPAR has strengthened its capacity to represent the *alpaqueros* and to participate forcefully in negotiations on their behalf. It is now pressing for a share of local municipal budgets to support further improvements in the sector.



One of the most promising outcomes of the CONACS–PPLPI process is the level of continuing interaction between organizations in the domestic and indeed the whole Andean camelid sector. Before the stakeholder process, most actors in the sector looked to government to take the lead on development initiatives. Today, they look to each other for partnership and mutual support.

The most important outcome is that the sector is continuing to develop because the actors have got used to working together.

Daniel Arestegui, former adviser, CONACS

In the short space of one year, the farmers have developed strong organizational skills enabling them to harvest the fibre and market as groups. Also, the whole sector is attracting more interest in what we've achieved.

Jesus Barra CONACS, Puno

This new sense of partnership has already asserted itself, albeit under discouraging circumstances. In 2007, following an election, the new Peruvian Government announced its decision to close CONACS in April 2008 and to divide its functions between the Instituto Nacional de Recursos Naturales (IRENA; the National Institute for Natural Resources) and the Directorate for the Promotion of Agriculture, both of which fall within the Ministry of Agriculture. The rationale for closure was that high staff turnover had weakened CONACS' performance and that cost savings could be achieved by integrating its activities within other organizations. Many institutions and associations, including SPAR, have protested against this change to Congress, demonstrating the sector's new-found solidarity.

Progress and setbacks

Following official endorsement of the strategy and the establishment of stronger working relationships among the sector's major stakeholders, PPLPI's activities in Peru began to wind down in mid-2006.

Since then, CONACS, IPAC, SPAR and the Ministry of Production have worked together in an attempt to break the stranglehold of the intermediaries on the value chain between producers and processors: Under the Sistema Nacional de Acopio y Remate de Fibra – the national fibre collection and marketing system – 50 fibre-collection centres have been established throughout alpaca-producing areas during the past 5 years.

As part of the drive to improve fibre quality, IPAC has worked with CONACS to develop quality and classification standards that can be used in the collection centres to provide buyers with fibre of defined quality. IPAC has also provided training and technical assistance in fibre grading.

The collection centres allow producers to bulk-up production, carry out grading and sell fibre with a price differential for quality on the open market through auctions. Encouragingly, during the 2006 shearing season some producers took advantage of this system to achieve higher prices, although the bulk of fibre collection remained in the hands of the traders. Building on this promising start, the benefits of this new way of doing business need to be made more widely known so more *alpaqueros* can enjoy premium prices for higher-quality fibre.

Challenges still remain. Lack of funding for the collection centres hampered their operations and, of the three largest processors, only one – PROSUR – participated in the 2006 auctions. The quality standards developed by IPAC and CONACS have not been widely implemented due to disputes over their application and over who can arbitrate in such cases.

During the 2007 shearing season, disputes arose over the prices offered by the processing industry. Two of the large processors – Mitchel and Grupo Inka – offered extremely low prices, claiming



that international prices were low due to reduced demand from China. Prices fell from 16–20 Sols (1 Sol = 0.33 US\$) per kg for poor-quality fibre (*fibra gruesa*) in 2006, to 8 Sols per kg in 2007. As a result, many producers refused to sell their fibre, preferring instead to store it at the collection centres. About 23,000 kg are currently stored.

Producers are living from sales of meat and live animals.

Teodora Cano, former President, SPAR-Macusani



Low demand from China was only one of the reasons for the low prices offered to producers in 2007 and again in 2008, which also reflected the weak US dollar, fears of a global recession denting consumer confidence in purchasing luxury goods, and the cyclical behaviour of international fibre markets. But globally, producers who could supply the highest-quality fibres were the winners – reinforcing the message that quality pays.

According to SPAR President Godoy Muñoz, relations between SPAR and local government bodies have improved since the national strategy process. However, recent events have done little to reassure producers that central government is on their side. There has been no government support for pushing forward with the strategy's aims. Indeed, the proposed dissolution of CONACS in April 2008 suggests that government has not understood the role that CONACS has played, nor has it valued the expertise acquired by CONACS in camelid sector management and development. Producers who previously felt the CONACS office in Puno was a source of support and information now feel abandoned.

Lessons learned

This case study has clearly demonstrated how policy change processes can be affected by shocks – in this case caused by regime change and collapsing global commodity prices. The lesson is that policy change is a dynamic, on-going process: policies are not set in stone. In the words of Judith Kuan, the PPLPI Coordinator, the policy change process “is an approach, not a recipe” – and the recipe needs to be constantly tinkered with to evolve along with the changing political, economic and social environment.

The current process succeeded in developing a ‘win–win’ national camelid strategy that was adopted and, despite the change in government, remains official policy. However, perhaps the more important legacy is the increased capacity of the sectors stakeholders – some of whom were previously adversaries – to communicate effectively with each other, identify common interests and effectively influence decision-makers with a unified, loud voice.

The timing of the downturn in alpaca fibre prices makes it difficult to reach firm conclusions on the potential economic impact of this policy process. But inevitably the cycle will turn and better prices are likely to return, once again providing opportunities for progress. When that happens, much will depend on the willingness of government and industry to act on the central understanding reached during the strategy process: that fibre quality is the key to unlocking the sector’s potential.

In the meantime, the process has put in place a number of positive changes that pave the way for future impact. The setting of quality standards and the launch of breeding programmes are the two most obvious examples. The revival in the market for breeding animals should eventually lead to the availability of more of the high-quality fibre, in addition to providing a welcome new source of income for producers in the short to medium term. It is also clear that the new strategy is an effective tool for raising and targeting investment in the sector.

Several factors account for the apparent success of the process. The presence of PPLPI at the table ensured a rational, evidence-based approach, leading to acceptance of the central thesis: that quality improvement could benefit all stakeholders. A shared objective – development of the national strategy – also helped keep stakeholders talking despite their differences. The use of ‘champions’ to articulate the views of specific groups proved beneficial, especially in strengthening the voice of previously marginalized producers. Lastly, CONACS, SPAR and other participants successfully lobbied central government to make the national camelid strategy, together with broader poverty reduction and enterprise development, official government policy.

Strength in Union: Facilitating Livestock Sector Trade in West Africa

A new framework law in francophone West Africa's emerging common market aims to enhance regional livestock trade whilst protecting animal health and food safety.

A dynamic sector

The livestock trading countries of West Africa fall into two distinct groups – the exporters, consisting of the drier, less tsetse-infested Sahelian countries to the north, and the importers, in the more humid south, where the presence of the fly can impact on the expansion of ruminant production. In these southern countries, rising incomes and urbanization are creating a rapidly growing market for livestock products that serves as magnet for cattle, sheep and goats from the north (see box).

From trekking to trucking

Less than a decade ago, most animals sold in the south were trekked there on foot, in a journey lasting 45 days or more. Today the trip is typically made in less than one day – by truck. The shift to trucks is perhaps the most obvious sign of a modernizing sector as the volume of trade grows rapidly, driving a similarly rapid rise in production.

Lying at a crossroads in central Burkina Faso, Pouytenga livestock market is one of the Sahel's largest and an important staging post on the route south. Cattle, sheep and goats are brought in by small truck or pick-up, not only from other parts of Burkina Faso but from much further afield – Niger, Mali, even Mauritania. After being sold to traders, who amalgamate them into larger lots, the animals leave again on large trucks destined for various southern countries: Côte d'Ivoire, Benin, Togo and, most commonly, Nigeria.

West Africa's Sahelian livestock market still consists mainly of small players. Each is first and foremost a producer, but takes to being a butcher, retailer, trader or trucker according to need, aspiration and resources. In the past decade, the number of animals traded through Pouytenga has risen steadily: in 2007, some 74,000 cattle, 69,000 sheep and 68,000 goats changed hands – the highest ever. With rising consumer demand can come healthy profits: for example, cattle bought for 300,000 or so CFA francs (US\$ 725) and fattened – whether in a backyard or a commercial feedlot – can be sold on to traders 4 to 9 months later for CFA francs 600,000 (US\$ 1450).

While resource constraints such as feed and water remain critical for the region's many small-scale producers, the role of cross-border trade in driving the sector's expansion means that two further factors assume critical importance – animal diseases, particularly those that are spread through, and thus limit, trade; and the safety of animal products for human consumption.

Both are cause for concern throughout the region. Although rinderpest has been eradicated, trypanosomiasis, peste de petit ruminants (PPR), foot-and-mouth disease (FMD) and contagious bovine pleuropneumonia (CBPP) among others, remain serious threats and are, in some cases, gaining ground. And the rising volume of trade accelerates the spread of disease each time a new outbreak occurs.

Governments generally react to confirmed disease outbreaks in neighbouring countries by banning imports of live animals. Sometimes, however, the suspicion or fear of disease is used as a pretext to impose a ban that is motivated more by protectionism than by real risk; and in still other cases bans are caused more by confusion than by risk or conspiracy (see box). A better-coordinated approach to animal health, linking countries across the region, is badly needed.

The food safety aspects of trade in livestock products in developing countries are also a cause of concern. As production patterns, processing and distribution practices, and consumption habits change, and marketing chains become longer and more complex, issues such as shelf-life and risk of product contamination become increasingly important. More informed, better-educated and wealthier urban consumers now demand higher food safety standards – and increasingly shop in supermarkets rather than traditional markets and small-scale shops. Meanwhile supermarkets are responding to the demands of this rapidly emerging, more discerning middle class; as their market share grows they enjoy an increased ability to dictate terms and conditions to their suppliers, and are beginning to drive food safety and quality standards upwards – as they have done in developed markets for some time.

The Union Economique et Monétaire Ouest Africaine (UEMOA) (see box) envisaged a bold and far-sighted response to the twin issues of trade constraining animal diseases and food safety. The idea was to develop a common legal framework that would enhance and make trade in livestock and their products safer across the UEMOA zone, to the benefit of producers, consumers and traders. Ultimately, by working towards compliance with international standards and certification requirements, the framework might also open up trade with other more distant – and potentially more lucrative – global markets.

We find here all the diseases that are prevalent across the region.

Sawadogo Dieudonné, Chief Inspector, Pouytenga veterinary post, Burkina Faso

Rinderpest eradication and exports

Inconsistencies among the national regulatory regimes governing imports and exports can have a damaging effect on trade. They often arise because of a lack of information sharing and coordination among veterinary authorities and governments.

A potent example occurred during the late 1990s and early 2000s, when rinderpest was being gradually eradicated across the region. As countries such as Mali and Burkina Faso freed themselves from the disease they moved away from mass vaccination, partly on the grounds of cost and partly because the difficulty in distinguishing vaccinated from infected animals would obscure any remaining pockets of disease. However, southern importing countries, including Benin, Côte d'Ivoire and Togo, continued to demand vaccination certificates for animals crossing their frontiers. The result was lost trade and livelihoods – not to mention lost tempers at frontier posts.

What is UEMOA ?

Founded by treaty in 1994, UEMOA evolved out of the earlier currency union of the seven francophone West African countries sharing the CFA franc: Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo. In 1997, Lusophone Guinea-Bissau became the Union's eighth member.

Modelling itself closely on the EU, UEMOA embarked on an ambitious programme to promote regional economic growth by establishing a single market in goods, services and labour, harmonizing and rationalizing legislation, and coordinating national economic and sector policies. One of the programme's most significant achievements is the Customs Union that has bound the eight since 2000.

A long and winding road...

The long process that culminated in the signing of the new regional framework law began in 1997 when Issoufou Dare, UEMOA's Director of Animal and Aquatic Resources, travelled to Rome to elicit FAO's support for the Union's efforts to improve regional food policy. FAO responded by establishing a regional Technical Cooperation Programme that began by setting out the agenda on which the two organizations would collaborate.

By October 2000, UEMOA had entered an agreement with FAO to implement an ambitious plan to improve food security and safety. The plan had two main components – regional and national. The regional component, in which PPLPI was involved (and which is the subject of this case study),



focused on the development of the framework law, which aimed to harmonize national legislation on plant health, animal health and food safety, while the national component aimed to improve food security by increasing and diversifying production at village level. The plan was co-funded by FAO and UEMOA, with the latter's funds coming originally from the EU.

PPLPI positioned itself for its involvement by organizing two regional workshops on livestock and policy issues, the first in Ougadougou in May 2003 and the second in Dakar in November 2004. These workshops, which were attended by key UEMOA officials, helped establish PPLPI's credentials in the livestock policy field and contributed to UEMOA's request that PPLPI handle the animal health aspects of the process to develop the new law.

The first step in the process was the appointment of four regional consultants (two for plant health and one each for animal health and food safety), who then selected teams of national consultants to conduct national-sector studies on each of the three themes. The animal health studies aimed to reveal gaps and overlaps in existing legislation, to identify the major disease control problems, and to outline areas where capacity was limited (see box).

On completion, the national studies were sent to the regional consultants, who used them as a basis for drafting regional synthesis documents for each theme.

An intensive consultation exercise followed: national workshops were organized in each of the eight countries, to discuss and amend the synthesis documents.

Veterinary inspectors often own a knife and nothing else.

In: UEMOA SPS Initiative: A Critique of Regional Analyses, United States Agency for International Development (USAID)



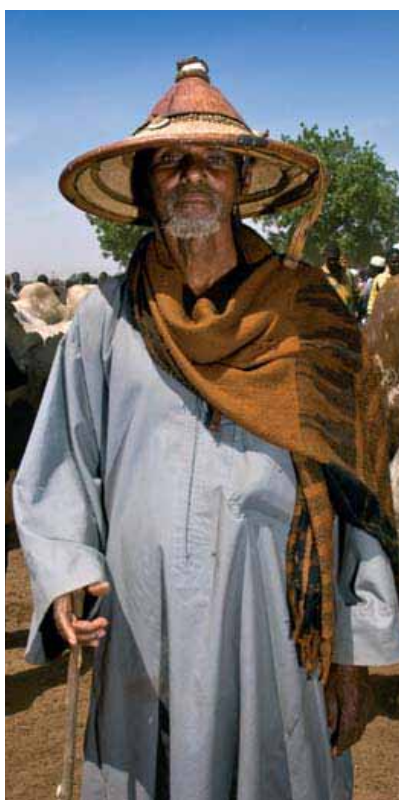
The national findings

The studies showed that much existing national animal health policy and law is outdated. Regulations on veterinary medicines, for example, had in some countries been adopted virtually unchanged from French colonial law. Legislation had seldom been adapted to the new realities of, privatization, decentralization and globalization.

A further problem was the lack of *textes d'application* – the decrees and other instruments that spell out the law in detail and thus make it enforceable. In some areas, for example the marketing of imported inputs, legislation was lacking altogether; in other areas it was contradictory or counterproductive. The result was considerable discrepancy between regulations and actual practices, reflecting widespread disrespect for the law, ignorance of it, or confusion about it.

Effective disease control was constrained by various factors including educational deficiencies, financial constraints, frequent changes in government personnel, lack of collaboration between countries, competition between public and private veterinarians, and failure to recognize or support community-based animal health workers (CAHWs).

Several countries identified shortages of trained veterinarians and veterinary assistants as a major problem. In Burkina Faso, for example, many vets were approaching retirement age and a training plan was needed urgently to ensure the survival of the profession. In addition, basic or refresher training was needed for veterinary inspectors and laboratory technicians. These were also considerable deficiencies in the basic equipment and supplies veterinarians and laboratory technicians needed to do their jobs.



Participants from the livestock sector included producers, butchers and other processors, consumers, traders and animal health experts.

It's important the government listened to people like me. To know the reality of livestock farming it's important to sit with the people involved, the real professionals. If you want to help someone you can't unless you sit with him. Unless you talk with him you will not know his problem.

Bande Amadou, traditional cattle trader

The atmosphere at these workshops was described as “lively”. “There was real participation,” says André Béré, a national consultant for the Burkina Faso studies. “People came to take part actively, saying what they thought.” But the discussions were also long and slow. “We had to aim for a text that was not only adapted to countries’ needs but also acceptable to international authorities and in line with producers’ needs.” Squaring the circle between these three interest groups was often difficult, leading to tedious sessions that would occasionally flare up into full-scale rows.

Following the national workshops, the annotated texts were sent to UEMOA headquarters in Ougadougou for further review and on to Dakar, where a regional workshop was held in January 2006 to analyse all the comments received and to finalize the wording. According to Cheikh Ly, Regional Coordinator for the animal health studies, the going was less difficult at this workshop, since the national workshops had “made sure we were all talking the same language.” These regional discussions also provided an opportunity to compare national experiences in dealing with other difficult issues such as the delivery of animal health services (see box).

UEMOA’s legal team then revised and combined the three synthesis documents as a single draft framework law, which entered the UEMOA decision-making process.

The draft went first to UEMOA’s technical ministers, then to the Council of Ministers, in iterated cycles of revision and review. The first part of each Council meeting to discuss the law consisted of a meeting of experts, who in line with normal UEMOA procedure proposed amendments to the text. These were for the most part restructuring and fine-tuning exercises, although also some substantive changes were introduced at this stage.

The national workshops were a great opportunity for nationals from the phyto- and zoosanitary and food sectors to see that we were sharing very similar issues and that integrated solutions were needed.

Cheikh Ly, Regional Coordinator, animal health studies

Sometimes the amendments made by the Committee of Experts were good and sometimes they weren’t. On several points they ignored our advice.

Daniel Dahien, Coordinator of Burkina Faso’s League of Consumers

Inevitably, the process left some issues unresolved. There was no agreement on genetically modified organisms (GMOs), an issue on which urban consumers, influenced by NGOs, remain apprehensive although politicians and farmers tend to support

Differing experiences with privatization and CAHWs

The history of privatization of veterinary services in UEMOA varies greatly according to country. Burkina Faso, for example, had introduced private veterinarians over 20 years previously, whereas in Guinea Bissau the service remained fully state-funded and operated.

The most successful model appeared to be that of Togo, where CAHWs had been trained under various projects to work in a private capacity alongside public-sector vets. Each vet was linked to three CAHWs who were resident in more distant villages. Although some producers were too poor to pay for services and there was some competition with the veterinarians, the system appeared sustainable.

In Burkina Faso, in contrast, privatization had been less successful, due mainly to the non-withdrawal of the state from areas where private veterinarians had begun practising and to the failure to institutionalize training and support for CAHWs. The geographical distribution of vets was also problematic: most were concentrated in the higher-potential southwest, where farmers could afford to pay for drugs and other inputs, whereas poorer producers in the drier north often had to go without any service at all.

introduction. Nor does the law contain any explicit statements on giving recognition to CAHWs and freedom of movement to vets – two other issues on which there was much discussion but little agreement.

The outcome was the signing of the new framework law at the April 2007 meeting of the UEMOA Council of Ministers. This was over a year later than originally envisaged, which reflected the difficulty of developing approaches acceptable to all.

From regional agreements to national implementation

Within UEMOA, the new *règlement* will be fleshed out in a series of *règlements d'exécution* (decrees), giving, for example, the composition of new committees, lists of notifiable diseases, conditions governing imports and exports, specifications of laboratory analyses to be carried out, and so on.

A parallel but still more extended process must take place at the national level. Here laws are first passed by national assemblies or parliaments; a more detailed *décret d'application* is then prepared for signature by the Head of State; and this is followed by still more specific *arrêtés* (decrees), *instructions* (orders) or *notes de services* (guidelines), which are signed by ministers or departmental directors.

Once the UEMOA process is complete, national governments will be required to bring their existing legislation into line with UEMOA texts. Any national texts that contradict UEMOA texts will be considered null and void. Where there is no national text, the relevant UEMOA text will apply.

Building the capacity for implementation

As the process to develop the framework moved up from national to regional level, training was organized in each country to prepare for implementation.

Training in the different technical areas took place through a two-step process: first, two training-of-trainers workshops were held at regional level, with four participants from each country. This was followed by a national course in each country, with 30 to 40 participants drawn from the different bodies responsible in each sector (see box).

Refresher training

One person who benefited from the training-of-trainers component of the process is Dr Estelle Kanyala, Director of Animal Health in Burkina Faso's Department of Livestock Resources. Dr Kanyala attended a regional workshop to train the trainers of national veterinary inspectors and laboratory technicians, held in Dakar, 28 January to 6 February 2008.

A veterinarian by training but now taken up mainly with administrative duties, she greatly enjoyed re-engaging with the more practical demands of work in the field. "I also got a lot of pleasure out of learning to train others," she says. On return from Dakar, Dr Kanyala went on to organize a national workshop for 30 Burkinabé inspectors. These people are now at work at national border posts and abattoirs. "Our most pressing need was at the border, for the vet control posts," she notes.

The implications

Assuming the regional agreements are translated into national laws and regulations – as is likely to be the case with UEMOA driving the process – various stakeholders in the West African livestock sector will benefit, although there are likely to be both winners and losers. Many stakeholders play multiple roles; many producers are also small-scale traders or processors; and almost everyone is a potential consumer, which makes predicting individual impacts tricky.

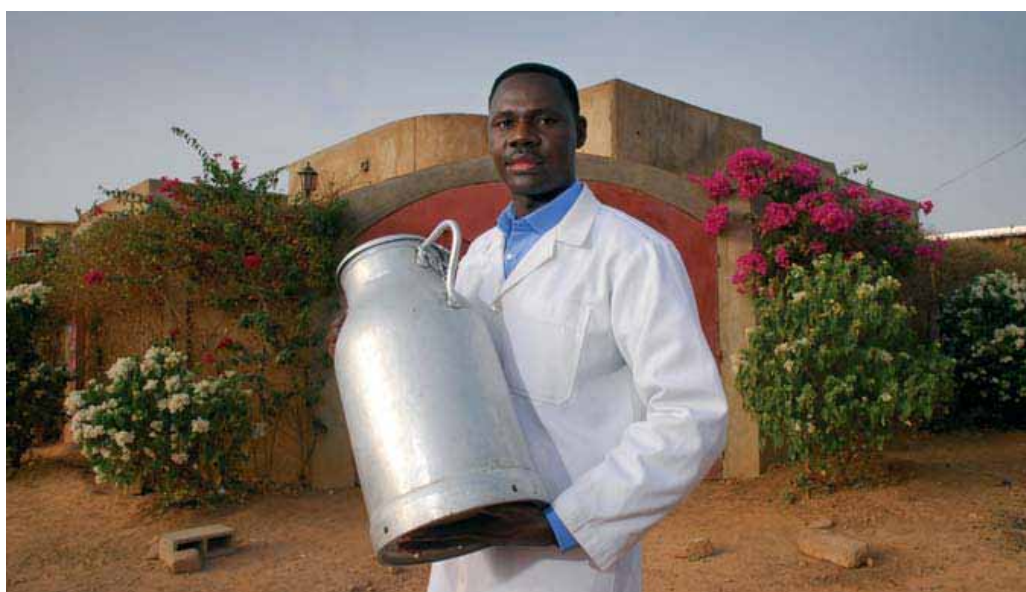
Traders in live animals are likely to be amongst the first groups to benefit – through fairer and more efficient policing of cross-border movements, and harmonized and more transparent procedures and requirements. Training of veterinary inspectors for border control posts is being carried out under an FAO–UEMOA agreement. Better manning of these posts, together with more stringent quarantining, should instil more confidence in both importing and exporting countries, easing trade flows and reducing the incidence of unjustified import bans. It may also help to reduce the amount of illicit taxation imposed by customs officials, whose future role should be restricted to merely checking whether the veterinarians have done their job.

Poor producers in rural areas stand to benefit greatly as the framework law now makes it compulsory for member states to provide them with animal health services. Measures such as extension of the *mandat sanitaire* and greater support for CAHWs should improve the delivery of vaccines, while better regulation of imports should increase the supply of drugs and lower their prices, at the same time as weeding out fraudulent and substandard suppliers.

Poor urban consumers stand to benefit from lower prices for livestock products as simplified and harmonized procedures should stimulate and facilitate an expansion of regional trade. This will particularly be the case in the southern countries, where demand is rising fastest and domestic production is limited.

The principal benefit, speaking for us, was that that the question of how to develop livestock farming for the very poor farmers was posed for the very first time. Generally we had been speaking about development of the sector not for the benefit of the poor. I think that was important.

*Daire Issoufou,
Director of Animal
and Halietic
Resources, UEMOA*



The rising volume of trade will also create more jobs in the sector and in areas associated with it, for example in retailing inputs, growing and supplying feed, truck loading and driving and so on.

In addition to benefiting from the animal health part of the new law, producers, processors and retailers will also be subject to its provisions for food safety. This aspect of the law implies big changes – a radical break with the informal market and unregulated practices of today and a shift towards a system more like that used in the developed world. “Farmers will have to do things differently,” says Béré. “Animals will have to be tagged and their movements and treatment histories properly recorded. Unregulated village slaughter will be phased out.”

In practice, higher food safety standards for livestock products are likely to become established progressively and at different speeds in different market segments. To ensure compliance, substantial investments will be needed in basic equipment and supplies – even the provision of clean water. And considerable emphasis will need to be placed on communications and awareness-raising. Initially, parallel markets are likely to exist: higher food safety standards being implemented in higher-value markets, such as in supermarkets serving the urban middle classes, whilst traditional markets serving poorer consumers are likely to continue largely as before. But eventually, as enforcement mechanisms become stronger, and consumer demand for higher standards stretches further down the marketing chain, all consumers stand to benefit from safer livestock products. The implications for these developments on poor and small-scale producers, traders, processors, wholesalers, retailers and consumers, both during the transition and final stages of the reform process, remain to be seen.

The pro-poor benefits from food safety rules modelled on Western standards are questionable, whereas those from improved animal health are much less so.

Joachim Otte, Coordinator, PPLPI



Lessons learned

The long process to develop UEMOA's new framework law was a major achievement. The challenge now is for the framework to be incorporated and implemented at the national level. Whilst the framework provides guidance to the individual member nations as to the animal health and food safety standards they should achieve, the principle of 'equivalence' – that is the use of measures that, though not identical, still yield the same level of protection – allows the countries some leeway in exactly how they achieve compliance.

Predictably, the wording of the law is stronger on issues on which there is consensus, such as disease control and the *mandat sanitaire*, than it is on more controversial topics such as recognition of CAHWs and freedom of movement for vets. Legislation on these issues will have to await the *textes d'application* – and will likely involve further rounds of lively discussions amongst stakeholders with divergent views.

One outcome of the process, which is likely to have lasting impact within the sector, has been the strengthening of national livestock trade associations, and the formation of a new regional federation of the national associations.

One of the factors contributing to the success of the process was the complementary nature of the two major partners. UEMOA was in the driving seat, assuming a largely top-down role – partly because of its dominance as an investor; partly because of its strength as a major regional player. FAO, through PPLPI, played a valuable supportive role, supplying the more participatory bottom-up element through the appointment of regional and national consultants, and the facilitation of broad-based stakeholder workshops. The skills of the consultants in designing and implementing inclusive consultative processes seem to have added value, helping to foster communication and create consensus. PPLPI's role also included the facilitation and funding of some of the national studies on the animal health theme and a contribution to the scoping and organization of the regional workshops. As is its wont, PPLPI kept a low profile, aiming to ensure local stakeholders assumed ownership.

As regards outcomes, questions remain over the applicability and impact of the new law. Does the political will exist, at regional and national levels, to prepare the many necessary *textes d'application*? And, more critically, will the pro-poor benefits of the animal health aspects of the law outweigh the substantial costs of ensuring compliance with the food safety aspects? On both scores, only time will tell.

It's really a good thing, the harmonisation of the text. Developing and voting on the common regulations encouraged the professionals of the cattle and meat sector to come together and form associations in each country. Now all those national bodies have joined in a regional federation of the associations in all member countries.

Barry Tidjane, producer, butcher, processor and retailer



Reflections

Since the Pro-Poor Livestock Policy Initiative began in 2001, the idea that pro-poor social and economic outcomes can best be mediated through processes of policy and institutional change has gained greater currency in development circles. One of the difficulties associated with such approaches, however, is that there is often a long lag before tangible benefits can be appreciated and measured. In the meantime, lessons learned from the change process can serve as a key indicator of progress.

Several insights have emerged from PPLPI's experience. Some of these relate to the fact that, at sub-national, national or even regional levels pro-poor policy and institutional changes in the livestock sector can be brought about with relatively limited direct input into policy processes. Rather than playing the role of a policy 'authority', the nature of such inputs needs to focus on the provision of incentives and opportunities for diverse stakeholders to interact effectively. Such processes, however, are typically drawn out and iterative, and uncertain in their outcome.

Livestock products are generally highly perishable and important sources of cash income to poor households. It comes as little surprise, therefore, that market access and regulation were important elements of the processes in which PPLPI engaged. Policies and institutions that overcome the many market failures faced by smallholders – with a focus not only on the international market but predominantly on domestic and regional markets – are likely to contribute significantly to reducing rural poverty and increasing food security.

Is policy and institutional change a viable entry point?

The experiences gained by PPLPI in policy work at country level confirmed the project's underlying rationale – that policies and institutions are far stronger determinants of poor people's livelihoods than technology. In Andhra Pradesh, for example, it was clearly shown that veterinary and other production technologies were only able to contribute effectively to the livelihoods of livestock-dependent poor people following significant shifts in the framework conditions created by legislative instruments and the norms and standards that shape relations among alternative service suppliers.



PPLPI's work at country level also provided evidence that, despite increasing international interdependencies, national governments still have more than sufficient space for policy reforms that can significantly reduce poverty. In Peru, for example, the capacity to provide locally specific responses to rapidly evolving international quality standards and patterns of competition in the natural fibre market secured international market share whilst at the same time increasing the income of smallholder fibre producers.

In most instances governments do not deliberately formulate policies that are 'anti'-poor; rather they fail to realize that economic growth, although necessary, is not always sufficient for poverty reduction. In the UEMOA region, for example, prior to PPLPI's facilitation of an institutional mechanism and policy dialogues to integrate the constraints and potential of regional livestock sector trade with the expansion of the rural economy and poverty reduction, such dimensions had not been included in the overall growth and development strategy of the livestock sector. There is ample scope for pro-poor policy reform at country level to complement policy reform at regional and global level.

Lessons learned

Two broad categories of lessons emerge. The first are operational lessons related to the approach and pre-requisites to engage in policy and institutional change processes *per se*. The second are conceptual and concern the need to rethink the way policy and institutional change is assessed and how such change can be stimulated.

Operational lessons. Conventional approaches, where policy advice is simply transferred to policy makers and practitioners, are unlikely to have much impact; partnerships and knowledge exchange networks and mechanisms have to be established rather than relying on an 'authority' as a source of policy advice. In practice this often involves facilitation of a policy process, including assisting stakeholders to access different knowledge stocks, managing conflicting interests and ideologies, learning from experiences of other stakeholders within and outside the country, and incorporation of those lessons in policy and implementation. Such processes are by nature iterative and lengthy. They require long-term engagement and setbacks have to be expected.

Another important operational lesson relates to ensuring that networked capacity is pro-poor. Whilst the quality of the interaction among other stakeholders and the poor, and the inclusion of their views and concerns is an essential part of this, focusing policy and institutional change processes on their potential benefits to the poor only diverts attention from vital process-related issues that determine whether such change builds or contributes to the required sector policy innovation capacity. It is thus in the interplay of experiences of distinct groups of actors, and in the convergence of diverse domains, where the framework conditions required for the achievement of socially desirable outputs can flourish.

Conceptual lessons. In a world characterized by rapidly changing market, technological, social and environmental conditions that are evolving in often unpredictable ways, the argument is that it is not the changes in policy and institutional circumstances that need to be assessed; rather the underlying processes that bring about such changes and build the capacity to manage and exploit



change. In other words the lesson is that understanding and promoting policy and institutional change is actually concerned with underlying capacities for change, and that this capacity is largely a function of the patterns of linkages and the quality of the associated relationships among actors in the sector.

Key elements of PPLPI's approach

PPLPI did not set out to develop a model that could simply be applied in any situation to facilitate pro-poor policy and institutional change. As the coordinator of the Peru case study pertinently observed, the policy change process "is an approach not a recipe". However, it is possible to draw out some principles and common features from the three diverse examples included in this paper which may provide useful pointers to future pro-poor policy and institutional change initiatives.



The purposeful choice of winnable battles was a shrewd move. The careful, in-depth 'policy reconnaissance' that preceded decisions on where PPLPI should deploy ensured that individual projects would be located in places and times where favourable outcomes were more likely to occur. PPLPI served more as a catalyst to sectoral change within broader change processes that had already begun, or at least were being thought about, rather than trying to create momentum from a standing start. They also worked with, and often strengthened, existing organizations rather than creating new ones.



The role PPLPI played in the processes was key. As a project of FAO, PPLPI entered the arena as 'trusted partners', acknowledged to be neutral, respected outsiders with no turf to protect or vested interests to promote – beyond the highly visible one of seeking a pro-poor outcome. The position of PPLPI was strengthened by the recruitment in each case of high-calibre locally recruited regional coordinators: men and women who had first-hand experience of the issues at hand and who rapidly gained (or already commanded) the respect and trust of the disparate parties. This position of trust was further reinforced by the consistently high quality, 'evidence-based' inputs that the PPLPI coordinators, headquarters staff members and consultants provided to the process.



One of PPLPI's specific roles focused on facilitating broad, inclusive stakeholder engagement and dialogue. In doing so its staff demonstrated admirable patience, fortitude and diplomacy, constantly willing to achieve consensus, no matter how elusive this appeared. Again, it was undoubtedly advantageous to be outsiders in the tricky process of bringing together groups who would not normally meet, and who apparently shared little common ground. The identification and involvement of local 'champions' – people who could effectively articulate the views of specific groups proved beneficial, and served to strengthen the voice of previously marginalized and poor stakeholders.



Another vital element in the PPLPI approach was to identify and fill knowledge gaps. By commissioning original research and desk studies they were able to provide credible, trusted evidence that could be used to support the case for policy and institutional reform. Defusing often charged, emotionally-based arguments by introducing carefully



considered, authoritative evidence was highly effective: this allowed contentious issues to be addressed and rational ways to move forward to be formulated and accepted.

Hitherto in these regions and sectors, the poor had not generally been part of the policy-making process – they usually lacked a conduit to make their views felt by government. Identifying ‘champions’ who could effectively articulate the views of marginalized groups proved to be of enormous value in providing a loud and clear voice for the poor. And a lasting legacy of many of these processes is the increased capacity of livestock and related associations, to engage with government and other authority figures: many now demand rather than timidly ask for their rights.

A key feature of the PPLPI approach was that it was flexible, providing the stakeholders with the space and freedom to operate. For example, if it proved desirable to expand the range of stakeholders involved in the process, the time and funding to enable this to occur was made available. The approach also enabled creativity in finding solutions and turning around difficult situations. There was an unusual willingness to take risks and try something different, without which it is highly likely that many of these change processes would have stalled.

Drawbacks with this approach

Two potential problems associated with this approach, which may deter more conservative donors, relate to the length of time required to achieve impact and the difficulty of attributing cause and effect for complex processes.

The iterative open-ended nature of policy processes dictates that policy change does not occur quickly. Once this is achieved, even more time is then needed for implementation of those changes, and yet more before impacts can be observed. Such lengthy timeframes do not fit well into the short, inflexible duration of most project cycles. This drawback, however, is arguably more than compensated for by the broad-based nature of eventual impacts. For example, in these three case studies of policy change, benefits are likely to be experienced by around 100,000 poor families in Peru, 6 million livestock-dependent households in Andhra Pradesh and an estimated 20 million poor livestock keepers in West Africa.

Looking forward...

Generally, PPLPI placed itself in the unusual position of actively avoiding the limelight, seeking to ensure that the credit for success in policy and institutional change processes sat with the stakeholders. This helped to increase the sense of ownership of the change process, but perhaps makes it harder for PPLPI to effectively market itself to future investors. PPLPI's modesty with regard to its role in change processes is well summed up in the words of the Initiative's Coordinator, Joachim Otte:

All we want to do is provide the means to fill knowledge gaps, overcome impasses in negotiation processes and ensure that the interests of poorer segments of society are taken into account.

Outside observers can however be more partisan. At a recent meeting held at FAO, Rome, intended to present PPLPI's approach and achievements to a wider audience of practitioners and donors, a prominent and outspoken critic of conventional approaches to development assistance, William Easterly, said of PPLPI: "[it] may have found a more constructive way to facilitate change desired by insiders." And, in the recent independent external evaluation of FAO, PPLPI's work on pro-poor policy and institutional change was acknowledged to have "influenced global thinking in these areas".

No-one considering this type of work should be under any illusion: this is a highly challenging approach which requires skilled, resilient professionals and an unusually flexible, non-risk averse investor to pull it off. As these case studies have shown, the potential rewards can be considerable – though not risk-free.



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About PPLPI

The livestock sector contributes to the livelihoods of an estimated 70 per cent of the world's rural poor. The increasing demand for animal protein in low and middle income countries provides an opportunity for the poor to improve their livelihoods. However the nature of livestock farming is determined by policy and institutional frameworks that rarely favour the poor.

Launched in 2001 by the Food and Agriculture Organization of the United Nations, The Pro-Poor Livestock Policy Initiative (PPLPI) facilitates and supports the formulation and implementation of livestock-related policies and institutional changes that have a positive impact on the world's poor. To achieve this, PPLPI combines stakeholder engagement with research and analysis, information dissemination and capacity strengthening.

