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# **Conceptual Framework for Rural Service Reform Processes:**

## **A Guide for Planning, Aligning, Implementing and Monitoring Anglophone Africa (2005)**

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Conceptual Framework for Rural Service Reform Processes: Anglophone Africa



# Conceptual Framework for Rural Service Reform Processes: a Guide for Planning, Aligning, Implementing and Monitoring. Anglophone Africa

Work in Progress

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## Preface

Technical development cooperation has changed over the years. What started as simple, one-dimensional interventions in the 1960s and 70s became complex process management tasks at all levels (macro, meso, micro). The current developmental aim to reach the Millennium Development Goals ([www.un.org/millenniumgoals/](http://www.un.org/millenniumgoals/)), in particular to reduce poverty by half in 2015, calls for increased impact of development aid. One consequence is the need for international alignment in planning, implementation and monitoring of development programmes (refer to OECD-DAC [www.oecd.org/dac/](http://www.oecd.org/dac/) and the “Paris Declaration on Aid Effectiveness”). Therefore, we need to capitalise on consolidated practical implementation experiences to design larger scale, but still workable solutions and strategies. This framework is a collaborative effort of practitioners in rural development to present their experience with rural services reform processes in a form that can be used as a basis for:

- **Planning of project/ programme interventions:** the framework introduces cornerstones with a comprehensive range of necessary success factors and proven strategies for the development of sustainable services for the rural poor. They can be used as a basis for analysis and comprehensive planning.
- **Harmonising interventions by different actors:** the cornerstone concept offers the chance to distribute tasks to different implementers, while still following a common concept.
- **Monitoring the implementation** of interventions: the cornerstones for rural service development are the basis for an impact model that allows monitoring the impact chain.

This framework is meant as a comprehensive guide containing all necessary interventions and pragmatic strategies, but not a blueprint for a standard design. It is our understanding that the three levels for intervention presented with their related cornerstones provide a framework which offers an opportunity to analyse the situation systematically and identify best entry points. There is neither a prescribed path nor a formula for success inherent to the framework. **It is a flexible and dynamic guide to assist planners and practitioners to approach interventions in a comprehensive manner.** It is hoped that the framework, outlined in this paper, helps to design and to actually advance the implementation of this new modus operandi.

It took time to come up with this paper – and it is still “work in progress”. The changes in technical cooperation concerning level of intervention and alignment continue, as does the learning along the processes – this is the deeper reason for “work in progress” – we do not perceive this framework as “best practice”, describing ideal strategies, but as a collection of “good practices” that need to be adapted and can still be improved on the ground and conceptually. So far, the valuable contributions from practitioners and consultants were collected and provided many details. First attempts tried to include them all. However, decisive cuts had to be made in order to make the framework readable and digestible to planners and practitioners for application. Other publications provide the level of detail which one might find useful for given situations (see literature and links in the annex). Special reference is made to the 13<sup>th</sup> edition of the Agriservice Bulletin “Services for Rural Development”, published by the GTZ Sector Project “Knowledge Systems in Rural Areas” ([www.gtz.de/agriservice](http://www.gtz.de/agriservice)). Colleagues from all facets of rural development provide insights in specifics we had to cut out here. The tools for analysis and implementation are also available at this website.

Our thanks go to all our partners and colleagues in rural development and the SNRD Group, who have initiated and championed the progress. Without their contributions we would not have arrived where we are. Last but not least we owe thanks to the two consultants who were keen to support this conceptual framework over more than five years, Mike Connolly and Juergen Hagmann.

However, this work is “work in progress”. And we mean it! Over time we will gain further insights in what to do and how to approach the situations. Continuous learning is an integrated feature of our challenging profession. We are sure that we will progress significantly in the years ahead. Thus, this paper is only a snap shot of the current state of our work. And we hope that it will help to identify the next steps of our journey – therefore “Work in Progress”.

# 1 Background and Rationale

By Juergen Hagmann

Rural service systems have undergone drastic changes during the last decade. The classical non-financial rural services (e.g. applied research, extension/advice, market information, business development and skills training, etc.) have been fundamentally challenged by a changing national, regional and global environment. These trends include decentralisation of government structures, withdrawal of a magnitude of state services to reduced core functions of public institutions, market liberalisation, the economic effects of globalisation and the effects of the HIV/AIDS pandemic. In this course, development interventions have changed from isolated local level (pilot) projects to national programmes, often within the frame of multi-donor programme based approaches (PBA) and as part of national Poverty Reduction Strategies (PRS). New actors from the civil society and the private sector are working side by side with the old (monopoly) state providers or are replacing them and find their niches. The old state monopolies are challenged by pluralism in their old mandate and self-understanding. Decentralisation means the devolution of power to district level (or similar structures) and new responsibilities and challenges for management of services for the population within national poverty reduction, sector and district development strategies. Farmers are constantly changing needs for services within their realities for food security, market linkages and alternative employment. The response to these challenges necessitates a renewal of rural and agricultural service systems at all levels. Farmers need to formulate their needs and demands, service providers need to be able to respond to those and policies need to form an enabling environment for the systems. In this conceptual framework we approach the three levels of:

- (I) self organisation and representation of clients,
- (II) decentralised management of services, and
- (III) policy advice (enabling environment).

Change of this nature poses huge challenges to policy makers, to development planners and particular to the managers of rural service organisations. Isolated measures to address problems at isolated levels have shown limited effectiveness in the past (e.g. new funding mechanisms, participatory approaches, new policies). On the other extreme, changing the rules through new policies without capacity development had disastrous results. Change has to be addressed systemically at different levels with complementary and integrating interventions. Ultimately it is not about improving the single components of the rural service system in a given area, but to make the systems work as a system.

This conceptual framework aims therefore to support development planners, service managers, advisors, consultants, change facilitators and donors by providing:

- a common framework for the design, planning, monitoring and evaluation of interventions towards demand-driven, pluralistic, efficient and accessible rural services,
- options for building platforms of stakeholders who work together on common strategies to 'play together' towards improving the overall service system,
- access to the consolidated experience of practitioners from different professional and institutional backgrounds for systematic identification of bottlenecks and strategic entry points for interventions,
- a framework for learning and knowledge management within and across programmes, sectors and countries.

The concept is based on successful approaches, methods and tools which were utilised in a variety of different contexts by different institutions. Therefore, each part of the concept is

supported by links and case studies inclusive the cornerstones and strategies. It is expected that further refinements will be made – thus “work in progress”.

The application of the “Conceptual Framework for Rural Services Reform Processes” is designed as an analytical instrument and for application in design, planning and monitoring / evaluation. It is an instrument for assessing and improving policies, institutional development, and intervention programmes and projects for more systemic and comprehensive intervention by all partners. In this sense it is particularly useful in multi-stakeholder set-ups where a common orientation and commitment needs to be created. The cornerstones, as a checklist for evaluation, help to analyse the whole system, in order to identify the strengths, weaknesses and prioritise gaps of current interventions and develop strategies / methods to move forward. It is up to the stakeholders to define on which level or with which cornerstone to start, while at the same time keeping the systemic nature of other cornerstones in mind.

## 1.1 The dimension of reform in rural service systems

All rural service systems are in transition. In this conceptual framework we focus on non-financial rural services, particularly on the aspects of extension, advice, training and information management. The experiential background is Anglophone Sub-Saharan Africa. The international Neuchâtel Initiative (<http://www.neuchatelinitiative.net>) developed common frameworks on: agricultural extension methodologies, financing and M&E of services, pro-poor extension and demand orientation (a framework on services for market-oriented farmers is in preparation). The principles of the framework can be applied to other rural services and other regions, while not all options might be equally relevant.

In terms of the external environment, all services as well as their clients are affected by a number of critical trends. They are certainly challenges, but offer chances for coordinated development interventions as well.

**Economic liberalisation and deregulation:** The reduction of trade barriers, input and price subsidies as well as import/export duties have often led to falling farm-gate prices, a growing demand for export products and higher input costs. This has increased the pressure on the further differentiation of commercial and subsistence farmers and the need for alternative incomes. – Often, traditional Government extension services cannot cope with the high quality extension needed by certain farmer groups. They lack of social and methodological competence to develop the resource-poor farmers’ capacities to innovate. A more integrated approach along the innovation systems and value chains of commodities is required to exploit the opportunities, which challenges the ways of doing business of most state agencies.

**Commercialisation and privatisation of services:** The all-caring state extension services of previous decades in terms of organisations, structures and mandates are coming to an end in many countries. Liberalisation of the service sector in general and the focus on a ‘lean state’ that concentrates on core functions led to a withdrawal of the state from service delivery also in rural areas. This applies to e.g. input supply, production and marketing as well as to extension, training and media services. In agricultural extension, service delivery to specialised commodity farmers has been commercialised in a number of cases. In other cases services were contracted out to private sector advisory services that provide the services on behalf of district administrations. In some countries they have been fully privatised and/ or de-facto dissolved. The key question remains whether resource-poor farmers will be able to benefit from commercial services or will continue to depend to a large extent on rather poor and diminishing state services. Therefore, there is a need for re-visiting functions and roles in service provision. – On the one hand with regard to equity and on the other hand the concentration on rapid economic growth for rather few specialised farmers.

**Decentralisation** entailed the devolution of power and decision making to regional and local level institutions. It has helped extension bodies to accept and build more on local realities rather than having to follow central decisions. This has often influenced district-level extension 'policies'. Decentralised services have to compete for budget allocations with "hard" investments and justify their existence. Staff of service institutions has been shifted from line ministries present at local level to local governments offices which are supposed to manage diverse staff and coordinate service delivery in a new way. This massive change creates huge challenges in co-operation between political and professional agendas in an effective and efficient way to secure lasting and sufficient resource allocation for service provision.

**Democratisation** is emerging in different ways and speeds in many countries along with liberalisation and decentralisation. It has ended the politisation of farmer cooperatives and associations who can develop now more freely and can better articulate their demand for services. Self-governance and accountability of extension service providers to their clients and financiers can bring about general 'empowerment' and opens new links between Governments and civil society organisations. Public-private partnerships, contracting out, commercialisation and privatisation as well as partnerships between state and NGOs reflect such new opportunities.

New actors are getting involved in rural services that lead to a **pluralism in service provision**:

- NGOs often provide extension and information services in disadvantaged areas and play key roles in pilot activities (innovators),
- private service providers are gaining importance for commercial agricultural production and the production of training materials for certain commodities,
- professional organisations (e.g. trade unions, farmer organisations, co-operatives, associations) are becoming increasingly important for extension, information management, marketing and research.

**Reduced public spending on rural services and new funding and institutional arrangements** are becoming common features. Farmers are increasingly urged to pay for services at least partly and to organise service provision among them, to maintain quality services. This is positive in terms of accountability of service providers to their real (paying) clients. It may have adverse effects in terms of services of public interest, but do not result in an immediate benefit for the individual farmer (e.g. natural resource management). Sustainable financing of services has become a central issue. The other challenge is equitable access to services for resource-poor farmers.

**Multi donor programme based approaches** (PBAs) are becoming a standard mode of delivery for development interventions. They have evolved from the experience with the often very limited impacts of isolated projects. Multi-donor programmes are usually covering sector strategies or parts of national poverty reduction strategies (PRS). These programmes are often implemented on the ground by a multitude of NGOs or private service providers. The harmonisation of the different donor approaches, the quality of the governing strategies and the quality management of the implementing service providers are still problematic.

**The HIV/AIDS** pandemic has an extremely negative effect on service institutions especially in Sub-Saharan Africa. Constantly they are losing a tremendous number of skilled staff. In many countries this means a substantial fall back in terms of competencies which needs to be taken into serious consideration in any service programmes. It also has an enormous effect on rural people and their social and economic systems. This requires new services, adapted technologies and new approaches to respond to these massive social challenges.

In 1999 the Neuchâtel Group published a common framework on agricultural extension. The main principles for agricultural extension in general are summarized in following box.

*Box 1: Principles for Agricultural Extension*

- Sound and negotiated agricultural policy as part of a broad economic policy
- Extension is more facilitation than technology transfer, to address a mix of commercial, technical, economic, social and environmental aspects
- Producers are clients, sponsors, and/or stakeholders, but not passive beneficiaries any more
- Market demand creates an impetus for new relationships to the private sector
- There are new perspectives for public funding and private actors in extension
- Pluralistic and decentralised services require coordination and dialogue to address change and a wide range of conditions.

Source: The Neuchatel Group, 1999 – Common framework on agricultural extension.  
[www.neuchatelinitiative.net](http://www.neuchatelinitiative.net)

## **2 Framework for a Rural Service System**

By Juergen Hagmann and Mathias Braun

### **2.1. Introduction to the conceptual framework of rural services provision system**

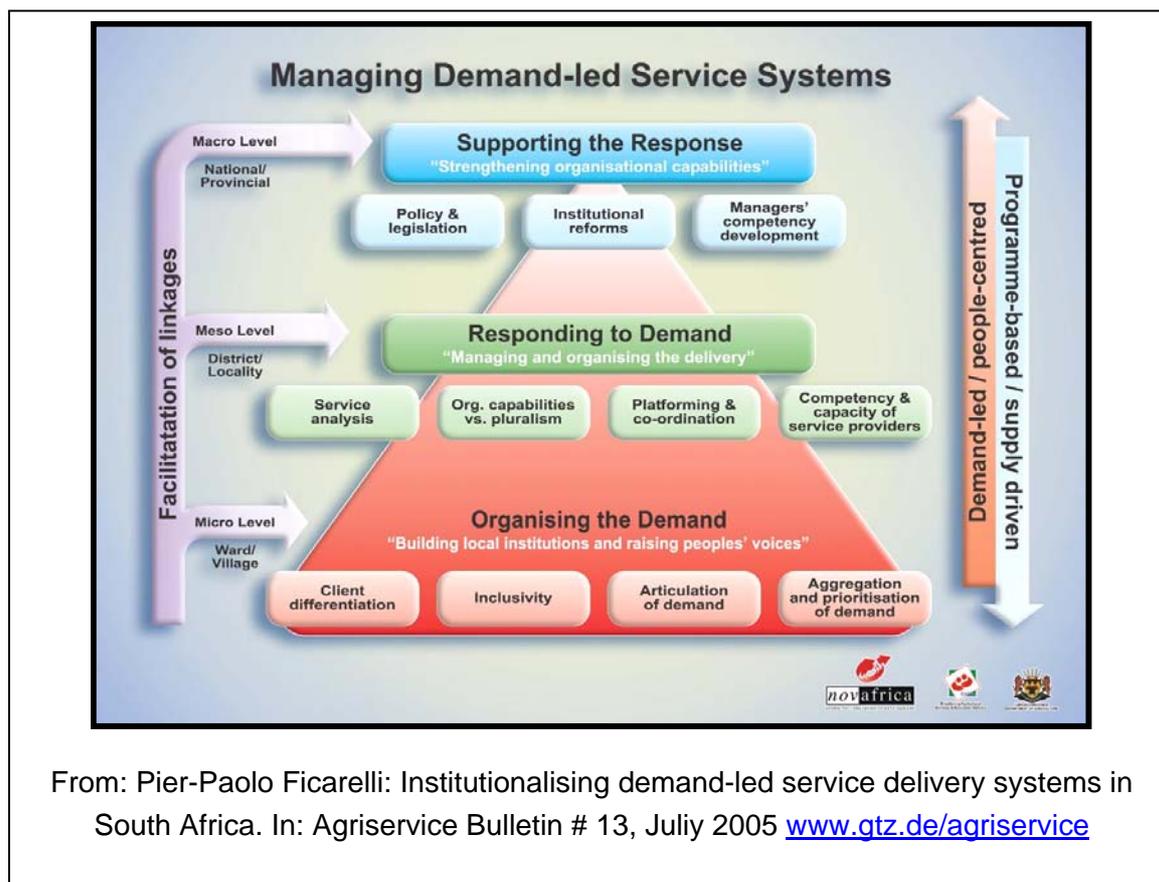
As mentioned above, the previous simple models for provision of rural services are outdated and do not match any more the changed requirements. The constantly changing political and economical environment calls for new paradigms and for a new *modus operandi* based on a different understanding of how people operate, change and improve their livelihoods. Frameworks and strategies cannot be prescriptive and universal as before, but must be flexible and adaptable to fit the diverse local realities which people find them in.

It is widely accepted that a new framework for service provision is comprised of three levels of intervention. Those no longer should be addressed individually and in isolation but rather be regarded as a system and seen as interdependent:

- I. The local level of where people live, the realities they find themselves in, and the needs which they perceive in order to improve their livelihoods.
- II. The service providing organisations and their responsiveness to assist and support people in their identified needs.
- III. The wider support mechanisms at political and organisational levels which allow for the above to happen.

In such a framework, the simple but fundamental fact applies that service provision responds to demand. Thus, the first and second levels must be addressed simultaneously for the planning of interventions for improvement and change of the system. The policy level not only sets the rules and defines mandates but creates an enabling environment which allows the system to function and – it is hoped – that development will happen.

Figure 1: The three levels of demand, supply and support in service systems



## 2.2. Identification of interventions for improving a service provision system

The entry points ("triggers") and basic strategies to improve a service delivery system are depending on the actual situation but can be found by applying:

- a set of **guiding principles** which apply for all interventions and
- the **cornerstones** (9 in total) at the three levels of intervention that highlight the most important elements, key strategies and ways for implementation of each cornerstone.

**Guiding Principles** which are underlying all interventions are:

- **It needs to be a systemic intervention**  
 One must analyse the total system in order to identify suitable 'triggers'. Based on that the most appropriate improvement can be made at a given point in time and under prevailing circumstances. In one case it might be policies which inhibit the performance of the whole system. In another case, community organisation might be the weakest link in the system. The identification of the most promising triggers is difficult and often only revealed while working in the system. Therefore, it is important to start with a more obvious and non-threatening 'trigger'. Even if the trigger might not be the most strategic one but can get the change process going. Such "quick-wins" can be followed by more complex and time-consuming aspects. It must be a dynamic and progressive process ensuring the energy for change is not lost in action.

- **It needs to be a learning approach**

The exploration of the system's hindering forces which suppress the performance need to be done from inside. Learning loops of exploration, improved action, monitoring and systematic reflection processes require determination, commitment, honesty and professional facilitation in order to learn and improve from within. There are no short cuts for such action learning and action research processes. It will take time and a different set of skills for advisers to accompany people at all levels in their learning approach.

Flexibility is a main feature in learning approaches. It is not possible to determine the exact sequence of events at the beginning of the processes. Much depends on energies within the organisation which emerge and build up in the course of the process. Thus, the process needs to provide flexibility in response to specific needs and the necessary adjustments.

- **There needs to be change management**

Facilitation of performance improvement of the whole service system is a challenging change intervention. Principles and processes applied in change management are thus a pre-requisite for all interventions regardless of the level of entry. This requires (among many more) a high level of participation of all stakeholders of the system. The team will walk together through fields like strategic planning, focusing on core functions, defining desired impacts at different levels, structural changes in the organisations, performance management, development of adequate systems and procedures (e.g. planning, M&E etc.). A comprehensive capacity development programme for staff needs to be developed to enable them to adjust to the new professional and personal requirements. Throughout the process, the quality of facilitation is the critical factor for success. Experience shows that such required competence is rarely available within the systems at the beginning. However, for an intervention to succeed, it is a must to focus on the development of capacity for professional facilitation.

The three levels of the system determine the three levels of intervention for **cornerstones**.

**Level of Intervention 1: Organising the Demand – the Clients of Services**

1. Local Organisation Development for improved self-governance, representation and quality control of service provision.
2. Articulation of an inclusive quality demand based on well-analysed problems and opportunities and validated in terms of own potentials.
3. Creative farmers and communities who seek and experiment with innovative solutions and adapt change to their local situation.

**Level of Intervention 2: Responding to Demand – the Service Providers**

4. Efficient pluralistic, decentralised service management and service delivery.
5. Capable service providers responding to diverse demands by clientele.
6. Sustainable financing of rural service systems.

**Level of Intervention 3: Organising the Response – the Policies for Services**

7. Paradigm change and renewal in policy and strategy development for an enabling environment in pluralistic, demand-oriented service provision.
8. High performing and adaptive management of rural service organisations.
9. Efficient coordination between national partners and donors in the development of pluralistic and demand-oriented rural service systems

These three levels of intervention provide an overview on the necessary critical success factors or cornerstones. They assist in the systematic analysis of the service system and help to see the links between the levels. However, they are not prescriptive nor do they need to be followed in the above outlined sequence. Depending on the actual entry points (“triggers” as mentioned above) they should be used flexible and must fit the situation of the system and the people within. The state where the system and the people in the system are. The selection of the actual entry points needs to consider the general circumstances and needs to support the dynamic flow of the complete change intervention.

### **2.3 Who should be the drives of intervention process? – The role of facilitators**

In an ideal situation, there should be drivers at all three levels of the system. A driver could be a person from the top of the public services commissioning and mandating the groups for the changes. Coordination, supervision and reporting back should come from such a top position, which also facilitates and ensures that the change processes are dynamic and advance smoothly.

However, if these conditions do not exist, the lead drivers will evolve from within the systems. There is no prescription from which level such a driver needs to come from. Still, it is important that there is an overall driver who is accepted by the systems and who has sufficient authority.

Scenarios might be found where no single organisation is equally strong represented at each of the three levels. It might happen that different organisations with their different comparative advantages advance the reform at their own levels. For such cases, the framework will be a tool for coordination and systematic advancement of the reform.

So far it has been rarely observed that such systemic changes were actively orchestrated by the top of the system (usually Government structures). The top of public institutions often avoid launching the reform proactively due to uncertainties about the outcome of the process and the fear of losing influence, power or benefits. They rather let changes happen with little interference from their side.

Persons closer to the system, which is affected by the ineffective old system, are more likely to engage proactively in the change process. At district level, the district extension managers have the mandate to coordinate extension services in their districts. People in such positions need to have a vision for the direction of the reform. They should know the stakeholders’ needs and should be familiar with the strategies and the time frames. Capable process facilitators need to accompany and build up the competency of those district managers.

From the perspective of a development planner, the intervention design is complex and difficult to prescribe at the beginning. Essential are principles of action research and skills in the professional field of organisational change and development. In the beginning it is difficult to determine the output that can be achieved in a given timeframe. Usually, the system moves to where the energy is. This is more likely to be the case at the first and second level. It is the professional challenge for a development facilitator to assist the system and to integrate the top as well. (See Kamputa, Ehret, Walker, 2003)

### **2.4 How to get started**

Especially farmer groups are dissatisfied about the non-performance of the old model (Government driven, supply oriented, centralised decision making, etc). However, public service provision institutions pretend that the old system still works and is justified.

Stakeholders of the agricultural sector need to get a chance to develop a vision jointly of goals in a given time frame. Additionally, the first steps are important for moving towards this vision. Thus the strategic planning for reforming the system must have quick wins and tangible outputs.

However, the conviction of the stakeholders is the most important factor for a successful change intervention. They have to be convinced that change and the goals can actually be achieved.

Practitioners are advised to design the intervention process with much care. They should not address too many aspects at a time. The guiding principles and the cornerstones can provide a framework for analysis of what is attainable and practical at a given time. Of utmost importance are processes of participative analysis of the system, joint decision making and monitoring for learning – all done together with key stakeholders. All these activities determine right from the beginning the outcome of the intervention.

### 3 The Cornerstones for Interventions

By Juergen Hagmann

#### 3.1 Level of Intervention 1: Organising the Demand – the Clients of Services

In most countries of Africa, Asia and Latin America, the degree of self-organisation, representation and empowerment of the rural population and civil society is weak. Externally sponsored development interventions of recent years have targeted these deficiencies but are yet to reveal significant results. The constraints on the demand side and the articulation of real needs are still enormous.

Development interventions of democratisation, decentralisation, improvement of education and civil society empowerment aim at higher levels of emancipation. This framework of service provision system with its strong emphasis on people to identify their local needs and actively demand services underscores the general emancipation of people and their groups. Synergies with the other interventions are obvious.

Organising the demand at local levels goes beyond the boundaries of merely articulation of people's needs. It aims at empowering people to negotiate, control and coordinate service.

In 2006 The Neuchâtel Initiative summarized in a framework on demand driven service delivery systems main aspects on this topic.

#### *Box 2: Main principles on Demand Driven Delivery Systems*

- 1) Preconditions for success are enabling policies and public sector commitment to the transition:  
The public sector must stop free supply of extension services that can be delivered through the private sector.
  - 2) The main principles for Demand Driven Service Delivery Systems are:
    - Services shall be driven by user demand
    - Service providers shall be accountable to the users
    - Users shall have a free choice of service providers"Demand" is defined as what people ask for, need and value so much that they are willing to invest their own resources, such as time and money, in order to receive the services.
  - 3) Development of demand driven advisory services emerge when:
    - Farmers are motivated – have reliable and profitable market opportunities
    - Farmers have adequate capacity and organisations to formulate their demands
    - There is a good choice of advisers available that are able to deliver the demanded services
    - The delivery systems make service providers accountable to the users
- Source: Neuchâtel Group (2006): Common framework on agricultural extension.  
[www.neuchatelinitiative.net](http://www.neuchatelinitiative.net)

The following three cornerstones within this level of intervention aim to empower and to organise the demand of local level.

## **Cornerstone 1:**

### **Local Organisation Development for improved self-governance, representation and quality control of service provision**

By Juergen Hagmann

#### **Why is this cornerstone important?**

Local organisations are the backbone for development and the foundation of the civil society – whether in agriculture, local government, education, health or any other sector. Local organisations that increase their competencies to govern themselves more effectively and to interact better with organisations around them are more likely to capture the support and services of outside organisations. This way they can advance improving the livelihoods at both levels, collectively and individually.

#### **What are we aiming at?**

Local organisations need to build up their capacities and competencies to govern their physical, social and economical situation more effectively. Therefore their competencies need to increase for strategic planning, organisation and management of implementation of their actions, interaction with outside organisations and monitoring of progress. They need local leadership for internal and external representation who has the competencies to manage and control actions. Democratic checks and balances need to be in place to ensure that the leadership keeps focused on the common interest and that the majority benefits from the activities.

#### **Who are possible actors?**

Traditional leadership is basically there for governance of local organisations. In the past, these organisations were recognised as local authorities. Over the years they were dismantled and not replaced by new structures. Local organisations need to be jointly designed and agreed for as replacement of former regulatory mechanisms. The constantly changing political, social and economical environment might require additional groups to deal with affairs of the communities and their organisations. Farmer and producer groups often represent the interest of their members better and include farming as well as economic aspects in their organisations.

#### **What are the major issues/challenges?**

The crucial question is:

“How to create a well-governed local organisational base as platform to identify and contract service providers, while representing the majority of individuals of the local organisations?” The critical challenges are:

1. Do local organisations exist for the purpose of local people, or are they installed by outsiders for their purposes?
2. Do local organisations exist with clear visions, roles, functions, mandates with constitutions and by-laws?
3. Do local organisations demonstrate social inclusiveness with participation and representation of the interests of all groups (e.g. rich/ poor, men/ women, older/ youth, different tribes or clans)?
4. Do local organisations develop a culture of trust which stimulates action-oriented processes?

5. Do local organisations create incentives to sustain collective action on a self-reliant and self-determined basis preventing to become totally dependent on external assistance?
6. Do the local organisations have democratic structures with high levels of transparency, efficiency and representation?

### **What are promising strategies?**

There is a good chance that the organisation will flourish, if members of local organisations have a clear purpose for being part of their organisation and see short and medium term benefits in investing their time.

An important pre-requisite, as mentioned above, is strengthening local organisation's capacity for management. It needs to be accompanied by 'facilitation for change'. That includes sound planning, process design, facilitation from an outsider (at least in critical events) and a determination to follow through at leadership and all other levels.

Social capital is not visible from the outside. Therefore it is an obligation to study local organisations at the start of any development intervention, i.e. how their members understand them, what their capabilities and limitations are. Organisational and process knowledge is predominantly implicit for insiders. It is rare for people to tell off-hand how they are organised and how certain processes and systems work. The joint exploration or organisational analysis is not a static one-time event, but on-going as many real issues reveal themselves only in action and over time.

**Case 1**      *Association of Livestock Farmers of Trojes: breaking price monopolies and rendering services for the rural population in a remote border town in Honduras (Paul Schuetz, ILRI-CFC/CABP, Honduras)*

**Context:** Trojes is a small border town of 8,000 inhabitants in Honduras right at the border with Nicaragua. The town figures as the centre of cross-border animal traffic. Livestock keepers were facing some problems due to being remote and not well connected within Honduras, e.g., expensive veterinarian medicine supplies and high transport costs for live animals.

In 1992, 65 livestock farmers founded their association with the following initiatives: (I) start their own veterinarian pharmacy to break the prices of established dealer; (II) savings and credit cooperative, (III) scaling service for animals; (IV) organisation of an annual livestock fair. – All four initiatives developed over time and membership was significantly increased, especially for the savings and credit cooperative. In the beginning, 33 members had a turn over of US\$ 55,000 per year. At present, 640 members have more than 1 million US\$ in savings and a similar amount in credits per year.

**Conclusion:** Through the strong leadership of the first chairperson for 15 years, a role model was established that created trust among the members. Every last Saturday of the month there is a full member gathering for taking decisions. This seems to be one of the reasons for their creativeness and ownership. Being in such a remote location, the association contributes to the cohesion and ownership of its members. And, most important, members have benefited significantly in many ways from the activities of the association.

<b>Cornerstone 1: Local Organisation Development for improved self-governance, representation and quality control of service provision</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Understanding of the local organisational set-up and its functioning by both, communities and the facilitators</b>	<ul style="list-style-type: none"> <li>• Analysis of local organisations, groups and institutions in terms of inventory, their role, functions, mandates, strength and weaknesses from a member, non-member and outsider perspective</li> <li>• Analysis of successes and failure in the communities and their relation to the organisational set-up, also in relation to the influence of traditional and modern institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Guided community organisational analysis (e.g. in workshop)</li> <li>• Survey on perceptions on local organisations at different levels by different strata of people</li> <li>• Feedback of perceptions to individual organisations and community fora and open discussions on the organisational issues and factors for success and failure based on their experiences</li> </ul>
<b>Motivation and incentives of individuals and wider organisations for sustaining, creating and developing LOs / collective action</b>	<ul style="list-style-type: none"> <li>• Development of a clear vision of the benefits of self-organisation</li> <li>• Strengthening pride in own efforts vis à vis free gifts and 'carrots'</li> <li>• Planning for small, quickly achievable successes and benefits</li> <li>• Building up trust, confidence and social energy through quick wins</li> <li>• Development of rules and by-laws for members 'breaking the fence' while leaving space for innovation and entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis and learning from past successes analysis</li> <li>• Opportunity analysis</li> <li>• Scenario-based planning of joint achievements and linking it to their capacity and likelihood to achieve and to the economical benefits</li> <li>• Facilitation and training in communication, negotiation, conflict management</li> </ul>
<b>Inclusive and accountable representation of interests of different groups and social strata in the local organisations</b>	<ul style="list-style-type: none"> <li>• Agreements on value of inclusiveness and accountability and their practical meaning</li> <li>• Socially differentiated analysis of interests and needs</li> <li>• fostering the linkage between representative and their groups / organisations and their accountability to their larger community</li> </ul>	<ul style="list-style-type: none"> <li>• Separating homogenous groups for analysis in workshops as well as surveys on differentiated needs and demands</li> <li>• Prioritisation of interests / needs considering inclusiveness</li> <li>• Accurate documentation of the decision making process and the contributions, distributed to all the participants</li> </ul>

<b>Cornerstone 1: Local Organisation Development for improved self-governance, representation and quality control of service provision</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Accountable and democratic organisational culture, structures and leadership encouraging commitment, ownership and participation by the members</b>	<ul style="list-style-type: none"> <li>• Clarification of roles, responsibilities and relationships and TORs of leaders</li> <li>• Leadership development with present and future leaders in a learning mode</li> <li>• Creating a network of local organisations and groups including their leaders to share experiences on 'self-organisation'</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce feedback culture, appreciation, perception exercises in community / organisational workshops</li> <li>• Use codes for leadership patterns / styles</li> <li>• Face-keeping ways of confrontation to leadership patterns</li> <li>• Leaders' learning networks</li> </ul>
<b>Effective internal communication and decision making processes and mechanisms</b>	<ul style="list-style-type: none"> <li>• Development of rules, mechanisms and processes to reach consensus, or in case of disagreements, on how to deal with it</li> <li>• Setting of rules for communication, reporting / briefing by leaders and members as well as processes of consultation and internal accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Communication charter</li> <li>• Informal space for sharing</li> <li>• Formal and informal feedback sessions</li> <li>• Setting of mutual roles and expectations in terms of communication</li> </ul>
<b>Negotiation and conflict management capacity</b>	<ul style="list-style-type: none"> <li>• Development of negotiation and communication capacity within organisations</li> <li>• Development of conflict resolution mechanisms and rules</li> </ul>	<ul style="list-style-type: none"> <li>• Exposure to communication and negotiation principles and contextualising them</li> <li>• Role plays and facilitation situations</li> </ul>
<b>Resource management and mobilisation</b>	<ul style="list-style-type: none"> <li>• Develop mechanisms for internal resource mobilisation</li> <li>• External resource mobilisation strategy through a clear strategic plan and activities</li> <li>• Develop transparent and business-oriented financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Membership contributions</li> <li>• 'Donor intelligence'</li> <li>• Strategic planning</li> </ul>

### **3.1.2 Cornerstone 2:**

#### **Articulation of inclusive quality demand, based on well-analysed problems and opportunities and validated in terms of own potentials**

By Juergen Hagmann

#### **Why is this cornerstone important?**

The articulation of demand is closely related to the cornerstone 1 (local organisation development). However, due to the importance of proper demand formulation it is distinct in this context. As the capacities of the local organisations develop over time, this cornerstone might be integrated into the first one.

Top-down planning of rural service provision was the norm. The top perceived knowing what the bottom needs. The same applied for politics. – Demand oriented service provision depends by definition on clear formulation of service needs by the clientele, often the people on the bottom. Quality demands, based on perceived needs and realistic expectations for support are the new *mode of operation*.

A representative demand does not mean that a particular service is necessary for everyone, but that the range of demands represents the needs of a community and their different groups. Demands should not only consider the type of service, but also the delivery mode, financing plans, frequency of contacts, contents, method etc. Such specified demands can be used as the basis for quality management and selection criteria for services by managers of providers or financiers. For reasons of effective representation, it is desirable to establish an umbrella organisation of different local organisations. Such an organisation can represent quality demands more powerfully, negotiate for and promote better services.

#### **What are we aiming at?**

Well organised and representative local organisations are able to analyse their service needs under realistic conditions. This is the basis for formulation of needs to be used for negotiations with providers or for lobbying with development planners. Local organisations are able to manage the provision efficiently from their end. Needs have to be based on a detailed analysis of the situation, problems and potentials and are prioritised on consensus basis. The specified demands are presented to service providers and/ or development planners. Effective rural groups are able to adapt their demands to own changing situations and the market for providers. Well analysed, formulated and representative demands are a strong argument in development planning.

#### **Who are possible actors?**

Actors include

- Farmer groups and associations
- Service providers and their organisations
- Local administrations
- Regional development programmes / projects.

### **What are the major issues/challenges?**

On the side of the rural population, the main challenge is the formulation and articulation of realistic demands that reflect their different needs (e.g. gender groups). These demands should not be dominated by interests of individuals or subgroups.

A change of attitude is also needed on the side of the service providers and development planners. They are not used to value requests for local people nor respond to them accordingly. People forwarding their demands and people receiving them need to adapt their attitudes and get engaged in an open dialogue, negotiation and new partnerships.

### **What are promising strategies?**

The cornerstone builds on the social capital and skills developed by people in their local organisations (see previous cornerstone). But it also requires a change of attitude on the political and service providers' side.

Pre-condition is the existence of rural groups that are representative and have a functioning mechanism of transparent decision making. Various PRA tools of situation analysis and prioritisation are useful here. For this, negotiation between different groups in a community for priorities may be necessary. Demands of minority groups should not be neglected. The people themselves have to decide which contributions they want to make due to increase ownership and sustainability. A next step for the group is a time frame spelling out when they need external services and what it will take to get them in time. A last step could be the formulation of a sketch proposal which can be presented to services providers and aid organisations.

In many cases, the market for service providers limits the response and the choice of whom to contract. This restricts the negotiation process and limits the choice often to the scarcely available providers. Lobbying for priority services which is not yet available can be done with the providers or financiers; the analysis and representation of demand can help to justify capacity building or the opening of new service markets.

Quality demands, as described above, should be introduced, as part of the communication strategy and as an input to district development plans or similar fora. The greater the representation of the demands, the more chances they have to be considered. The formation of umbrella organisations of community groups will add weight to the demands.

<b>Cornerstone 2: Articulation of inclusive quality demand, based on well-analysed problems and opportunities and validated in terms of own potentials</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Facilitation of inclusiveness / differentiation &amp; prioritisation</b>	<ul style="list-style-type: none"> <li>• Validation and screening the demand vis à vis realisable options for supply of services.</li> <li>• Feedback on initial findings from problem and opportunity identification vis à vis community goals and vision.</li> <li>• Negotiation of interests and demands from different community groups.</li> <li>• Assuring representation of broad community interests (no one-man or one group demand)</li> <li>• Prioritisation of key demands for services of the community</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitation on PRA methodologies for problem and potential analysis, prioritisation to needs and potential client groups.</li> <li>• Negotiation on priorities between different groups in a community.</li> <li>• Facilitation of a common agenda for services</li> </ul>
<b>Articulation, communication and negotiation of demand</b>	<ul style="list-style-type: none"> <li>• Confident articulation of demands through in-depth analysis and representativity to ensure clarity and quality.</li> <li>• Development of a clear and tactical communication strategy (whom to tell, how, when and by whom)</li> <li>• Negotiation with providers and lobbying with development planners/ administrations.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitation of communication strategy with partners, actors, possible channels and objectives.</li> <li>• Facilitation for the formulation of specified key demands in a language understandable to providers/ administration.</li> <li>• Negotiation and lobbying on the basis of quality demands and strategy with partners.</li> <li>• Communication back to the group.</li> </ul>
<b>Identification and contracting of potential service providers including quality control</b>	<ul style="list-style-type: none"> <li>• Inventory and analysis of service providers for prioritised demands</li> <li>• Community representatives link with relevant service providers and negotiate with them for conditions of service</li> <li>• Explore opportunities for creating capacity for service provision in cases where it does not exist</li> <li>• Establish quality criteria between community and service provider</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory by community and agents</li> <li>• Selection of potential providers on the basis of inventory</li> <li>• Negotiation on service contracts on the basis of quality demands (i.e. client expectations) either directly with providers, or</li> <li>• Negotiation on service contracts on the basis of quality demands by administrations/ development programmes.</li> <li>• Local monitoring procedures</li> </ul>

<b>Cornerstone 2: Articulation of inclusive quality demand, based on well-analysed problems and opportunities and validated in terms of own potentials</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Communication of service demands into development fora</b>	<ul style="list-style-type: none"> <li>Incorporation of service demands in district development plans and higher levels</li> </ul>	<ul style="list-style-type: none"> <li>Presentation of demands in local development planning sessions and district administration technical groups.</li> <li>Presentation of quality demands in planning or evaluations of development programmes</li> </ul>

**Case 2** *Articulation of farmers demand in a district service provision system: a four steps process (Willi Ehret, AES in Malawi)*

<p><b>Context:</b> Farmer groups undergo a process of four steps to articulate their needs/demands: (I) Identification of local successes and problems in regard to agriculture; (II) prioritisation and analysis of consequences and causes; determination of high, medium and low self-help potential; determination of needed external assistance in terms of type of assistance and timing; (III) production of seasonal calendar with specific outlines of self-help activities and needs of external assistance; (IV) formulation of a request for service provision based on the above steps.</p> <p>The requests are submitted to the district stakeholder panels. These panels are composed of representatives of farmers and their groups as primary stakeholders and service providers in the district as secondary stakeholders. Agreements of the district panels are formulated and specify questions like: which service provider will respond to which farmer group request under which modalities?</p> <p><b>Conclusion:</b> Farmer groups have no problems to come up with their requests which are based on the above outlined steps. However, the service providers are struggling in their response to the variety of requests; especially if the requests come from farmer groups outside their actual project areas.</p>
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### **3.1.3 Cornerstone 3: Creative farmers and communities who seek and experiment with innovative solutions and adapt change to their local situation**

By Juergen Hagmann and Mathias Braun

#### **Why is this cornerstone important?**

In most developing countries, rural people have been at the receiving end for a long time. Solutions were supposed to come from outside. Farmers or rural people adopted these new ideas and technologies as 'beneficiaries' and 'target groups'. Activities that are already implemented in the vicinity of the community are often perceived as the best solutions to own problems – ending up in the "more-of-the-same trap. The recipe is often sought in doing the same way even at a larger scale rather than exploring alternative ways – even in unsuccessful cases.

A more emancipated perspective on development, seeks to turn around the relationships between insiders and outsiders into a 'joint learning' process. The thrust is to develop solutions while building on the knowledge and skills available and integrating ideas from outside, continuously improving and discovering new ways of addressing issues and problems to pro-actively manage change. Capacity, in this context, means more than 'being trained' in skills required to implement external ideas. It means the dynamic 'adaptive' capacity to manage change for problem solving, for identifying and developing opportunities, for dealing with the whole system. To make things work rather than getting stuck at the next problem and to adapt to changing conditions rapidly. A key role in developing this capacity is self – confidence in own ideas and solutions, creativity and experimenting with innovations.

Social learning, experiential learning and discovery learning play a key role in enhancing rural people's creativity and capacity to innovate in all spheres of their lives. Individual and group experimentation / trying out ideas are central to the operationalisation of experiential learning processes. However, experimentation / trying out ideas have several important 'side effects' which are less visible but play a central role in building the adaptive capacity of rural people.

### **What are we aiming at?**

This cornerstone aims a greater innovativeness of rural people and pro-activeness to search better ways to solve their problems and to use/take? There are 4 broad impact areas in this cornerstone:

- to make rural people more pro-active and curious in seeking information on innovations and experimenting with those on their own,
- to enhance knowledge sharing among rural people and foster advisory services for "farmer to farmer", "group to group" and "community to community" approaches,
- to create linkages and networks for exposure, knowledge sharing & management and for service provision.

### **Who are possible actors?**

Learning and experimenting centres for farmers and their organisations should be established. These centres should involve service providers, research, local government and the actors in the marketing channels as well.

- Individual farmers and community members
- Community groups, associations, clubs
- Extension services (agriculture, health etc)
- Research institutes (agriculture, industrial, engineering,)
- Private sector companies, agri-processors, traders and input suppliers
- Local government

### **What are the major issues/challenges?**

The major challenges are inertia within farmer groups, top-down strategies of development interventions and the general beneficiary attitudes of government agencies.

- Farmers and their organisations often have a low level of self-confidence in terms of innovations which was supported by a providing and supplying attitude of organisations.
- Service providers are also stuck in the old paradigms of attitudes of superiority and supply oriented thinking.
- Despite "adaptive research" components, experiential learning and discovering new practices based on own experience has never really taken off so far. In practice, it requires

substantial efforts to build this understanding, the skills and practical tools to implement adaptive research on both sides, i.e. rural people and the service providers.

### **What are promising strategies?**

Fundamental to this cornerstone is to build up self-esteem, creative thinking, exploring and experimenting. In addition, following aspects need to be fostered: facilitation and exposure of farmer groups, participatory methodologies/ adult education and problem solving skills. Fora for dialogue and networking between the stakeholders including service providers stimulate the above outlined features.

Farmers need to learn from their past experiences. They should analyse who introduced innovations, how those were validated and spread. Through such reflections realistic and locally acceptable entry points could evolve. An inventory of available sources for local innovations is needed which comprises the activities of innovative farmers, farmer groups in the area, extension services and research, traders, input dealers and processors and agricultural companies. This forms the basis for structured learning and networking.

The actual learning environment needs to be laid by farmers and their organisations themselves. Common objectives for joint learning are important. They should be based on real problems and be driven by opportunities with quick wins. Risky innovations should be tested on a small scale first. Successes should be recognised and honoured by the group and extension in order to maintain the dynamics of learning.

Farmer Field Schools (FFS) and Participatory Group Extension (PAGE) – among others – bear the potential to be useful tools if facilitated in the right attitude and concentrate on interest and short term benefits.

Knowledge service providers, especially in extension, need to master the principles of participatory extension and adult learning. They should introduce tools for self-experimentation and methods how to facilitate the learning environment of farmer groups.

<b>Cornerstone 3: Creative Farmers and Communities Seeking and Experimenting with Innovative Solutions to Adapt Change</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<p><b>Exploration of problems and needs. Farmers groups are able to analyse their learning capacities.</b></p>	<ul style="list-style-type: none"> <li>• Analysis of learning potentials by farmers' groups: past learning experiences, sources of information and training, a process of analysis of problems and real needs of different social and wealth strata (spiral down to the real issues)</li> <li>• Knowing the strengths &amp; weaknesses, knowing what you do not know</li> <li>• Setting an agenda for learning and innovations</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory rural appraisals with inventory of past learning experiences, information sources, innovators, etc, detailed to different farmer groups</li> <li>• SWOT analysis (Success/ Weaknesses/ Opportunities/ Threats), assets analysis / local gap analysis</li> <li>• Learning on successful examples and failures of past and ongoing innovations</li> <li>• Setting own objectives and indicators for learning exercises (tool 100 day agenda <a href="http://www.gtz.de/agriservice">www.gtz.de/agriservice</a>)</li> </ul>

**Cornerstone 3: Creative Farmers and Communities Seeking and Experimenting with Innovative Solutions to Adapt Change**

Content Elements / Ingredients	Key Strategies & Processes	Options / ways to implement
<p><b>Effective skills for learning within farmer groups</b></p>	<ul style="list-style-type: none"> <li>• Facilitation of a conducive environment for social learning: building confidence, coherence and self esteem within farmer groups (social energy)</li> <li>• Building curiosity and imagination through structured exposure to other experiences and fostering creativity.</li> <li>• Experimenting with innovations and validating them</li> <li>• Exploring markets and market trends for opportunities</li> <li>• appraisal of existing farming practices and their potentials</li> <li>• use of local innovators and of external sources of innovations (e.g. research stations, other communities)</li> <li>• Capacity development for leadership and on adult learning principles to maintain internal dynamics.</li> </ul>	<ul style="list-style-type: none"> <li>• Farmer group to farmer group visits with a structured discussion and presentation on learning processes. Networking between farmer organisations / innovative people.</li> <li>• Structured visits to other actors in the value chain and service providers (extension, research, market information etc).</li> <li>• Create social energy, awareness and acceptance of creativity and innovation (celebrate the successes). Sustaining the momentum (incentives, get the energy back). Give incentives for creativity.</li> <li>• Fostering structured experimentation / innovation: learning and selection process, with regular participatory monitoring and evaluation. Tools: farmer trials and experiments, Agro-Ecosystems Analysis, participatory monitoring etc. from action research</li> <li>• Farmer to farmer extension (e.g. community based service provision). Consultations with existing producer organisations in the area (look and learn tours).</li> <li>• Training and coaching in leadership and social learning principles.</li> </ul>

<b>Cornerstone 3: Creative Farmers and Communities Seeking and Experimenting with Innovative Solutions to Adapt Change</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Effective skills for social learning within service providers</b>	<ul style="list-style-type: none"> <li>• Analysis of capacities in facilitating social learning</li> <li>• Capacity development for deficits in participatory extension approaches, communication and adult education principles.</li> <li>• Adapting staff appraisals to success in fostering learning by farmer groups. Linking innovation and organisation.</li> <li>• Competent technical services support system / providers to back up the innovation process</li> </ul>	<ul style="list-style-type: none"> <li>• Organisational analysis on soft skills of field staff for participatory extension, action research and adult education.</li> <li>• Capacity development in participatory extension, action research and adult education with courses and coaching.</li> <li>• Job descriptions and evaluation criteria of extension staff on degree of learning successes by farmer groups</li> <li>• Linking of service providers to sources of innovation and backstopping (see cornerstone 5)</li> </ul>
<b>Fora for exchange of experiences and joint learning</b>	<ul style="list-style-type: none"> <li>• Create and adapt fora for the exchange of innovations and experience: stakeholder meetings, group visits, fairs etc.</li> <li>• Develop common agenda for learning organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Show cases of communities where it works (mid-season evaluations...) in farmer group meetings. Prepare agenda and tasks before and, discuss experience and applicability afterwards.</li> <li>• Organise technology fairs with external and local innovations. Create opportunities for demonstration, discussion, and networking. Motivate local innovators publicly.</li> </ul>

### **3.2 Level of Intervention 2: Responding to Demand – the Service Providers**

By Mathias Braun

Governments in the Anglophone countries of Africa are in the process of re-defining their role in service delivery: decentralisation, de-concentration, democratisation, liberalisation, market orientation and privatisation are on the one side, withdrawal from service implementation and concentration on the core functions of a Government (social services, contracting out, regulation, monitoring, and co-ordination) are on the other side. Decentralisation brings in new actors, like district assemblies and councils who decide on budgets, staff development and the nature of their services (district strategic plans). In the course of decentralisation and privatisation, government extension services are cut down and/or contracted out, while the former staff is partly transferred to other (private or NG) organisations.

Increasingly non-state service providers in extension, finance, information support, marketing, quality management etc. are operating in rural areas. They are managed by NGOs, membership organisations (cooperatives, associations), private companies or as individuals and may work partly independent, partly in partnership with Government services. They may also be embedded services of traders, membership organisations, or lead companies in value chains. Pluralism of service provision becomes a fact, especially in high potential areas with diverse services needs. Private sector service provision is developing particularly around market oriented agriculture and is increasingly replacing Government services. In subsistence agriculture and in regions with low agricultural and other potential, services are continued to be provided by the Government and the civil society.

Pluralistic service provision means also pluralistic financing: services are not financed just by a Government budget, but are co-financed by NGOs, the private sector and the users themselves. In this way, users become increasingly independent of Government influence. The more they finance their services themselves, the more accountable providers become to them. Farmers are not any more seen as beneficiaries of services but become clients, sponsors and stakeholders. Financing of services by user contributions is a key to sustainable demand orientation. Pluralistic services provision also means competition between providers and the need for them to market their services, adapt them to changing demands and deliver quality.

Services need to be accessible to a maximum of farmers, be affordable, relevant, and reactive to clients' needs and have a minimum standard of both technical and methodological. Links for service providers to technological innovations, through applied agricultural research or professional information needs to be maintained. Qualification of service providers can be organised through agricultural research, universities, colleges and schools or as in-service training within service organisations.

### **3.2.1 Cornerstone 4: Efficient pluralistic, decentralised services management and service delivery**

By Mathias Braun

#### **Why is this cornerstone important?**

Decentralisation, deconcentration and liberalisation of former state service monopolies offer new responsibilities. These changes bear risks and give chances to district or regional/provincial extension managers to implement, reform and coordinate extension and related service delivery within their administrative areas. Reform of Government services, dialogue, coordination and development of pluralistic service delivery become central tasks for district managers. Pluralistic extension and related services need to be coordinated and further developed to avoid duplications, service gaps, market distortions and the neglect of poorer parts of the population. Farmers and other rural people need a variety of rural and agricultural services that can be delivered by different types of service providers: advice for ensuring food security or market oriented production, marketing skills and market information, self-organisation and cooperatives, farm economy, environment, etc.

At the same time, service provider profiles become wider: besides traditional extension in production of crops and livestock, also economic and market advice, environmental issues, community organisation, HIV/AIDS are becoming topics for extension and related services.

### **Who are the stakeholders who would play an active role?**

District or similar local administrations and assemblies play a pivotal role in the management of decentralised services throughout Anglophone Africa. Others are service providers and representatives of rural organisations. Programmes/ projects can play a facilitating and financing role and may give substitute services.

- District Agricultural or Extension Manager
- District Executives as well as District Assemblies and Agricultural Committees
- Agricultural service providers of the private sector, membership organisations and the civil society or their representatives.
- Agricultural research and training institutions
- Projects/programmes in rural development
- Agricultural producer groups

### **What are the major issues/challenges?**

Decentralisation and liberalisation policies are often implemented without enough clarification and capacity building on the levels that have to execute them. Old links and dependencies to central Government bodies are often maintained and the new roles and responsibilities are not readily accepted. The decentralised bodies responsible for services often receive no adequate budgets from both the central Government and the district assemblies. Disadvantaged areas in particular have no alternative service providers from the private sector. Privatisation policies for former monopoly state services often have left a vacuum and demotivated staff.

### **What are promising strategies?**

The basic strategy in this cornerstone is twofold:

1. Analysis of the present situation on service provision
2. Establishment of stakeholder fora for matching of service demands with supplies

The analysis part includes inventories of service providers in the area, their capacities and range of services on offer, their funding modalities, overlaps and deficiencies. The analysis also reveals the gaps in service provision. Tools such as “Services Interaction Analysis” or “Power and Interest Analysis” might be used as guides in such exercises.

Farmers can present their demands at stakeholder fora. Before they need to identify, analyse their demands and develop a work programme of how to go about it. They need to document their demand in a sketch proposal (see cornerstone 2). In those fora, the main activities are negotiations on matching or linking service providers with the farmer demands, coordination of service provision, financing of services, quality control, integration of demands in local, district (and national) development strategies, etc. These processes are the core for getting pluralistic service provision started and coordinated. Good facilitation by an external moderator is needed at least in the beginning. The establishment of stakeholder fora needs to be accompanied by capacity building of their coordinators who are need skills in analysis, planning, facilitation, coordination, administration, building trust through transparency, establishing control and quality standards etc.

Capacity development of service providers is an essential part of pluralistic service provision. By means of contracting services out, Local Governments as well as the clients have the opportunity not only to specify the services, but also to demand a continuous improvement. This requires capacity building interventions on the side of the service providers. The professionalism of providers can be supported by clarifying the procedures for the establishment of service companies and

- with incentives for start-ups and

- with short trainings on management, finances and marketing.

Strategic funding from donors or district/regional bodies can help to establish providers. A healthy competition between the providers needs to be fostered to avoid distortions in the services market. Also here, transparency in negotiations and the standards applied are essential. For private services in particular, it is necessary to establish impartial regulation of quality to safeguard public interest (inclusive services) and fair competition. The formation of quality standards and even certification of service providers will bring about higher levels of professionalism and quality.

**Case 3** *The Bolivian system for agricultural technology (SIBTA) (Heinz-Gerhard Jansen, PROAGRO, Bolivia).*

Bolivia has opted for a largely privately organised system of agricultural research and extension. The system involves four foundations for each of the country's four agro-ecological regions. The Delegated by the Government, the foundations have to organise agricultural research and extension at producer level. About 70% of the members of the foundations are private organisations (farmer unions, producer organisations etc) and the other 30% are public institutions (municipalities, public universities, etc). The foundations act as brokers and have technical and administrative autonomy to manage public funds as well as to organise a market between demand for and supply of agricultural technology. The system depends completely on the demand of farmer groups who propose project profiles. These profiles are standardised and put out to tender by appropriate public or private service providers to develop these profiles into projects and to compete for execution of the projects.

The foundations define the most promising commodities for agricultural development within their regions. Analysis of the corresponding value chains and production bottlenecks are the guiding principle for the demand-based projects of technical innovations. The projects are financed by a competitive fund. The Bolivian Government contributes the fund through a loan of the Interamerican Development Bank and the major international donor agencies.

Source: Agriservice Bulletin #13, [www.qtz.de/agriservice](http://www.qtz.de/agriservice)

<b>Cornerstone 4: Efficient Pluralistic, Decentralised Services Management and Service Delivery</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Understanding pluralistic service delivery systems</b>	<ul style="list-style-type: none"> <li>• Exposure to other pluralistic service systems e.g. health, veterinary, education (public and private)</li> <li>• Analysis of current regional and international trends in service provision (e.g. social vs advisory services) and alternative financing of service provision</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange visits for joint learning: finance, costs, outreach, staff, efficiency, client orientation, mandates, regulation, general problems encountered and further trends.</li> <li>• Task team: analysis of service provision and scenarios at district/local delivery levels: national and donor policies on rural development and service provision; interest of the district assemblies and other local bodies. Tool: Analysis of Service Organisations</li> </ul>

**Cornerstone 4: Efficient Pluralistic, Decentralised Services Management and Service Delivery**

Content Elements / Ingredients	Key Strategies & Processes	Options / ways to implement
<p><b>Service analysis (capacities, quality, coverage, interactions, costing of services)</b></p>	<ul style="list-style-type: none"> <li>• Explore providers, their capacities, interests, relevance, quality, coverage, efficiency and cost of existing services for specific client groups</li> <li>• Analysis and projection of future (necessary) service needs, roles, capabilities and costs involved</li> </ul>	<ul style="list-style-type: none"> <li>• Service provider and client surveys as well as beneficiary assessment</li> <li>• Stakeholder workshop: use of the tool Services Interaction Analysis in a workshop Questions answered: who provides which services to whom, their capacities, modes of operation; service needs, gaps and overlaps. Rough costing of selected providers (staff, management, operations)</li> <li>• In-house workshop, tool: Power and Interest Analysis; the influence and self interests of actors.</li> <li>• Stakeholder workshop: Scenario planning with institutional arrangements of services and providers. Tool: Scenario Technique</li> </ul>
<p><b>Clarification/ negotiation of roles of public, non-govt. and private service providers in regulation, management, coordination and provision of services</b></p>	<ul style="list-style-type: none"> <li>• Clarification of the roles of actors: Government, NGOs, private sector and the clients.</li> <li>• Foster broad agreement on the new role of Government (as regulator; and service provider) and the role of the NGOs/ private sector as the major general service providers</li> <li>• Establish performance and impact criteria for services plus core values and guiding principles (quality of delivery)</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder workshops, tool: <i>Actor/ Function Grid</i>; clarification of roles especially for process oriented services.</li> <li>• Consultations: series of meetings and exchanges leading to ultimate agreement between the major players.</li> <li>• Stakeholder workshop and consultations: development of a client services charter for different categories of service providers (values, quality, accountability)</li> </ul>

<b>Cornerstone 4: Efficient Pluralistic, Decentralised Services Management and Service Delivery</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<p><b>Facilitation and coordination of governmental, private and civil society service providers by public service institutions</b></p>	<ul style="list-style-type: none"> <li>• Development of local government capability to facilitate the involvement of private service providers and NGOs in delivery</li> <li>• Survey existing contract relations and collect contract samples for service provision (e.g. veterinary services, credit services, etc)</li> <li>• Develop transparent and legally valid procedures for contracting out service provision</li> <li>• Develop detailed performance standards for contracts and make them available for the public.</li> <li>• Develop capacity to monitor and evaluate quality of service delivery on standards on technical level of service provider, coverage and satisfaction of target group</li> </ul>	<ul style="list-style-type: none"> <li>• Training Courses: Facilitation and Management of Agricultural Services Delivery (Learning Workshop e.g. by SNRD)</li> <li>• Task team: Analysis of contracting conditions on legal basis, applicability and transparency.</li> <li>• Teams (incl. Govt and NGO /private sector service providers) on development of relevant standards and procedures for contracting out. Adopt legally valid and transparent procedures. Tool: Charging Users for Public Service Provision.</li> <li>• District Manager: Establish service management and impact units in ministries/departments, qualify them</li> <li>• Joint (regulator and service provider) monitoring of implementation processes and impacts.</li> <li>• Accreditation of service providers meeting service charter criteria and standards</li> </ul>

<b>Cornerstone 4: Efficient Pluralistic, Decentralised Services Management and Service Delivery</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Promoting capacity development of service providers</b>	<ul style="list-style-type: none"> <li>• Orientation and awareness creation among service providers on their responsibilities and accountabilities under a changed institutional environment</li> <li>• Support business development of private service providers: procedures, incentives and training</li> <li>• Promote quality, diversity and competition among service providers across all areas of client needs</li> <li>• Establish regulatory body on quality and inclusivity of services</li> </ul>	<ul style="list-style-type: none"> <li>• Fora on clarification, definition of roles and expectations of services that are contracted out with representatives of local government, extension and clientele.</li> <li>• Strategic supply-side funding established at district, or regional levels.</li> <li>• Training in business development services (costing, bidding, accounting, invoicing, marketing of services etc.)</li> <li>• District Manager: Application of quality assurance criteria through transparent tendering and bidding procedures on the basis of performance standards. Tool: Benchmarking in Service Provision.</li> <li>• Quality circles: facilitation of regular meetings quality circles among service providers for self improvement</li> </ul>

NB: all tools mentioned in the strategies are found in the website [www.gtz.de/agriservice](http://www.gtz.de/agriservice) and described in the Annex.

### **3.2.2 Cornerstone 5: Capable Service Providers Responding to Diverse Demands by Clientele**

By Mathias Braun

#### **Why is this cornerstone important?**

Both the capability and competency of service providers are keys for the improvement of livelihoods in rural areas. The services are made up of their technical and methodological competence, reliability, and ability to respond to the specific and changing demands of clients. Their acceptance by the clientele is constituted through the scope of outreach, accountability and cost effectiveness. Also desired are consciousness for quality (commitment and continuous improvement of quality) and a long term vision for their role in the sector.

The rural clientele is differentiated and has diverse needs which change over time. The client groups can be differentiated among others into men and women, young and old people, large and small scale farmers and labourers, market oriented and subsistence farmers, primary producers and processors, traders, entrepreneurs and craftsmen and even administrators and extensionists.

It is important that the match of clients and service providers is at its best. In order to respond to changing and diverse demands of farmers, service providers need to adjust and keep up with the changing demands. Their sources for information and training are universities, research stations, colleges, vocational training centres, technical departments of line ministries (e.g. plant protection, crop and animal production, marketing, food technology, cooperatives etc.) as well as specialised government departments (e.g. meteorology, market information) and consultants and private sector training opportunities.

### **What are we aiming at?**

Farmers need support and services in order to increase their productivity and, thus, improving their livelihoods and their own and the nation's wealth. Quality services are at the heart of rural development. Therefore, agricultural services need to be widely available and accessible to the rural population. The services should also be relevant, technically sound, responsive and cost effective. Services need to provide access to knowledge, information and markets, should facilitate self-organisation and representation for the rural population, or provide specialised services (veterinary, business development, marketing systems, or any other special training). Apart from these technical aspects, methodologies for adult learning and management of change are required. As well the whole range of information systems and economics around agricultural production is needed. Cross cutting issues such as HIV/AIDS are intended to be mainstreamed and be an integral component of whatever is done in service provision.

### **Who are the stakeholders who would play an active role?**

Key players are the service providing agencies and training institutions. Administrations and development programmes come in for coordination and facilitation. Rural people define most of the service areas and qualities and are actively involved in the implementation.

- Agricultural service providers (Government, private, civil society) and their organisations
- Research and training institutions, line departments, specialised institutions, training institutions, trainers and training consultants
- Agricultural administrators and regulators
- District executives, agricultural committees of district assemblies
- Farmers organisations and their representatives
- Development projects/ programmes for facilitation and finance

### **What are the major issues/ challenges?**

Service providers usually have only very limited areas of expertise: they may be technically capable but poor in facilitation, or good in initiating processes, but without reliable technical competence. Commercial service providers might require a wider range of service offered, e.g. a combination of process facilitation, technical advice and economic and market information services. In the same sense, a combination of social extension with environmental and health topics may be demanded. Most providers can cover merely one part of a geographical area and/or reach a special clientele only. At worst, services are rendered for which no real demand exists. This can happen with incoherent service relationships, if only the financier demands the services but not the client. Many governmental and civil society service providers have no economic efficiency calculation in terms of costs for service provision and actual returns of extension advice both for the farmer and the government (taxes, revenues).

Another common weakness is the lack of up-to-date technical and economical knowledge including the lack of relevant information service (e.g. updates from research, technical departments,

universities/ colleges, vocational training centres; lack for local or export market data services, banks, economic trends, new needs in agro-industry, etc).

### What are promising strategies?

This cornerstone builds on the analysis of services as outlined in previous cornerstones. The strategy composes four parts:

1. Assessment of present situation in regards to capabilities of service providers
2. Gap identification in comparison to the demands and development potentials for closing the gap (capacity building, institutional improvements, making services available, etc)
3. Capacity building programmes (technical, methodological, economical, etc)
4. Coordination mechanisms for diverse types of services

The assessment of capabilities of service providers has been highlighted before (cornerstone 4). The crucial part is, how compare these capabilities to the demands of people. Certainly, service provision can go beyond of what is actually requested. This applies especially for aspects which are not well known, yet, and thus does not come up as demand. It applies also for aspects which are identified as strategic development potentials for a specific district or region and are prioritised by other agencies (e.g. potentials in district development plans according to agro-ecological and/or economical comparative advantages).

Ongoing opportunities need to be in place for service providers to upgrade their services and future potentials. The training programme should be tailored according to the analysed gaps and the identified potentials for the district or region.

The quality of services can be categorised as:

1. **Structural** – organisations that are able to receive farmer needs and can respond to those; high technical competence; good extension messages; established back-up services; etc.
2. **Process** – transparent, accessible organisational procedures; participatory approaches throughout the system; competent, well trained staff; etc.
3. **Impact** – regular benefit assessments at client levels; etc.

As one plans for interventions to improve the quality of services, all three components need to be addressed. It is important not to stress one part only but establish the links and synergies to the others. The coordination of diverse services was elaborated in cornerstone 4. It must be stressed again that there has to be a mechanism in place that allows matching quality demands to services.

**Case 4** *The village animal health worker as private service provider – concept and experience from Cambodia (Georg Deichert)*

**Context:** The concept of “Village Animal Health Workers” (VAHW) is a user-paid system or service provision for payment. The identification of the VAHW happens during a village meeting. The function and criteria of a VAHW are explained to the villagers. Participants for a village meeting propose candidates to become a VAHW. The facilitators, who are the Government of NGO extension workers, encourage the proposal of female candidates. The facilitators of the village meet and check whether the candidates meet the criteria. They include the ability to read and write. The candidate is elected by secret balloting, after that the candidate has the permission to enter the training process. This election process ensures that the future VAHW has the trust of most of the villagers.

The subsequent training of the future VAHWs from different villages takes place over a six-month period, covering seven modules. Participants of the training (five days in class and one week on-the-job for each module) receive a certificate which is also considered to be a licence. – Major services offered by the VAHWs are treatments and vaccinations. Some VAHWs provide breeding services, act as demonstration farmers and give technical advice. They have the duty to report on diseases. There is no official fee structure for the services, and no charges for technical advice.

At district level, the VAHWs form associations of service providers and run a pharmacy for their own drug supply and for continuous learning and exchange of experience.

**Lessons learnt:** The seven weeks training of VAHWs cannot replace a veterinary course, hence the scope of and skills of VAHWs remain basic.

The most critical factor is the understanding of private service provision and what role Government should play. Although the private nature of VAHWs is always acknowledged, in practice they are often regarded and treated, by others and themselves, as extended Government service providers at village level.

Next steps based on observations so far: (I) create a better understanding of private business approach and independence from Government (II) development of a code of conduct to ensure quality standards of the service delivery.

Source: Agriservice Bulletin #13 [www.gtz.de/agriservice](http://www.gtz.de/agriservice)

<b>Cornerstone 5: Capable Service Providers Responding to Diverse Demands by Clientele</b>		
<b>Content</b> Elements / Ingredients	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Understanding the demand</b>	<ul style="list-style-type: none"> <li>• Analysing and interpreting differentiated demand by the various client groups</li> <li>• Differentiation of demand according to different client's needs, priorities level of awareness and willingness or ability to pay for service options</li> </ul>	<ul style="list-style-type: none"> <li>• Fora with all major stakeholders to discuss results of service analysis concerning demands.</li> <li>• Task team: Market research for services to be rendered</li> </ul>

<b>Cornerstone 5: Capable Service Providers Responding to Diverse Demands by Clientele</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Managing the diversity of demand</b>	<ul style="list-style-type: none"> <li>• Assessing development potentials of various sectors of service provision</li> <li>• Scale and significance of service demands: priority on client and development level, number of clients involved, distribution of clients, representatively of clients</li> <li>• Assessing cost-effectiveness of service responses to specific demands and capacities of available providers (staff, qualification, logistics)</li> <li>• Prioritisation: managing appropriateness of responses to consolidated services demand, development goals and available resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder workshop: how big is the problem technically, methodologically, economically, socially and how big is the potential for improvement? In how many areas / units is the problem, can it be addressed centrally in one place, where? Is it worth the investment in terms of inputs and output and development goals? Cost-benefit analysis</li> <li>• Prioritisation of services needs in a matrix (development goals, available services, client demands, and funds available, public interest in the services). Deriving priority services, available providers and service gaps</li> </ul>

<b>Cornerstone 5: Capable Service Providers Responding to Diverse Demands by Clientele</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Capability to respond technically and in terms of modes of delivery</b>	<ul style="list-style-type: none"> <li>• Development of joint vision of service provision results, approach, concept and permanent improvement among service providers</li> <li>• Moderated platform for defining and agreeing on roles and relationships as well as on vision and quality</li> <li>• Development of capacity through structured experiential learning (on the job), sharing of experiences (quality circles) and targeted trainings (e.g. adult education methodologies, technical topics, OD basics etc.)</li> <li>• Platform for sharing and learning from experiences among service providers and clients (quality circles)</li> <li>• Provision of training on modes and approaches for specialised extension services</li> <li>• Provision for technical trainings in subjects identified at service analysis and needed for strategic plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Open and moderated fora: define roles and responsibilities amongst service providers, client's representatives and government. Tools: Actor/ Function Grid; Characteristics of Customer Driven Organisations; Systemic Integration Management.</li> <li>• Training needs assessments. Tool: Determining Training Requirements</li> <li>• Strategic training programmes for prospective service providers, i.e. adult education principles and practice, participatory extension, local organisational development, technical subjects.</li> <li>• Capacity development trainings in technical subjects: modular courses in production, marketing and certification requirements. Related technical subjects to widen expertise: environment, gender, AIDS etc.</li> </ul>

NB: all tools mentioned in the strategies are found under [www.gtz.de/agriservice](http://www.gtz.de/agriservice)

*Box 3: Indicators of Demand Driven Agricultural Advisory Services*

The Indicators for success of Demand Driven Agricultural Advisory Services are:

- Farmers have access to agricultural advisory services
- Farmers use the services
- Farmers have increased income from agricultural production
- There is increased competition among agricultural advisers

Demand Driven Agricultural Advisory Services are enhanced by:

- Improved access to markets for the farmers
- Increased capacity and sometimes external facilitation for demand formulation and articulation
- User contribution to the costs of the advisory services
- Earmarked funding for subsidising the costs of the advisory services
- Building competencies of advisers to respond to the demand
- Appropriate approaches to quality assurance
- Demand oriented providers that are directly accountable to the users
- Channelling public funding through user groups
- Existence of capacity building and backstopping institutions for farmers and advisers

Source: Neuchâtel Group (2006): Common framework on agricultural extension.

[www.neuchatelinitiative.net](http://www.neuchatelinitiative.net)

### **3.2.3 Cornerstone 6: Sustainable financing of service systems**

By Paul Schuetz and Mathias Braun

#### **Why is this cornerstone important?**

State owned and funded agencies do not have the monopoly on rural services provision any more due to changing policies in decentralisation and de-concentration, privatisation and liberalisation. As consequence, the funding for the former monopolists is dramatically scaled down in most African countries. Financial support of donors to develop services systems is limited. Government capacities for subsidising services are inadequate and many new policies want to reduce funding to core governmental services. Consequences are still largely limited to the realm of the policy papers.

Diversified, pluralistic funding of services gives the Local Government a chance to decide where to invest its limited funds. They may choose to invest strategically either into the most promising sub-sectors or into subsidising services for disadvantaged groups. Sustainable funding of quality and demand-oriented services is therefore a major challenge in rural development and a task of the entire agricultural sector which should be championed by district extension managers.

Pluralistic service provision means also pluralistic funding arrangements for services. The expectation is that a combination of different competencies and financial resources lead to a higher efficiency, greater demand and outreach, impact and sustainability of services. The possibilities to find locally adapted solutions are more likely to happen in decentralised environments than from the top.

The principal decision on cost sharing or full payment for services by clients is determined by the degree of public or private interests in the services on one side and by the willingness of the clients to pay on the other. Services that directly increase the profit of rural households are of more private interest than those having a long-term benefit for the general public (e.g. environmental measures

and others). Structural support services in disadvantaged areas or to poor client groups may be in the public interest and thus be subsidised (“social extension”), but most other services can be classified in between these extremes. Start-up services may need to be supported with subsidies for a limited time to allow them to become establish.

Many public and NGO service provider are not aware of their actual costs and impact of their services. The total costing of services per potential client (overheads, salaries and allowances, material, qualification etc) results in a benchmark for the necessary minimum monetary benefit of a client from the service (break even point).

### **What are we aiming at?**

Funding sources for services include regular public budgets, development budgets and donor grants, indirect taxes or levies (e.g. on inputs or produce earmarked for service), direct or indirect user fees as well as collective membership fees (as it is the case with cooperatives). Regular budgets, levies and taxes are suited to finance public services and to outsource those (contracting out). Setting up of competitive bidding/ grant schemes has become a suitable instrument for such cases. However, both the use of funds and performance of providers need to be monitored. Transparency is critical for the success of such models.

Local Governments may contract out services to NGO or private providers on the basis of detailed performance contracts which includes close monitoring of their performance. This may also be the basis for privatising public services (example Uganda). Even when services are contracted out, cost sharing arrangements can be made (e.g. voucher systems).

### **Who are the stakeholders who would play an active role?**

Key organisations are all three groups involved, the client groups, service providers and financiers of services.

- Farmers organisations and their representatives
- Service providers and their organisations
- Local administrations (agriculture, M&E, finance) and elected bodies (committees on services or agriculture, district or municipal finance)
- Financiers of services (Governmental, NGOs, donors, private or parastatal companies)

### **What are the major issues/challenges?**

There is a general dissatisfaction on the effectiveness and efficiency of Government funded and implemented extension services. Efficiency here means quality services rendered at a reasonable cost to a large number of clients. The assumption for raising financial contributions from clients is that the services are actually responding to their needs and, thus, are used by people which will have a positive impact on their livelihoods. Clients only pay for quality services which they will get benefits from. The direct relationship between clients and providers through the investment of their own money (“hot money”) allows them to exercise control and nurtures accountability and trust.

Demand side funding (“reversal of funds”) by donors or Governments is often administered through voucher systems. The hope is also that it leads to a closer relationship between clients and service providers so that quality and use is enhanced. Vouchers are often used in contracting-out arrangements, but are prone to inefficiencies and misuse.

Government extension services fear that cost recovery for services (and pluralism for that matter) is the first step for dismantling them. Long term transformation processes need to be worked out which also clarify the roles and responsibilities of public service providers and their employees.

## What are promising strategies?

### *Box 4: Principles for Financing Agricultural Extension*

Extension today is carried out by producer organisations, NGOs, private enterprises, central and decentralised public bodies.

A pre-condition for the financing of services is the availability of enough capable service providers in a district or region/province.

Combine financial resources and competencies of players to improve effectiveness, quality and sustainability of services

Design transparent financing mechanisms to empower stakeholders, to foster the delivery of quality services, to ensure fair competition between providers and equitable opportunities for clients.

Introduce financial participation to make providers more accountable to users. The degree of public interest and the capabilities of users to pay determine the cost share. Invest public funds to serve public interests. Private interests in services should be paid directly.

Financial participation by poor client groups: only partial payment is practicable, use mechanisms adapted to the capacities of clients like payment in kind, after harvest or cost spreading methodologies (e.g. group extension).

From: Neuchâtel Group, 2002 – Common framework on financing agricultural and rural extension. [www.neuchatelinitiative.net](http://www.neuchatelinitiative.net)

<b>Cornerstone 6: Sustainable Financing for Services Systems</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<p><b>Promoting understanding of financing in service systems</b></p>	<ul style="list-style-type: none"> <li>• Orientation towards current trends in funding and financing of services</li> <li>• Study of finance systems for public and private services</li> <li>• Analysis of public and private goods and services to determine strategic areas of public and private interests in the services system (funding, management &amp; delivery)</li> <li>• Analysis of user charges as governance mechanism for services</li> <li>• Drafting of possible finance mechanisms for services: direct payment, fees, levies, taxes, subsidies, contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Task team: exposure visits to success cases for user financed Government services (e.g. health services, education), NGOs and private services. Assessment on mechanism, administration, costs and costing, monitoring and effects of financing on services and clientele</li> <li>• Task team: exposure to concepts of public &amp; private goods and distinctions in services delivery modes</li> <li>• Task team: prepare services inventories and client surveys on priority services and their willingness to pay.</li> <li>• Task team: prepare drafts for cost sharing and user charges. Highlight legal issues, feasibility, role of front line staff, costs, collection system, efficiency, quality, role of clients, etc.</li> <li>• Consultations and interaction with political and technical authorities.</li> <li>• Task team: draft potential financing mechanisms and locate sources of finance. Describe organisation scheme, potential services and client groups.</li> </ul>

<b>Cornerstone 6: Sustainable Financing for Services Systems</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Prioritisation of services for financial governance mechanisms</b>	<ul style="list-style-type: none"> <li>• Screening of services in terms of strategic priorities (market integration, sector and structural policies, development plan etc.), nature of service (public/ private interest), feasibility and capabilities of clients to pay</li> <li>• General consensus making on funding of services, financial governance modes and mandates.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder workshop: joint review of assessments with contributions by external experts, administration, clients, service providers, political representatives. Connection to district or regional/ provincial (agricultural) development policy. Tool: Defining the role of the state in public service provision.</li> <li>• Agreement with stakeholders for the need to deal with and to plan financing of services</li> </ul>
<b>Costing of services</b>	<ul style="list-style-type: none"> <li>• Costing of services (service in total and per client, break-even costs for services)</li> <li>• Analysis of transaction costs</li> <li>• Assessment of clients' capacity to pay for services: individually, as group or organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Task team: review of public sector expenditure and funding sources in extension.</li> <li>• Task team: detailed costing of priority public and private services, including overheads, special projects etc. Calculation of break-even costs with different client groups and outreach.</li> <li>• Estimates and scenarios for reducing transaction costs within a specific system: necessary group size and numbers and/or number of individual clients, differentiated by client groups (market orientation, size)</li> <li>• Select, experiment, monitor and adapt payment options.</li> </ul>

<b>Cornerstone 6: Sustainable Financing for Services Systems</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Financial participation and accountability</b>	<ul style="list-style-type: none"> <li>• Financial participation: giving clients control over funds through alternative flows of money</li> <li>• Options for payment of services by clients for contracted services and relationships based on informal agreements (trust and personal accountabilities through mutual reliance, reputation, and social control)</li> </ul>	<ul style="list-style-type: none"> <li>• Core group: examination of different options for demand side financial participation. Options specific for services and client group. Tool: Design and Evaluation of Competi-tive Agricultural Technology Funds</li> <li>• Core group developing modes for accountability: monitoring performance and flow of funds. Tool: Charging Users for Public Service Provision.</li> <li>• Core group selects options and works out modalities, based on well-negotiated contracts to market,</li> <li>• Explore, monitor and learn by implementing promising options.</li> </ul>

<b>Cornerstone 6: Sustainable Financing for Services Systems</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Modalities of financing service provision</b>	<ul style="list-style-type: none"> <li>Options for governance of funds on basis of contracts, revolving funds, cost recovery charges or cost sharing arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Core group decides for each service on options and modalities for:                             <ul style="list-style-type: none"> <li>competitive grant schemes based on standards and strategic intervention areas</li> <li>tenders of service contracts</li> <li>revolving or basket funds</li> <li>co-funding arrangements</li> <li>degree of subsidies and</li> <li>charges for specific regulatory / technical services</li> </ul> </li> <li>Arrangements between private service providers and public agencies for (co-)financing of training programmes or technical services</li> <li>Group of financiers and client representatives monitor of service contracts</li> </ul>

Cornerstone 6: Sustainable Financing for Services Systems		
Content Elements / Ingredients	Key Strategies & Processes	Options / ways to implement
<b>Financial sustainability</b>	<ul style="list-style-type: none"> <li>• Diversification of funding sources</li> <li>• Generation of new funding sources</li> <li>• New partnerships between public and private for financing of services (public-private partnership)</li> <li>• Lobbying for diverse funding sources</li> <li>• Development of long-term strategy for sustainable financing of services</li> </ul>	<ul style="list-style-type: none"> <li>• Diverse funding sources to be explored and tapped by stakeholder group</li> <li>• taxes and levies (e.g. water user charges), fairs</li> <li>• sponsoring and subsidies (donors) basket funding for services in general or distinct contracts</li> <li>• farmer organisations / unions funding services</li> <li>• fees (members)</li> <li>• community / group farming</li> <li>• saving clubs</li> <li>• payment in kind (traditional service relationships)</li> <li>• Lobbying for funds through analysis of service needs, willingness to pay and benefits: district assembly, central government, donors, membership organisations. Involvement of senior managers.</li> </ul>

NB: the tools mentioned in the strategies are available under [www.gtz.de/agriservice](http://www.gtz.de/agriservice) and described in the Annex

### 3.3 Level of Intervention 3: Organising the Response – the Policies for Services

By Mathias Braun

In order to change the *modus operandi* to demand-driven, responsive and financially sound service provision, enabling policies, guidelines and legal frameworks must be in place. The present frameworks are usually not matching the changing conditions and certainly do not support the thrust of the above described transformation. For this, not only sector policies for agriculture are relevant but also those on the general economy, trade, infrastructure, cooperatives, decentralisation and the organisation and regulation of the services sector. Overarching in many countries of Anglophone Africa are Poverty Reduction Strategies (PRS) that attempt to harmonise national policies and donor interventions and gear them to poverty reduction.

Other steps are the internal reforms of Government Ministries, the way they are structured and their capability to create an environment conducive for the new partnerships to operate.

Legal frameworks need to be reviewed which allow new actors to operate within their given space. They need to be guided and protected within laws that take into consideration the changed roles of the service providers. This can be regulatory or prescriptive but should be monitored within the set standards.

The harmonisation of donor activities among each other and with national Government strategies is a relatively new topic on the agenda. It is demanded by OECD-DAC agreements (refer to introduction) and the development of overarching national Poverty Reduction Strategies (PRS). Multi-donor international programmes and alignment of activities are the result of these developments. They necessitate the agreement on coordinated implementation strategies and sometimes the division of tasks within a uniform framework. The already harmonised policy papers of the Neuchâtel Initiative ([www.neuchatelinitiative.net](http://www.neuchatelinitiative.net)) can form a basis for the development of such strategies for the subsector of non-financial rural services. This conceptual framework, based on Neuchâtel principles, can also be used as reference.

The central thrust of this level is to facilitate a systematic process of exploration and change, where partner organisations, service providers and clients are enabled to re-orient and improve the quality and efficiency of services to end-users (farmers, processors, and their organisations).

### **3.3.1 Cornerstone 7: Paradigm Change and Renewal in Policy and Strategy Development for an Enabling Environment in Pluralistic, Demand Oriented Service Provision**

By Mike Connolly

#### **Why is this cornerstone important?**

Traditional public extension and other rural service systems are experiencing multiple pressures from dwindling public sector funding, changing demands and needs from diverse farmers groups, increasing importance of non-public actors in service provision and, last but not least, the decentralisation to district levels. Paradigm change is fundamentally a policy and strategy issue. The new agendas demand fresh thinking in policy and strategy development to guide, facilitate and support institutional re-orientation and renewal across service systems. Policymakers as well as managers and practitioners have to engage with the new and complex dynamics of transformational change. This involves a shift from conventional, often theoretical analyses and prescriptions for change, to a conceptual and strategic management of know-how/ know-who in the implementation processes. It means a systematic use of practical experience through grounded cases and real-life experience. It means as well to acknowledge facts on the ground, such as already existing private extension in market-oriented farms.

The policy dialogue needs to be increasingly focused on means as well as ends in terms of farmer demand, capacities of service providers to respond and overall outcomes under the emerging pluralistic system for improved services management and delivery.

#### **What are we aiming at?**

There is a need to link and integrate policy more closely to strategy. This will make policies less abstract, more relevant and useful for the range of actors responsible for implementing change under real, rather than idealised, conditions for service reform and renewal. Policies need to become more responsive to evolving needs and changes. Policy makers need to be better informed on farmer-based experience and innovation that has clear relevance and practical

meaning for actors in the system. This will foster ownership and accountability for actions, learning and outcomes. In short, we need concepts that are based on demonstrable local practice and which include a consensus on what works, rather than introduced or untested policy precepts of what just might or should work. This will lead to conceptual and operational modalities that are relevant and implementable for the managers, practitioners and clients who are experiencing the challenges of change across service systems.

To have successful impacts, policies and strategies have to lead to more effective service arrangements for farmers. Where existing laws or regulations prevent or encumber desirable initiatives or actions in services renewal, there is need to have timely review of legislation and assure that the necessary amending or enabling legislation is executed through bye-laws.

### **Who are the stakeholders who would play an active role?**

Government ministries, their departments responsible for agricultural services provision, public sector reform and Local Governments have a central role in formulating and facilitating the implementation of policy and strategy for reform and renewal. Their major challenge is to engage effectively with three other actors that have increasing importance as partners under the new paradigm:

- farmers and their organisations who are articulating new and diverse demand agendas.
- non-public organisations who are providing an increasing share of rural services.
- donors that are gradually recognising that funding alone, without available know-how for the design, facilitation and implementation of change scenarios and programmes in services reform, usually means limited progress in advancing the desired agendas.

### **What are the major issues/challenges?**

The new service paradigm implies a fundamental policy shift in relation to the national roles responsibilities and relationships of the public sector ministries, their extension and technical departments. Their new roles will be as “national and local facilitators” in assuring coordination, client coverage and quality assurance in services provision. Their key challenge will be how effectively they can grow into their new roles to work in partnership with increasingly organised farmer stakeholders and stronger non-public service organisations in an evolving pluralistic service system.

Decentralisation policies, give local/ regional government structures and systems increased responsibility for rural service provision. Decentralisation processes involve a complex mix of political, fiscal, administrative and programme components. This mixture poses major challenges in areas such as service planning, coordination and delivery, not just for Government personnel, but also for sector ministries and local service organisations. The extent to which organisational learning cultures are based on high quality local stakeholder participation will replace traditional autocratic and often dysfunctional administrative structures. This will be the crucial test of whether decentralisation can deliver improved services to rural communities or not.

### **What are promising strategies?**

In order to get started, it is advisable to adopt key guiding principles as outlined in various publications (e.g. Neuchâtel Group, 1999 – 2005) and formulated earlier (refer to Chapter 2.2.) for the given situation. This conceptual framework with levels of intervention and cornerstones/ success factors may serve as guideline for the necessary policy chapters. These guidelines can form the basis for inception phases of reform programmes. Such an approach can generate already considerable action and capacity on the ground. Still, the absence of threshold capabilities, adapted and harmonised frameworks and local experiences does not allow long-term substantial and realistic progress in the reform attempts.

The analysis and formulation process should be accompanied by ensuring wide-ranging stakeholder participation. Useful instruments are platforms and processes for dialogue and partnership between actors from local to national levels for the purpose to develop policies/strategies and to assess their impacts on services provision. Service and core function analysis exercises at national and local levels are important for the change process to inform discussion and decision-making on role changes and institutional re-organisation and development for improved services supports.

Stakeholders need to have opportunities to be informed on the policies, concept and strategy development for transformation programmes. This is necessary to meet the needs of specific farmer groups and to strengthen local organisational capacities to respond. Participation can not be done by merely desk exercises but through field learning cases that test alternative approaches to services provision. Fostering orientation and learning on the paradigm change need to be based on learning / study tours to regions / countries with extended or advanced programmes/lessons in services reform and pluralistic delivery systems. These exercises provide valuable exposure and interaction with peers confronting parallel challenges in services reform. It is important to ensure a balanced mix of professional disciplines and practitioners (e.g. economists, agronomists, animal production specialists, horticulturalist, engineers and agribusiness and marketing experts) from policy units of ministries or key service departments. This increases the probability that policy and strategy development will be comprehensive and rooted in the realities of field service situation and will be more responsive to farmer needs and experiences.

**Case 5** *Institutionalising demand-led service delivery systems in South Africa (Pier-Paolo Ficarelli, South Africa)*

There is potential of people-centred development approaches as an effective entry point to institutionalise demand-led approaches into decentralised Government service delivery systems and bring about enduring changes in rural communities. **Characteristics of the approach are:** (I) Learning approach including various participatory methodologies for the strengthening of the individual and organisational capacities of rural people based on the guiding principles of experimentation of innovations, village as an organisation, linkages and cooperation and learning from experiences. (II) Building on the “life-world” of rural people who have agriculture as a common foundation and spreads from this into other fields of development; (III) Facilitation of self-organisation of various interest groups for their co-ordination at community level and their representation in different development for a for linking with service providers and political structures at municipal and provincial levels (local organisational development). Operational linkages between the three levels (micro, meso, macro) need to be designed and functioning. Thus, policy reviews are guided by informed insights of the micro (community) and meso (district) levels.

**Lessons learnt:** (I) Government bureaucracies are resilient in adapting management practices in line with people centred development (PCD) values and guiding principles. The prerequisite for fostering ownership and institutional sustainability of PCD is Change Management in an organisational development perspective needs to be “grounded” on concrete results at local levels. (II) Approaches used at the micro-level need to be open learning cycles capable of including different methodologies as well as methods for strengthening local organisational capacity. (III) Training of staff implementing PCD has to be designed as learnerships where theory is complemented by practice. At institutional level, the backstopping capacity of training providers based on know-how has to be developed. The facilitation of micro-meso linkages accompanied by intervention at the macro level is critical here.

Source: *Agriservice Bulletin # 13*, [www.gtz.de/agriservice](http://www.gtz.de/agriservice)

### Cornerstone 7: Paradigm Change and Renewal in Policy and Strategy Development for an Enabling Environment in Pluralistic, Demand Oriented Service Provision

Content Elements / Ingredients	Key Strategies & Processes	Options / ways to implement
<b>Policy Re-orientation</b>	<ul style="list-style-type: none"> <li>• Analysis of global and regional policies and strategies for service reform and renewal</li> <li>• Facilitation of local and national stakeholder fora to strengthen client orientation</li> <li>• Adaptation of guiding principles for pluralistic service systems</li> <li>• Facilitation of visioning and strategic planning for renewed national service systems</li> </ul>	<ul style="list-style-type: none"> <li>• Desk research, inventory and review of international experiences with service reform (e.g. Neuchâtel, 1999-2005; this framework)</li> <li>• Multi-stakeholder task teams and discussion groups</li> <li>• Stakeholder platforms/panels/councils</li> <li>• Multi-stakeholder task teams to adapt/ endorse principles and revise/update policy</li> <li>• Conduct service and core function analysis exercises at national and district levels</li> <li>• Awareness and planning workshops for public and non-public actors in service system</li> </ul>
<b>Innovation and institutional learning</b>	<ul style="list-style-type: none"> <li>• Apply/ adapt approaches for community-based social extension suitable for resource poor smallholder farmers</li> <li>• Develop district-level conceptual frameworks for coordination and management of pluralistic services systems</li> <li>• Conduct field cases for pilot learning in alternative service delivery arrangements</li> <li>• Initiate/ strengthen farmer groups and organizations to optimise commercial potentials through self-reliant capacities for production and marketing services</li> <li>• Facilitate and develop capabilities for farmer-to-farmer (F-to-F) extension and para-professional extensionists</li> </ul>	<ul style="list-style-type: none"> <li>• Community-level projects to explore new approaches with farmers and local institutions</li> <li>• Develop field competencies of extension agents in process facilitation for community problem-solving</li> <li>• Task teams comprising public and non-public actors with initial external advice and facilitation as local promoters</li> <li>• Studies/ SWOTs of farmer groups/organizations and farmer organization development (FOD) programmes</li> <li>• Identify and strengthen competencies of leader farmers/farmer trainers</li> <li>• Study ways and incentives to assure quality and reward/remit costs of providing F-to-F and para-professional extension services</li> </ul>

**Cornerstone 7: Paradigm Change and Renewal in Policy and Strategy Development for an Enabling Environment in Pluralistic, Demand Oriented Service Provision**

<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Renewing national capabilities for policy development</b>	<ul style="list-style-type: none"> <li>• Ensure direct involvement of farmers in assessing effectiveness of service policy and strategy and inputting to new policy formulation</li> <li>• Facilitate regular dialogue between policy and implementation personnel in service system</li> <li>• Ensure a balanced disciplinary mix of professionals and practitioners in policy development units</li> <li>• Share policy findings and recommendations with key interest groups, practitioners and decision-makers at meso and micro levels</li> <li>• Conduct regular reviews of legislation and propose amendments/enabling measures to facilitate implementation of new policies</li> </ul>	<ul style="list-style-type: none"> <li>• Organize periodic workshops with primary stakeholders on policy issues, challenges and responses</li> <li>• Regular roundtable fora/workshops on field experiences in putting specific policies into practice</li> <li>• Change selection policies, procedures and job descriptions, and facilitate training/job rotation through policy units</li> <li>• Put policy and strategy reviews as annual agenda item on multi-stakeholder stakeholder fora at all levels.</li> <li>• Aide Memoires justifying change endorsed by national stakeholder fora/councils for action by relevant Government Ministries</li> </ul>

*Box 5: Pro-Poor Extension – Starting points and Key points for analyses*

“Pro-poor reform depends on the political will to support a target group that will in many cases not, in the short- or medium term generate an economic surplus”

Starting points for policy reform:

- Critical assessment of priorities for public resources on disadvantaged areas
- Coherence between extension programming and broader poverty reduction strategies and objectives
- Placement of public sector human resources; incentives to frontline staff for service provision to marginal areas
- Good governance in extension
- Strengthen demand side of extension
- Broader range of topics for extension
- Promote technologies that create labour opportunities and cheap staples for poor consumers
- Include elements of pro-poor growth and vulnerability reduction

Key points for analyses:

- Degree of market integration of the poor
- Degree of representation of poor towards government, private sector, civil society
- Which rural livelihoods are considered viable
- Implications of policies that fail to address the poorest of the poor
- How do poor cope with poverty
- Implications of technical change that displaces labour
- Role of induced technical change within coping strategies of the poor

From: The Neuchâtel Group 2003: Framework for supporting pro-poor extension.  
[www.neuchatelinitiative.net](http://www.neuchatelinitiative.net)

### **3.3.2 Cornerstone 8: High performing and adaptive management of rural service organisations**

By Mike Connolly and Mathias Braun

#### **Why is this cornerstone important?**

Among the new pluralistic service systems, there is an increasingly wide range of providers offering diverse services in response to changing demands of farmers. This means that national institutions with responsibilities for facilitating, regulating and funding services management and provision have to progressively strengthen their mechanisms and capabilities. These include oversight in planning, assessing capacities of service providers, and assuring quality and standards in field delivery to farmers and their organisations. In the context of strong and accountable stakeholder involvement to articulate farmer demand, all actors across the service system need to focus increasingly on relevance, responsiveness, transparency and cost-effectiveness in their delivery to farmer clients.

### **What are we aiming at?**

The ultimate goal is to assure that multi-stakeholder interaction and consensus brings greater accountability concerning the quality of services to service funding organisations, managers and providers to farmers. There is a need for improved knowledge management throughout the entire service system in countries engaged with reform and renewal processes. The new paradigm moved from monitoring and evaluation of development inputs towards impact assessment of outputs and outcomes (refer to OECD-DAC Working Party on Aid Effectiveness and Donor Practices [www.oecd.org/dac/effectiveness](http://www.oecd.org/dac/effectiveness)). This situation requires improved national-level coordination in services planning and management, capability assessments of service providers and inclusive processes of evaluation that involve farmers, agribusiness interests and rural service professionals.

### **Who are possible actors?**

- Government ministries and their departments responsible for national agricultural services provision and impact evaluation
- Local Governments in their evolving roles in planning and facilitating service provision and impact assessment at district and community levels
- Service providers in the non-public sector and their organisations
- Farmers and their organisations, as well as other relevant members in agricultural value chains (e.g. agribusiness)

### **What are the major issues/challenges?**

The current capabilities of public service agricultural ministries and departments are weak in planning, coordination and assuring quality and impact of service provision for farmers. They need to be strengthened in the following areas:

- Oversight and coordination of national service systems in active partnership with key stakeholders (in contrast to the traditional paradigm of command style, solo decision-makers in supply rather than demand modes)
- Guidelines and procedures for negotiation and contracting-out of services provision to local, non-public organisations with comparative advantages in capability and cost-effectiveness
- Effective working partnerships with organised and representative farmer stakeholders and qualified non-public service organisations in an evolving pluralistic service system
- Participatory and locally-based impact assessment of services and capabilities of service providers in partnership with stakeholders

Leaders and managers in national service systems for rural areas have to recognise that each national system has to take responsibility to grow and adapt their own approaches to quality management and assurance (QM&A) based on what is most suitable to the needs and circumstances of their farmers (more information under: [www.gtz.de/monitoring](http://www.gtz.de/monitoring)). This is to be seen in context of what has been tried successfully or otherwise in other regions/countries or sectors (e.g. health, education).

*Box 6: Quality of personal services in extension and advice*

“Quality means recognition of the clients’ requirements, their translation into satisfiable agreements and the fulfilment of these agreements.” (Strotmann, in Menne, K. 1998, page 21).

Quality criteria are therefore defined during the process: recognise, agree and fulfil are the catchwords.

1. The recognition of clients’ requirements makes it necessary for the adviser to work accordingly and to the expectations of the clients. This is defined as structural quality.
2. The agreement on services is central to the work process. It links work on contents and on the relationship in the interaction between advisers and advised. This is defined as process quality.
3. The fulfilment of agreements on services is shown in the registration and attribution of long-term effects of advisory services. This is the result quality.

Structural quality is the basis of and pre-condition to successful advisory work.

The process quality is operationalised through the extension methodology

The result quality, in other words the medium-term effect of advice, is difficult to measure methodologically.

Source: Prof. Dr. Hermann Boland, Justus-Liebig-University Giessen in: GTZ Agriservice Bulletin # 13 [www.gtz.de/agriservice](http://www.gtz.de/agriservice)

### **What are promising strategies?**

- Facilitating and supporting national, public sector-led Services Coordination and Impact Evaluation Units representing key stakeholders to initiate learning processes for services analyses and piloting new processes/arrangements for coordination, contracting-out and assuring coverage and responses to match client demands/needs.
- Study arrangements and experiences with established pluralistic or at least commercial service systems where possible (e.g. pricing, accounting and quality management in hospitals).
- Establishing profiles and capability assessments of service providers across the system.
- Facilitating district-level team approaches to decentralised planning and coordination of services through the involvement of stakeholders and rural service professionals (e.g. extension) with agricultural committees of local councils.
- Developing and adopting service charters to guide service providers and clients on professional standards and best practice across the service system (certification procedures).
- Piloting and documenting cases of good practice from national to local levels in developing service concepts, strategies and frameworks to operationalise alternative approaches including peer and stakeholder processes to assess impacts and assure quality of delivery at farmer level.
- Visiting and studying countries with more extensive learning or experience (not necessarily expertise) in assuring improved management and quality in renewed rural service systems.

**Case 6** *Recommendations for the choice and monitoring of service provision organisations - the case of rural service providers in Cameroon (Jenni Heise, Sector project sustainet, Germany)*

Projects and programmes of international development cooperation have accelerated the process of externalising community level project activities to local agencies. In this course, project success considerably depends on the quality of the services provided. As a result of the increasing number of existing organisations and the numerous inquiries for cooperation, international projects face the challenge of selecting appropriate service providers to carry out their field activities. As yet, few of the programmes apply standard selection procedures. The aim was to contribute to the decision-making process of selecting and monitoring local service provider organisations

The quality of its service provision is determined by objectives and visions, resources and capacities, the attitude and, of course, the overall management of an organisation.

The procedure should therefore minimise the risk of contracting organisations that “perform badly”, without overstepping the programme budget. Due to limited personnel, logistics and financial capacities, cooperation with only a considerably small and manageable number of service providers is recommended. The basis for the proposed selection and monitoring procedure is a public *expression of interest* for the award of project activities. The following suggested procedure consists of several steps:

Contracting a service provider for a specific task depends on a step-by-step evaluation from the *expression of interest* for preselection to the *technical and financial estimate* for the final selection. Evaluation and assessment sheets were designed for each step.

For this purpose, projects should determine within the selection procedure a quota for non-competitive service providers, such as less experienced or locally based organisations. Before contracting, an in-depth analysis of these organisations should be carried out with the help of semi-structured interviews.

Source: Agriservice Bulletin #13, [www.gtz.de/agriservice](http://www.gtz.de/agriservice)

<b>Cornerstone 8: High Performing and Adaptive Management of Rural Service Organisations</b>		
<b>Content</b> Elements / Ingredients	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Managerial Proficiency &amp; Leadership Competencies</b>	<ul style="list-style-type: none"> <li>• Proficiency assessment</li> <li>• Feedback from external consultants, peers, subordinates</li> <li>• Competence development through mentoring, coaching and skills development</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of gaps in knowledge and practices to implement new roles and functions. Tools: Analysis of Service Organisations, Service Interaction Analysis and Governance Mechanisms in Service Provision.</li> <li>• Design sequence of training and coaching interventions for management and facilitation of new functions.</li> <li>• Make intermittent backstopping available with experts.</li> </ul>

<b>Cornerstone 8: High Performing and Adaptive Management of Rural Service Organisations</b>		
<b>Content Elements / Ingredients</b>	<b>Key Strategies &amp; Processes</b>	<b>Options / ways to implement</b>
<b>Organisational competence development</b>	<ul style="list-style-type: none"> <li>• Change of organisational culture</li> <li>• Involve all levels of the organisations in change management</li> <li>• Staff training and development at all levels</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership / Management development and training.</li> <li>• Consultations, meetings, change management workshops.</li> <li>• Development of values and processes to all units / staff.</li> <li>• Regular communication through news letters, circulars and suggestion box.</li> </ul>
<b>Capacity and competency building</b>	<ul style="list-style-type: none"> <li>• Develop facilitation skills / capabilities in organisational development</li> <li>• Develop coaching and counselling skills</li> <li>• Develop personal development plans for all levels of staff</li> </ul>	<ul style="list-style-type: none"> <li>• Consultations and workshops</li> <li>• Facilitation of experiential training and development</li> <li>• Peer support and review</li> <li>• Develop coaching capacity (intermittent use of experts)</li> </ul>
<b>Pilot alternative approaches &amp; systems of extension delivery</b>	<ul style="list-style-type: none"> <li>• Focused projects at districts / ward levels in a variety of communities</li> <li>• Establishment of stakeholder fora</li> <li>• Provision of a voice for primary stakeholders (farm families)</li> </ul>	<ul style="list-style-type: none"> <li>• Search for alternative approaches including all stakeholders; study existing commercial service arrangements with QM&amp;A components (e.g. health, education)</li> <li>• Conduct prestructured study tours for all levels of stakeholders and evaluate experiences</li> <li>• Jointly develop plans for pilots (implementation)</li> <li>• Ongoing monitoring and learning loops</li> <li>• Farmer based assessment of pilot projects</li> </ul>

**Cornerstone 8: High Performing and Adaptive Management of Rural Service Organisations**

Content Elements / Ingredients	Key Strategies & Processes	Options / ways to implement
<p><b>National Services Coordination</b></p>	<ul style="list-style-type: none"> <li>• National sector-wide institutional arrangements to provide oversight across service systems and assure quality standards</li> <li>• Gain insights from QM&amp;A experiences in other regions/countries</li> <li>• Adapt/strengthen Neuâchtel guidelines for M&amp;E in pluralistic rural service systems</li> <li>• Identify and support organizations and individuals with capabilities to assess impacts and develop standards for various categories of service provision</li> </ul>	<ul style="list-style-type: none"> <li>• Establish or develop Services Coordination and Impact Evaluation Units at departmental level</li> <li>• Desk research, inventory and review of international and regional experiences with service improvement/renewal</li> <li>• Multi-stakeholder task teams to adapt guidelines and revise/strengthen national QM&amp;A system for services</li> <li>• Compile national inventories of capable organizations and individuals and share knowledge base with service providers and stakeholders</li> </ul>
<p><b>Institutional Strengthening for QM&amp;A</b></p>	<ul style="list-style-type: none"> <li>• Develop capabilities of national ministries and extension departments to coordinate and assure quality in service provision</li> <li>• Analyses of services delivery for relevance and cost-effectiveness</li> <li>• Guide clients and providers on professional standards and best practice across the system.</li> <li>• Strengthen national learning and knowledge management through cases of field practice/learning</li> <li>• Facilitate district-level team approaches to QM&amp;A involving stakeholders, extension professionals and agricultural committees of local councils</li> <li>• Strengthen insights and practical know-how from experience in other countries</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct institutional capability assessments and training in services management across the service system</li> <li>• Develop national agri-service knowledge management systems/databases</li> <li>• Matching costs to outputs for specific services and assessing efficiency and effectiveness of client coverage.</li> <li>• Develop service charters with all actors in the service system</li> <li>• Design and facilitate pilot learning exercises in alternative services modalities/approaches at local levels</li> <li>• Task teams feed conclusions and re-commendations into Services Coordination and Impact Evaluation Units</li> <li>• Learning tours to study management and field practice in service development, quality assurance and impact with farmers</li> </ul>

*Box 7: Elements of Service Quality Management Systems*

Transparent quality management systems for rural service providers could include the following elements:

- Analysis of available services and possible service gaps
- Inventory of available service providers and their profiles
- Setting of performance standards
- Determination of competence gaps
- Contracting of qualified service providers
- Systematic further qualification of service providers
- Fora for a common vision, strategies, initiatives, coordination, planning and exchange (dialogue between public and private sector and the civil society)
- Participatory performance monitoring
- Data banks for follow-up and exchange

From: Internal paper, 2004: Sector Project Knowledge Management of Rural Areas, GTZ

### **3.3.3 Cornerstone 9:**

#### **Efficient coordination between national partners and donors in the development of pluralistic and demand-oriented rural service systems**

By Willi Ehret

#### **Why is this cornerstone important?**

The donor community is diverse and loaded with different agendas. Home offices set the direction to develop and launch participative, consultative processes in order to make partner countries take over their strategies. A mix of interests determines the priorities and the budgets for programmes.

Partner country administrations are often weak in the articulation of their strategies and have difficulties to bring forth their long term objectives. These were either too vague, broad based and general, or not elaborated enough, or do not even exist. This was a common weakness in many first generation PRSPs. The high turn over of personnel in leadership positions is eroding institutional memory. Poor documentation of learning loops from previous programmes and the absence of data systems also contribute to this weakness. Another common problem is the poor legitimization of stakeholder groups and resulting partisan participation. As a consequence, national leaderships of developing partner countries tend to agree on what is on offer, so that at least financial contributions by donors continue to flow.

#### **What are we aiming at?**

A clearly elaborated vision of national stakeholder for a, coupled with delineated strategies for action, should be the basis the support of the donor community as response to national requests. National stakeholders of rural areas sector need therefore to work together and uplift their profiles. Clear insights and agreements on role clarification and sharing of responsibilities among the national stakeholders and the roles of the donors can lead to complementary, legitimate, realistic and harmonised strategies for action.

The development of a conceptual framework like this one can be a tool for all parties to move towards such harmonised national strategies. At least, it bears the potential for it. The systematic nature of the concept allows stakeholders to arrive at a common understanding of their realities and reach consensus of where to go and of who does what. As negotiations between Governments of developing countries and donor groups are regular events, a clear and strong national position enables the countries to:

- (I) articulate their own adapted and realistic vision and strategies for action
- (II) provide options for donors to join the national strategies.
- (III) allows rational division of labour between national stakeholders and donors.

Such an approach allows national stakeholders to direct and even coordinate the donor support. Complementary roles and responsibilities can be allocated in the support of national strategies and common impact evaluations can be carried out.

### **Who are the stakeholders who would play an active role?**

Obviously, the main players are donor groups on the one side and the national stakeholder fora on the other. It is important that the national stakeholder fora have a jointly developed vision and strategy which they present during the negotiations for donors to buy in. It is of great importance that such fora are active and representative for the entire rural areas/ subsectors. If approached in such a way, country delegations gain both, significance and bargaining power and it becomes less likely that they are overtaken by external forces.

### **What are the major issues/challenges?**

The first step towards a stronger negotiation position is initiating and getting high level and still representative national stakeholder fora operational. The formulation of broad and detailed strategies needs good will and commitment by all actors – Government as much as non-state actors – coupled with a high level of professionalism. However, the most crucial issue is that Government structures are willing to open up to the wider stakeholder groups in order to work together with non-state actors even in domains where the Government used to be the sole actor.

Documentation and presentation of the outcome of the stakeholder fora deliberations is another crucial issue. It needs professional effort often under external facilitation to reach a high level of clarity, structure and documentation of what was discussed and agreed in the fora. The documentation and presentation of what was agreed and decided by the stakeholder fora to donor groups is the next step. It must be avoided that individual stakeholder groups jeopardise or divert negotiations towards their own partisan interests or benefits as much as possible.

It is important for the donors that their regular consultations advance beyond the routine topics around “fire fighting” (e.g. timely availability of inputs, data information systems, marketing issues, trade, etc). For other more long term and strategic issues, donors often have diverse and scattered views that are deficient in complementarities and synergies. The lack of a common understanding and the absence of consensus are hindering forces to the effectiveness of donor support in general.

### **What are promising strategies?**

- Forming of representative stakeholder fora at all administrative levels (communities/ councils – districts – provinces/ regions – national)
- Upgrading the selection and composition of representation of national stakeholder for a
- Development of a joint vision and comprehensive strategies (e.g. workshops on levels of intervention and related success factors), with or without donor participation
- Fostering continuous dialogue between national stakeholders and donors
- Allow for open, non-persuasive, transparent negotiations between national stakeholder fora and donors
- Documentation of agreements after and not before donor – stakeholder negotiations
- National stakeholder fora and donors agree on a commonly accepted conceptual framework

- Utilisation of global donor platforms to address service provision for rural development in a more systematic and holistic manner

*Box 8: Development of common frameworks*

<p><b>Outline of steps for the development of common frameworks:</b></p> <ol style="list-style-type: none"> <li>1. <u>Common vision</u>: delineation of the field of concern (i.e. type of services and region considered); brainstorming on the components of a vision („how exactly would I like to see the service sector function in 5 to 10 years); consolidation of a common vision.</li> <li>2. <u>Definition of success factors/ cornerstones</u> for each level of intervention: brainstorming on necessary success factors for each level („which factors are necessary at this level of intervention to contribute to the realisation of the vision?“); clustering of elements to 3 – 5 success factors per level; consolidation and consensus.</li> <li>3. <u>Formulation of cornerstones</u> for each level of intervention: drafting of the cornerstones with rationale, goal, stakeholders, challenges and promising strategies; consolidation and consensus.</li> <li>4. <u>Mandate</u>: examination of the complete draft framework (duplication/ missing points, common understanding etc.); final editing and completion of the framework by a mandated group. Presentation of the framework as a comprehensive consensus strategy to stakeholders, service providers, donors etc.</li> </ol> <p>(Source: internal paper, 2005: Sector Project Knowledge Management of Rural Areas, GTZ)</p>
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**Cornerstone 9: Efficient coordination between national partners and donors in the development of pluralistic and demand-oriented rural service systems**

Content Elements / Ingredients	Key Strategies & Processes	Options / ways to implement
<p><b>Formation of stakeholder fora at all administrative levels</b></p>	<ul style="list-style-type: none"> <li>• Outlining common procedures and structures at all administrative levels for formation, mandate and operation of stakeholder fora</li> <li>• Establishment of reporting structures among stakeholder fora for transparent communication across the hierarchy</li> <li>• Improvement of stakeholder fora's self-representation at all levels</li> </ul>	<ul style="list-style-type: none"> <li>• Representative task force of a cross section of stakeholder fora members to develop guidelines and procedures</li> <li>• Capacity and competency building of stakeholder fora members and their representatives</li> <li>• Forwarding, compilation and analysis of stakeholder reports</li> </ul>

### Cornerstone 9: Efficient coordination between national partners and donors in the development of pluralistic and demand-oriented rural service systems

Content Elements / Ingredients	Key Strategies & Processes	Options / ways to implement
<p><b>Common conceptual framework for negotiations on rural development for national stakeholder and donors</b></p>	<ul style="list-style-type: none"> <li>• Both parties (nat. stakeholder fora and donors) agree on a common framework for rural development</li> <li>• Both parties prepare their negotiations on same framework</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation of both parties on common framework</li> <li>• Preparation of guidelines for common framework</li> <li>• Individual preparations along common framework,</li> <li>• Mandated task forces or broader workshops for the outlining of a common framework (see Box )</li> <li>• Consensus on vision and strategies; agree on draft working document; mandating representatives for presentation and negotiations</li> <li>• Resolutions of negotiations along the common framework;</li> </ul>
<p><b>Representation of national stakeholders fora in negotiations with donors</b></p>	<ul style="list-style-type: none"> <li>• Non-state representatives from the national stakeholder fora become part of the negotiation team</li> <li>• Establish feedback procedures of donor negotiations to stakeholder fora</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of selection criteria for election of stakeholder representatives</li> <li>• Introduction and training of stakeholder representatives on procedures of negotiation events with donors</li> </ul>
<p><b>Donor platforms give increased attention to rural development</b></p>	<ul style="list-style-type: none"> <li>• Utilisation of existing donor platforms to discuss rural agenda concerning service delivery and systems</li> <li>• Division of tasks and common monitoring system between participating donors and Government units.</li> <li>• Allocation of budget for implementation of intended strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness creation and exposure of external players to situation on the ground (reality checks): needs and capacities of clients, providers and administration.</li> <li>• Formation of professional task teams which are mainly comprised of practitioners for implementation preparation of strategies</li> <li>• Establishment of practical linkages with other players</li> </ul>

## Annex

### Literature

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## **Tools for Service Analysis and Development** (in: [www.gtz.de/agriservice](http://www.gtz.de/agriservice))

The tools and methods presented are useful for orientation, analysis, planning and implementation of initiatives in rural services systems. All methods have been tried in practical development work, but need, of course, to be adapted to new situations by the user. We have selected proven tools on decentralisation, competitive funds, analysis of service providers, clarification of roles for public and private provisioning, development of training and extension contents, integration management and start up activities

- **Actor/Function Grid**  
Clarification of roles of different service providers in public or private provisioning.
- **Defining the role of the State in public service provision**  
Identification of the role of the public sector concerning service provisioning. Contains a checklist for an inventory and approaches for improvement of public services.
- **Service Interaction Analysis (SIA)**  
Review of interactions between service providers, analysis of problems in complex service networks
- **Power and Interest Analysis (PIA)**  
Analysis of institutional arrangements concerning the influence of institutional power and individual interests and their influence on development strategies.
- **Analysis of service organisations**  
Analysis tool for service providers concerning capacities, management and potentials.
- **Benchmarking in Service Provision**  
Identification of deficits in service quality, benchmarking with comparable providers and possible strategies for development
- **Governance Mechanisms in Service Provision**  
Analysis of institutional arrangements of service providers.
- **Design and Evaluation of Competitive Agricultural Technology Funds**  
Analysis of the components of Competitive Agricultural Technology Funds (CATF).
- **Rapid Result Approach**  
The method helps to set realistic goals for teams over a 100 day period. The approach is especially suitable for new teams and for motivation.
- **Scenario Technique**  
To support strategic planning / strategy development, several possible visions of the future are constructed, and the routes which may lead to these scenarios are described.
- **Decentralization Toolkit**  
Determination of the degree of decentralisation concerning finance, policy and administrative relationships and their effect on macro-economic stability
- **Characteristics of customer-driven organisations (self-test)**  
Self-evaluation concerning demand orientation in the context of change processes of organisations and institutions.
- **Determining Training Requirements for Upgrading Production Chains**  
Quick and systematic determination of knowledge and skills deficits in commodity production and processing, followed by the definition of realistic production standards in a round table. Serves as basis for the development of training modules, extension

messages, farm policies, definition of certifiable standards in Good Agricultural and other standards.

- **Charging Users for Public Service Provision**  
Checklist for the key elements in service provision to be considered before introducing user pay systems.
- **Competitive Grant Programmes (CGP) in Agricultural Research**  
Framework for orientation, planning and implementation of competitive grant schemes in public and private research.
- **Systemic Integration Management (SIM)**  
Holistic development of systems with the dimensions of the sectors, communication, culture and vision, including following implementation.

## Networks

- **Neuchâtel Initiative**  
Specialists for extension and research of the main donor and implementing agencies work in the Neuchâtel initiative on harmonised framework concepts for rural service providers.  
[www.neuchatelinitiative.net](http://www.neuchatelinitiative.net)
- **Global Donor Platform for Rural Development**  
The Global Donor Platform for Rural Development operationalises harmonised approaches in pilot countries  
[www.rdxl.org](http://www.rdxl.org)
- **SNRD - Sector Network Rural Development, Africa**  
The objective of the GTZ sector network on rural development in Africa is to improve efficiency and quality of technical cooperation in rural areas. Currently, SNRD has 45 member programmes and about 70 active members. We are part of the working group on market oriented agriculture.  
<http://www.gtz.de/de/weltweit/afrika/fachliche-netzwerke/603.htm>
- **The DAC Working Party on Aid Effectiveness and Donor Practices**  
The OECD-DAC working party was set up in the context of the international consensus reached at Monterrey on the actions needed to promote a global partnership for development and accelerate progress towards the MDGs.  
[www.oecd.org/dac/effectiveness](http://www.oecd.org/dac/effectiveness)

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