Capacity Development in Agriculture and Rural Sectors: Lessons and Future Directions

Report

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IFPRI

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Report

Capacity Development in Agriculture and Rural Sectors: Lessons and Future Directions

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I. Introduction

Strengthening local capacities and institutions remains a major challenge for the effective design and implementation of agricultural and rural development programs and policies in developing countries. Sustainable capacity development is also central to making aid work on the ground. Three factors have motivated InWEnt Capacity Building International and the International Food Policy Research Institute (IFPRI) to collaborate with selected partners and facilitate a workshop on capacity development in agriculture and rural development. The first relates to achieving the Millennium Development Goal of halving world poverty by 2015. Since three quarters of the world’s poor live in rural areas and most depend either directly or indirectly on agriculture for their livelihoods\(^1\), any progress toward achieving the MDGs will necessarily involve accelerated rural poverty reduction through sustainable increases in agricultural productivity and output and rural development more generally.

Second, the growing worldwide food and agricultural crisis threatens to deepen poverty, food insecurity, malnutrition and hunger in both rural and urban areas. This is partly because, in the last two decades, agriculture and rural development slipped off the priority list of development assistance. When the successes of the green revolution in Asia and Latin America seemed to have run their course and proved to be hard to replicate in Africa, in-country and international development assistance programs turned their attention elsewhere leading to years of neglect and under-investment in the agricultural sector. It is clear this trend needs to be reversed. The questions are: what kinds of development assistance and investments can be made to improve agricultural productivity, output, and food security in developing and transition countries and what kinds of individual and organizational capacities must be in place to make effective use of these new investments?

This leads to a third factor and growing concern: how to give high-level recognition to the role of capacity building in aid effectiveness and sustainable development? The 2005 Paris Declaration on Aid Effectiveness identified capacity constraints as one of the central factors impeding progress in achieving the Millennium Development Goals. Billions of dollars have been spent yearly on technical cooperation, the bulk of which is ostensibly aimed at capacity development\(^2\). Despite the size of these inputs, the Development Assist-

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ance Committee of the OECD reports that “capacity development has been one of the least responsive targets of donor assistance,” and that “public sector management and institutions – key indicators of public capacity – have lagged behind all other MDG benchmarks“.

These findings have led to a flurry of writing, websites, and workshops on capacity development, primarily as it relates to public sector management and governance at the national and donor levels. Yet a central message from this work is that capacity development needs to be addressed not only at the country level, but also as a technical issue at the sector or thematic level. A related message is that local training, education, and research institutions need to be strengthened and better integrated into governance and development processes.

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4 See, for example, "Capacity Development: Accra and Beyond“ DAC/OECD/BMZ sponsored Bonn Workshop 15-16 May 2008; G8 Summit-Toyako Declaration on Global Food Security, July 8th, 2008; Conference on Aid Effectiveness, September 2-4, Accra, Ghana
II. Workshop Issues

The InWEnt-IFPRI Workshop in Feldafing brought together key practitioners of capacity development at the local, national, regional, and global levels to further learning in these areas. The Workshop addressed four broad areas of interest.

• What are the current trends in agriculture and rural development? How do local capacities and institutions influence the process of agricultural and rural development? What are current capacity development and investment strategies and how do they reflect lessons learned from the past?

• What kinds of enabling environments are needed for effective capacity development? What role do citizens and CSOs play in reforming the enabling environment and making the public sector more accountable and better at rural service delivery? How will regional cooperation, peer reviews and networking, and South-to-South cooperation help make effective use of and build local capacity and strengthen the enabling environment?

• What broad lessons have we learnt from investing in public sector management? What role and functions should agricultural ministries play in helping agricultural sectors to improve output and productivity and become more sustainable? What capacities do they need to fulfill these functions? What do donors need to do to improve their ability to strengthen capacity at the individual, organizational and national levels?

• What works and what does not work in building individual skills in agriculture and why? What training instruments have been the most effective and what types are specifically required in agriculture? What role does leadership play in developing local and organization capacities in rural areas? What comprises effective leadership training?

The two day workshop in Feldafing, Germany provided opportunities for discussing these and other related issues. The papers presented, the responses to the papers, and the discussions that followed contributed to the learning on the effectiveness and sustainability of capacity building investments in agriculture and rural areas. This brief document summarizes key issues and challenges that emerged out of the deliberations and highlights areas that need future attention.
III. Objectives and Expectations

The overall objective of the workshop was to share experiences and lessons and to collectively develop future strategies aimed at capacity strengthening in agricultural and rural development programs and policies.

In particular, the workshop brought together a core group of experts in the fields of agriculture, rural development and capacity building who worked to:

i) build a common understanding of the concept of capacity development particularly as it applies to agriculture and the rural sectors,

ii) analyze the central ingredients of successful capacity development efforts, particularly for rural areas;

iii) discuss the limits and potentials of capacity enhancement for speeding up the development process; and

iv) identify implications for capacity development measures at the individual, organizational and system levels in the areas of agriculture and rural development.

It is also hoped that the participants will work together and form a “community of practitioners” who seek to further learning, anticipate challenges, and highlight problems and opportunities as they engage in developing and implementing capacity development strategies. It is also expected that the outcomes of the workshop and the recommendations on future directions will be circulated widely and vetted by a broad community of development stakeholders. This will be the first in a series of workshops aimed at increasing the learning on capacity development in agriculture and rural areas.
IV. Organization of the Workshop Sessions and Presentations

All workshop participants have had years of experience in agriculture and capacity development and have worked for a wide variety of organizations (e.g. NGOs, public ministries, the private sector, multi- and bilateral donor agencies, educational institutions) in different regions. The wide mix of experiences helped generate informative and lively debates, which were frequent as the Workshop was designed to be highly participatory. It was divided into four major sessions with two background papers presented under each. There were active discussions after each presentation. These discussions were moderated by a professional moderator throughout the two days of the workshop. To initiate and lead the discussions, each paper was commented on by one of the participants, highlighting the issues for further discussions. At the end of each day, there was a working group session. During these sessions, participants discussed, clarified, and identified the ramifications of the central themes and recommendations that arose during the day’s presentations. A framework for discussion was given for facilitating the discussions.

There were nine presentations given during the Workshop under the four major section headings. The three papers given in the first session provided background information on agriculture and rural development and on capacity development challenges. The first paper described the current trends in agriculture and rural poverty and their implications for capacity development. The second and third papers examined the evidence on capacity building investments and strategies based on the experience of InWEnt in rural development and IFPRI in developing policy analysis and research capacity respectively. The second set of papers looked at factors that influence the enabling environment including demand-side factors related to citizen’s pressure for rural services and regional organizations aimed at building networks, peer-reviews, and improved policy. The third session papers focused on organization capacity. The papers addressed issues related to: the need for public sector management reform in agricultural ministries; and the changes that donors must undertake to improve their ability to effectively develop capacity, particularly in agriculture. Finally, the fourth session papers addressed how to build individual skills to improve agriculture and the role of leadership and leadership training in capacity development. The discussion below highlights presentation findings, responses, and group discussions.
V. Session 1: Current Trends in Agriculture and Rural Development and Experiences in Capacity Development

1. Trends in Agriculture and Rural Development

There has been renewed interest in the agriculture and rural development sectors over the past six years. The World Summit for Sustainable Development, 2002; Africa Food Security Summit, 2006; Africa Fertilizer Summit, 2006; World Development Report of the World Bank, 2008; and the recently held World Food Security Conference, 2008 - all emphasize the need for reviving the agriculture sector as an engine of growth in rural areas and in national economies. As countries move through the agricultural transformation process, the relative size of the agricultural and rural sectors in terms of employment and GDP tends to decline. However, they remain important sectors where the poor continue to be heavily concentrated. Moreover, in the least developed countries, the agricultural and rural sectors continue to contribute around 30 to 50 percent of GDP and 50 to 80 percent of the labour force. These poorer agriculturally based countries are heavily concentrated in Sub-Saharan Africa, which has lagged behind Asia and Latin America in increasing agricultural productivity and economic growth.

The recent food crisis has accentuated the problem of low productivity in the agricultural sector. It also exposes the need to strengthen capacity to meet such emergencies.

Examples of areas requiring strengthening include the need to:

i) develop methods and tools for early warning systems;

ii) analyze causal factors and the impact of high food prices on poverty and household food security;

iii) develop policy and institutional responses;

iv) monitor the impact of food crisis; and

v) design long-term solutions to improve food security in affected countries.

In addition, agricultural production, marketing, trading patterns and constraints, and standards are changing rapidly. Countries and producers that cannot meet international standards for production and food, link into value chains, produce products demanded by supermarkets, or negotiate effective trade deals will be left behind in the swiftly evolving world of international agriculture. New capacity is required from the farmer to the national policy level to address these new challenges.

Increasing environmental challenges and pressures (such as declining water resources, soil degradation, and climate change) also affect the production of food and agricultural commodities and will also require new strategies for developing capacity. Capacity for designing policies and programs that result
in better management of natural resources, effective environmental monitoring, impact assessment, improved land, soil and water management, and mitigation and adaptation strategies for climate change are needed.

Raising agricultural productivity through science and technology policies, research and innovation investments, use of modern technology such as biotechnology, nanotechnology, genomics and bioinformatics, and designating such technologies through effective extension methods and demonstrating innovations in crop husbandry will require adequate capacity at the grassroots level. Capacity for undertaking crop improvement research along with capacity for research communication and effective delivery of extension services needs to be developed at the national and local levels.

Reducing poverty effectively in rural areas will require addressing the problems related to smallholder production and their competitiveness. Factors that impede smallholder productivity include: access to land and tenure security; access to farm inputs including agricultural credit; opportunities in off-farm employment; and education and skills for rural development. Effective promotion of participatory approaches in enhancing the responsiveness of government institutions through transparency and accountability in the delivery of their services will ensure effective governance of rural development programs and policies. Capacity building through the preparation of poverty reduction strategy papers, the formation of groups and managing such groups at the local level for collective action and developing communication channels for effective operation of civil society organization also bring capacity strengthening challenges to the forefront.

Finally, understanding the trends and measurement of rural poverty by the program managers and implementers on the ground would be helpful in connecting the programs and plans to their impact on poverty reduction. A knowledge base about causal factors of poverty and how poverty lines are computed and analyzing the levels of poverty along with various intervention strategies related to improving food security and livelihoods of rural population would be effective in improving the effectiveness of rural development programs.

In addition to the individual capacities identified above, capacity for organization and management of national agricultural systems including the research institutions, extension systems, and educational systems needs to be considered. The overall enabling environment for effective capacity utilization in a country would depend on the policy environ-
ment under which the sector programs and policies are designed and implemented. The role of leadership in creating such enabling environment cannot be underestimated.

2. Experience with Capacity Building

The workshop did not begin with a clean slate. It briefly reviewed the past experiences in developing capacity for agriculture and rural development. In the 1970s the capacity strengthening efforts took the form of technical assistance in a project-based approach. While comprehensive human resource development and institutional development were recognized in the 1980s, the 1990s saw the emergence of “capacity development” as a major intervention. After that, capacity development needs at systems, organizational, and individual levels were fully recognized.

Capacity development is a fundamental change process that requires commitment at various levels. The guiding principles of capacity development such as ownership by the countries, alignment of donor and country priorities, harmonization of efforts among the development partners and effectiveness in delivering aid are also well recognized. Yet the change in the paradigms related to development in various sectors, the complexity that it brings to capacity development efforts, and the interdependence of sectoral activities has meant that there needs to be better leadership and accountability for capacity development efforts for countervailing weak capacity.

Organizations have approached the task of capacity development based on their mandate and evolved accordingly. For example, InWEnt addresses the challenge with an aim to strengthen the partner’s capacity to plan, implement, and manage sustainable development strategies and policies and to initiate and accompany reform and change processes. It sees capacity development as strategic human resource development that encompasses advanced professional training, dialogue, networking, and advisory services. InWent’s approaches cover a wide range of individual skills - from technical to governance competence, institutional strengthening for further training and leadership skills that takes into account policy dialogue through transnational networks and dialogues. As it moves forward, it will take the capacity development as the core mandate and work on the themes that would need attention for development. More emphasis will be given to change management and monitoring and evaluation, multiplying good practices of capacity development, and strengthening strategic alliances with similar organizations.

IFPRI, a policy research organization, considers capacity development as one of its core strategies. In the last 33 years, it has moved from individual approach to group training, to country and thematic approach to regional and networking methods of capacity development. The target institutions in a country have also widened from agricultural and food ministries to national agricultural research systems and universities. National extension systems and farmer-based organizations are also part of their mandate. Capacity development through global initiatives is gaining momentum as it is working through regional organizations.
Experiences in these organizations and others show that capacity development is more than training individuals. In addition to strengthening individuals in key technical competences, there is a need to build capacities for application and leadership competences. There is also a need for interlinking capacities at the individual, organizational, and at the systems level. Mapping the landscape and determining the comparative advantage of capacity development providers at the international, regional and national levels would be a good start.

VI. Session II: The Enabling Environment

1. Citizen Demand for Rural Services

Creating an enabling environment for effective development and use of capacity at all levels in rural areas depends on both demand and supply-side factors. The supply-side approach is often given the priority in development programming. Yet, relying simply on supply side approaches – i.e. a government mandate to provide a service or build infrastructure – often does not result in the effective delivery of rural services. When there are no or insufficient institutional and organizational arrangements that allow citizens, especially rural residents, to participate or express their voice in local decisions or to hold officials accountable, development projects often fail at the end user level and/or are less likely to be sustainable.

Both the long and short routes of accountability need to be used to ensure citizen’s inclusion in the management of service provision by the frontline organizations. The short route to accountability involves linking citizens or beneficiaries directly to service providers or development programs and there are a growing variety of methods and instruments that help facilitate this type of participation or feedback mechanism. The long route of accountability, while it takes time, also needs to be strengthened in order to improve the voice of the clients in moving the policy-makers and the politicians towards improved provision of services. In this context, strengthening the capacity of community-based organizations, NGOs, and the elected representatives at the local level is essential. Exercising their demand and using the available mechanisms effectively also requires adequate information sharing and capacity strengthening at the local level. In addition, there is a need to pay increased attention to gender equity and to strengthen service providers’ capacity to respond to citizens’ demand.

2. Regional Networks and Peer Reviews

An example of creating the enabling environment at the regional level is the approach taken by NEPAD’s Comprehensive Africa
Agriculture Development Program (CAADP). The CAADP seeks to improve food and nutritional security through increased income and poverty alleviation resulting from sustainable socio-economic growth. Its goal is to get participating national governments in Africa to allocate a minimum of 10 percent of public expenditure to agriculture and work toward using these increased resources to help stimulate a 6 percent annual growth in agricultural productivity by the year 2015. Yet, implementing CAADP-related programs and policies is hamstrung by a lack of capacity at various levels. The four key pillars of CAADP implementation - sustainable land management and water control systems; rural infrastructure and trade and market access capacities; increasing food supply to reduce hunger and food insecurity; and improving agricultural research, technology dissemination and adoption - require capacity at the continental, regional, and national levels. National governments must have the capacity to develop and implement their own agricultural strategies in order for policies to be effective. Further, CAAPD must have the capacity to work with national governments and tailor each program to fit their particular needs. These national strategies then must be incorporated into a regional and possibly continent-wide framework. These national and regional level capacities and the strong coordination and communication mechanisms that are required for effective implementation are often not in place. There is a broad understanding that CAADP itself requires a capacity development strategy that could effectively build capacity for the four pillars at the individual, organizational, and the enabling environment levels. The experiment of CAADP design and implementa-
VII. Session III: Organizational Capacity

1. Public Sector Management Reform

The agricultural and rural sectors are riddled with market failures and externalities stemming from the nature of agricultural production, remoteness, and other such factors. The first generation of development assistance programs recognized these inherent difficulties and the response was typically government intervention in the sector. But these government solutions often failed to solve the problems stemming from externalities and market failures and frequently created a new set of complications stemming from, for example, inefficient and costly top-down approaches (production and input quotas) and corruption and political interventions (in marketing boards, irrigation water delivery systems etc.). These inefficiencies led to a backlash in strategy which celebrated purely market solutions. But when the market failed to step in, a new consensus arose that recognized that some sort of government intervention is required. The focus then shifted to improving the public institutions that provide rural services with greater appreciation of the economic and political factors that contribute to governance and service delivery problems. In other words, the emphasis is now on building organizational capacity in public institutions.

The broad definition of organizational capacity implies improving the performance of an organization by increasing its ability to set appropriate objectives consistent with its mission and functions, and develop strategies and implement them effectively. The public sector has a wide array of missions and function that require complex implementation approaches typically from ministries of agriculture or similar such institutions. Public sector functions in agriculture include: i) policy formulation (developing an agricultural strategy); ii) policy coordination and facilitation (coordinating across a broad variety of agencies and stakeholders); iii) policy analysis and evaluation (statistical services and M&E), and they must participate in regional and global agreements (the WTO); iv) protect private property, v) provide core public goods (roads, irrigation systems); vi) regulation (bio- and food safety, seed certification), vi) overcoming economies of scale and market coordination problems (irrigation infrastructure); and vii) reducing vulnerability and improving equity (safety nets, redistribution). A wide array of governance and implementation challenges accompanies each of these functions and their service delivery implications. A lack of adequate resources, inadequacy in providing what farmers need, limited access to marginalized groups, and political interventions in targeting are some of the government failures in service delivery.

Organizational capacity cuts across three levels of needs in terms of thematic knowledge, management capacity, and leadership capacity. Under the thematic capacity issues related to technology development, assess-
ment and dissemination linkages become critical tasks of agriculture ministries. Individual capacities to undertake policy analysis, monitoring and evaluation, and the need for integrating such capacities with management practices are also important. At the leadership level, clarity of purpose and vision for the policy development process and providing leadership for implementing such policies and programs is essential. Implications for organizational capacity development include:

i. The need to begin with an institutional review to identify the binding constraints and develop participatory approaches for improving capacity. This review should pay attention to both functional rational (e.g. pay scales) and political economy (e.g. nepotism) constraints to be constructive.

ii. Capacity development at the organizational level goes beyond training of individuals and provision of technical assistance. There is a need for strengthening organizations to bring together individual capacities, the technical assistance provided by external actors, and the managerial skills needed to effectively run an organization.

iii. Enhancing organizational performance to improve capabilities and provide incentives for individuals to achieve their goals both professionally and personally.

iv. A well functioning human resources unit with effective information technology would help capacity needs, gaps, and improvements in the future.

v. There is an urgent need to identify what can be done immediately through political support for example, for organiza-

tional reforms, and effectively using such support to enable long-term organizational development.

2. Capacity and International Development Agencies

Increasing attention to capacity development themes has also affected donors and other international development organizations and the way they do business. There is growing recognition that some of the traditional mechanisms of development assistance (e.g. a heavy reliance on short-term technical assistance, project implementation units, and the 2-5 year project cycle) have not generated capacity in developing countries and indeed have, in some cases, probably undermined it. Therefore, for some development assistance organizations the new focus on capacity building has resulted in a shift in strategy and implementation approaches.

The Food and Agriculture Organization (FAO) has had capacity building central to its mandate since its inception. But its strategy for capacity building is going through a period of reform. At the FAO, the new paradigm for CB has meant that FAO initiatives should now emphasize:

i) national ownership and leadership by national actors;

ii) mutual accountability of national and international actors;

iii) interventions at multiple level;

iv) alignment with national needs and priorities; and

v) customized approaches.
The new CB paradigm has also led to a broadening of focus “beyond just training” to a more holistic strategy that also factors in leadership and accountability and a shift from “best practice” to “good fit”. In short, the focus on CB has had substantial implications for development assistance strategies, programs and projects. It calls for: strong commitment and support from the national actors; embedding CB in national development plans and policies; wider stakeholder involvement including civil society; a stronger national institutional framework for capacity development; more field and regionally based programs and training; and the longer duration of programs and projects all of which develop capacity at the national level.

Helping countries find collective responses and build global partnership to solve international problems especially as they relate to agriculture is also part of the FAO CB strategy. For example, the FAO has been instrumental in:

i) helping to develop the legal framework for bio-security and the International Treaty on Biodiversity and Genetic Conservation. (For this Treaty 116 countries came together to agree on sharing genetic resources information on the 64 most important crops that cover 80 percent of human consumption.);

ii) leading the initiative to support countries that are currently under stress from food price crisis; and

iii) formulating regional approaches to land consolidation in Central and Eastern Europe. Regional and global organizations can also identify and maintain existing good practices for capacity development.
VIII. Session IV: Individual Capacity

1. Building Individual Capacities in Agriculture

Until a decade ago, most capacity strengthening efforts focused on individual capacity, primarily in the form of training. Individual capacity investments were not integrally linked to organizational capacity strengthening, and in the absence of a coherent policy environment and effective public institutions, these individual capacity investments were not highly useful in transforming agriculture and rural development sectors. Additional problems have only exacerbated this situation. Africa faces particularly severe challenges related to building individual capacity because of the brain drain, internal shifts of trained capacity within and out of the sector and related retention problems, and for the past 15 years diseases such as HIV/AIDS, malaria, and tuberculosis have led to high mortality rates and disability among highly trained workers in agriculture and rural sectors. There is also recognition that the sectors are evolving so rapidly, retraining will be necessary to keep farmers, extension workers, and professionals up to date.

Therefore, it is clear there remains an urgent need for capacity development at the individual level in the agriculture and rural sectors, particularly in Africa. The question is then, how to make these individual capacity investments more effective and have a broader impact and what sorts of investments are still required? Capacity development ranks high, particularly on the African development agenda in the areas of agricultural and rural development. So attention is not the main constraint. To have a broader impact, future training initiatives should be broad and incorporate the public sector, private sector, civil society organizations such as NGOs, CBOs, unions and FBOs, research scientists, trainers in universities, mid-career professionals, and smallholder farmers. The involvement of all actors including the private sector ranging from input suppliers to market...
agents to farmers would be productive in strengthening the capacity of a whole range of players through the value chain so that higher level capacity built in the research, extension, and education systems translates into effective programs on the ground. Training must also be tailored to match the needs of these different groups and local realities and communication and coordination links strengthened among them. Understanding various frameworks, modalities, tools, and approaches for individual capacity development and sharing the success practices among the practitioners of capacity development is an essential step forward for enhancing the impact of capacity development on individual capacities.

2. Leadership and Leadership Development

The nature of leadership within an organization and at the systems level is a key determinant of success of capacity development efforts. Leadership is a process which involves influencing others in the attainment of goals and occurs in a group context. Strong and effective leadership is often required in order for development institutions, including NGOs, to be effective. Four types of leaders - paternalistic, activist, managerial, and catalytic – have been identified among NGOs. In rural areas, paternalistic, and activist leaders are commonly found. Leadership development requires enhancing the skills related to coaching and mentoring, people skills, and setting clear goals for implementers. In the agriculture and rural development sectors, as new issues emerge, such as climate change, there will be increased demand for new leaders and improved leadership.

There is a critical need to develop measures of leadership impact including indicators for monitoring and evaluation.
IX. Group Discussion Outcomes

In order to elaborate further on the papers presented and discuss the key issues, challenges, and opportunities that face capacity development in agriculture and rural sectors, three discussion groups were formed. Further, a matrix that connects individual, organizational, and the enabling environment levels of capacity to three other levels of competence - including thematic, application, and leadership - was provided as a tool to help elucidate discussions.

The first group focused on individual capacities. Three main levels and institutions were emphasized: university education, specialized training centers, and farmer training. Solid university education is a prerequisite for training large numbers of people in agriculture and rural development. In order to enhance such capacity in a short period of time, twinning arrangements between universities in the south and the north and between weaker and stronger “south” universities are important. The link between the American land grant colleges and local universities and research centers in Asia during the green revolution was one historical example given. A contemporary example is the Cornell-Ghana program for training breeders at PhD level. Such approaches can be scaled up and specialized and can contribute to quality improvements in research as well as build human capital.

Establishing branches of northern universities in the south through market-led approaches could increase the credibility, quality, and quantity of individuals trained in the sector. A key aspect of educating a large number of people through various approaches should be to reduce the cost of education at the same time increasing the quality of skilled personnel who will go into agriculture and rural development sectors. Maximizing and expanding the benefits of good programs to other countries with regional continental approaches may be effective for building individual capacities.

In addition to university-based training, specialized training centres need to be established for training individuals in vocational education and agriculture technologies. There are a number of large-scale farmer training efforts currently underway (e.g. 60,000 extension workers in Ethiopia are being trained to give technical assistance in agriculture) and these programs are worth examining and potentially emulating.

Finally, better mechanisms and programs should be developed to provide farmer training (especially in the fundamentals of agricultural production) at the primary school level, through vocational education (including farm and off-farm skills), and through farmer training schools. These efforts would enhance the capacity of individuals in the agricultural sector and likely contribute to increases in productivity.
The second group focussed on the organization level. Here the discussion emphasized the importance of having a national plan to implement and manage institutional transformation processes and the importance of local-based groups. At the field level, there is often an absence of rural organizations which makes it very expensive to reach farmers and reduces their ability to participate and influence decisions, programs, or projects, what often has negative implications for effectiveness. Moreover, once groups are formed they can often be used for multiple activities. For example, farmer field schools, originally established for learning in the area of integrated pest management, have grown rapidly and the groups of farmers that participate in them have been tapped for a variety of rural development purposes. Examples of activities that CSOs or FBOs can engage in are extensive. Outside of farming they include, for example, finance, collective pressure for improved service delivery, and legal issues, although capacity must be developed in these areas before the groups could engage in them. Within the farm context, organizational capacity for farmers’ groups need to be developed for business and marketing skills, organizing themselves for quality certification, and increasing their capacity to attract outside funding including from donors.

Given their potential, efforts should be aimed at establishing policies and programs that help facilitate the formation, strengthening, and training of community-based organizations and farmers’ groups. This does not imply that governments should necessarily get involved with local group formation. Other entities, such as local NGOs, may be better placed to carry out such tasks. Moreover, it is important to recognize that methods for organizing farmers must be context-specific. For example, the Pakistan-based Aga Khan Foundation approach of forming farmers’ groups by sharing resources and labor may not work in Kenya or other countries with similar traditions.

Public-private partnerships can also be an effective way to build farmer level organizational capacity, particularly for specific types of extension activities. For example, extension by chemical companies and output purchasing companies such as coffee companies in Tanzania can also play an instrumental role in helping to build farmer-based organizations.

Uganda offers useful examples of innovative organizational capacity development in agriculture. Uganda has developed plans to modernize agriculture in part by repurposing existing institutions instead of creating new institutions for agricultural development. In addition, its national agricultural advisory services have outsourced the public sector extension activity to the private sector to better reach the smallholder sector. Kenyan Dairy Private Extension is another example of outsourcing of the extension services. However, this strategy is not without problems. Often the private sector or the NGOs simply hire government extension agents to carry out these new outsourced functions, what results in overlap and reduced public resources.

Group three focused on the enabling environment. The key questions raised by the
group included:

1. How to make the enabling environment context-specific and culture-sensitive at all scales? Creating an enabling environment that is locally adapted is likely to require a stratified system of ownership of the capacity development environment. The concept of subsidiarity\(^5\) - allowing matters of being handled by the least centralized competent authority - will have particularly strong relevance for agriculture and rural development. Central authorities often simply fail to reach rural regions be it with medical, education, agriculture or other services what necessitates local groups taking on more tasks and having the capacity to fulfil these functions.

2. How can “space” be made for a vibrant well-functioning and empowering rural civil society? Such a space could result in a large amount of rural social capital that can be used for advocacy for demanding effective services from the public and private sectors.

3. How to formulate informed and coherent policies that address capacity constraints in the rural sector? Establishing a set of policies aimed at creating an “enabling environment” for agriculture and rural areas requires good information on local conditions such as on the specific constraints facing agriculture and other rural sectors. Moreover, the information must vary to reflect the needs of different communities. Building such evidence-based policies will required the adoption of new processes, such as decentralized policy nesting and sharing of high-quality forward-looking information for future planning and learning. The public sector with the help of the private sector, NGOs, and community-based organizations can help in this process as can a good M&E system for learning.

**Workshop Highlights**

One workshop highlight was the dynamics and ideas generated from the group of experts who came to Feldafing with experience from organizations such as the FAO, UNDP, NEPAD, the World Bank Institute, development networks, bilateral agencies, the private sector, NGOs, and academic and research institutions. The key findings stemming from their presentations and discussions can be loosely divided into five main topic areas. These include: education, learning and individual capacity; organizational capacity; the enabling environment; donor and international development; and cross-cutting issues. Select Workshop highlights are listed below

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\(^5\) **Subsidiarity** is an organizing principle that matters ought to be handled by the smallest, lowest or least centralized competent authority. The Oxford English Dictionary defines subsidiarity as the idea that a central authority should have a subsidiary function, performing only those tasks which cannot be performed effectively at a more immediate or local level. Subsidiarity is, ideally or in principle, one of the features of federalism. ([Wikipedia](https://en.wikipedia.org/wiki/Subsidiarity))
under these broad and often overlapping topic areas.

1. Education, Learning, Training, and Individual Capacity

- A key issue is the relevance of educational systems, particularly universities for building capacity in the context of the changing face of agriculture in developing countries.
- University graduates who come out of agriculture schools are mismatched with the needs of the agricultural sector. There is a need to adapt to emerging issues such as HIV/AIDS, climate change, quality control, and value chains through assessment of capacity needs and modifying the curriculum at higher education institutes. There is a need for looking at emerging issues and planned educational programs at least five years in advance.
- In addition to the trans-national brain drain of capacity, an increasingly challenging issue is the cross-professional brain drain within the agricultural sector as well as to other sectors within the country. For example, less than 20 percent of the 2,000 students graduating in agricultural universities in Kenya in 2008 will go into agriculture. Several countries face similar situations. This calls for reengineering of agricultural education in the developing countries with an emphasis on making agriculture an employment-oriented, income-generating profession.
- There is mass migration out of the rural sector (for the rural transformation) which has clearly capacity implications. It is important to make agriculture attractive to youth by increasing the employment-oriented capacity in agriculture. This requires transforming educational systems towards achieving that goal, although it is recognized that agricultural out-migration is a natural part of the development process.
- While there is an increasing level of accessibility and use of internet-based technologies for information sharing and educational purposes, information and communication technology is not a substitute for capacity development.
- There is little research on the role of leadership development in the context of group formation and development at the local level. There is a need for developing leadership capacities at the grassroots level for effective functioning of programs and policies.

2. Organizational Capacity

- Building strong organizations in the public, private, and NGO sectors at all levels will be critical for any capacity development strategy.
- Instead of creating new institutions to meet the emerging needs for capacity, it may be effective to repurpose existing institutions to utilize the existing capacity.
- The political economy of capacity strengthening needs to be understood in the context of organizational strengthening. Emerging issues such as WTO negotiations, developing value chains in agriculture, and the impact of HIV/AIDS on food security may have political implications.
for capacity building both at the thematic level as well as at the functional level.

- Often political decisions affect capacity utilization at the organizational level. Due to regional differences ministries are often reorganized by various parties that come to power. This results in bifurcation of capacity and resource use at the national level and often affects effective organizational strengthening in the long run.

- It may be useful to take an accountability approach to capacity development by linking capacity to the political will of the organization. Both strategic accountability and functional accountability of the organizations need to be considered in improving the capacity at the organizational level.

- In the past, capacity strengthening efforts had scattered goals, scattered efforts, and as a result scattered impact. Individual training of university faculties, for example, continues to have limited impact because of the structures of salaries and work environment. For example, the economic and business faculty of the University of Rwanda lost 12 of its 45 faculties in just one year.

3. Enabling Environment

- In building capacity, both supply-side and demand-side factors need to be considered. Capacities for both short route impact on demanding services as well as long route effect of strengthening relationships between various actors are important. Capacity needs to go with authority for making capacity work.

- There is a need for developing sustainable social capital at the grassroots level that will provide an enabling environment for effective capacity utilization.

- Political decentralization of service delivery requires strengthening the capacity of locally elected representatives and the capacity to deal with bureaucracy such as the right to information, citizen score card, and using media for improving the quality of services.

- The effective linkage of global issues to the local concerns is partly a capacity issue, for example, how capacity development can be used to making the local government and authority sensitive to global issues such as climate change.

- Capacity development at the national level largely relates to change management in the organizations. However, change management will have to be undertaken at a higher level than the sectoral level. National level rules and regulations for budget allocation, human resource rules, and use of resources in terms of monitoring and evaluation will have to guide the sectoral policies and programs for sectoral development.

- Countries and contexts differ in terms of their need for capacity strengthening. For example, in Africa, a typology of countries with high-level capacity and low-level capacity can be compared with resource-rich countries and resource-poor countries. Such typology can help in developing strategies that will work differently under different circumstances.
4. Donor and International Issues

- In addition to national-level capacities for addressing national issues, there is a need for building capacities at the regional and global levels that will identify issues that cover several governments. International agencies such as FAO are placed well to develop such capacities. Yet, connecting such capacities to national-level implementation remains a challenge.
- Over the past two decades changing interests of donors in capacity development have systematically reduced the effectiveness of capacity development programs. Moving from higher education capacity development to primary education and now back to higher education has had implications for the loss of capacity in higher education institutions leaving very little capacity to develop further capacity at the national level. Consistency in donor programming and considering developing national capacity for generating internal capacity as a long-term effort is essential.
- Due to the complexity of developing capacities and the minimal impact that the programs have had in the past, organizations have moved away from capacity development to promotion of knowledge sharing as a method of capacity development. Such shift in paradigm, particularly in organizations such as WPI, can have long-run deleterious effect on strengthening national capacities.

5. Cross-Cutting and Application Issues

- Capacity development institutions need to focus on various levels including developing potential leaders who can be the driving force behind agriculture and rural development. Key competencies related to thematic knowledge, analytical and managerial skills and leadership skills are needed. Interlinking individual, organizational, and system-level capacities is important. Mapping comparative advantages of various actors and players in capacity development at the country level, regional level, and at the global level is important to address the question of preparing people for the future.
- It may be useful to assess how the development of thematic, managerial, and leadership capacities could be accomplished through a social network analysis of capacity strengthening organizations.
- Choosing the right type of organizations to build capacity at the right situation is important. For example, building capacity for implementing CAADP policies and programs will require national capacities to translate such policies into a national plan of action. However, a regional capacity development strategy for implementing CAADP would be an effective way to build such capacity.
- Avoiding parallelism in building capacity at the national level is important. It is not uncommon to have the same individuals being trained on the same subject by two different organizations. Effective coordination at the country level on who is being trained in which organization would help avoid wasting of resources.
In addition to tangible benefits of capacity development such as improved structure, mandate, and tools for effective implementation of programs and policies, intangible aspects of capacity development such as political climate, attitude towards work, culture, and motivation of individuals towards the national goal could have major implications for capacity implementation. It is important to understand to what extent external support can help in developing the intangible aspects of capacity utilization.

Often identifying the entry point for capacity development to match the needed capacity through capacity methods and approaches is a challenge. The need for good information for mapping capacity requirements at the country level would provide information for such entry points.

There is a need for developing a set of monitoring indicators of capacity development that go beyond input/process-based indicators. Output, outcome, influence, and impact indicators need to be developed for tracking the benefits of capacity development programs at all levels.

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Follow-up Actions

As a follow-up to the workshop, future plans include continuous interaction among the participants through a shared space for exchanging information on the use of information from the workshop in developing strategies and activities in their own organizations. In addition to concrete outputs such as the proceedings of a workshop, it was agreed that sharing of literature in the capacity development field among the participants would be an essential activity. There are plans to widen the scope of the participation to include local organizations that are involved in building capacity at the country level and other regional organizations involved in capacity building in agriculture and rural sectors. The group could meet on a regular basis, at least once a year, in order to share their experiences and develop strategies for capacity strengthening for agriculture and rural sectors.
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