

INTER-AMERICAN INSTITUTE FOR COOPERATION
ON AGRICULTURE (IICA)

STRENGTHENING RURAL DEVELOPMENT INSTITUTIONS
(Hemispheric)

November, 1990

PROGRAM III:
ORGANIZATION AND MANAGEMENT FOR RURAL DEVELOPMENT

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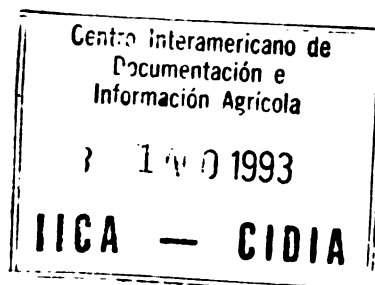
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PROJECT: Strengthening Rural Development Institutions

PART A: Presentation and Justification of Project

1. IDENTIFICATION

1.1 Program: Organization and Administration for Rural Development

1.2 Subject Area: Institutional Strengthening

**1.3 Geographic Scope: Hemispheric
Headquarters: San Jose, Costa Rica**

1.4 Type of Project: Multinational

1.5 Beginning Date:

1.6 Concluding Date:

1.7 Funding:	Regular Resources	US\$ 414,400
	External Resources	
	Countries	US\$ 480,000
	Donors	US\$1,800,000

1.8 Date prepared:

**1.9 Approval: Memorandum: Dated:
Accounting Code:**

2. ANTECEDENTS

The fact that the rural development policies applied in Latin America and the Caribbean over the last thirty years were designed to provide compensation and assistance, and, consequently, did little to increase the production capacity of small rural farmers, or alleviate significantly the ever-present problem of rural poverty, is behind the decision of PROADER to propose new rural development policy and program options.

Since 1987, the Program has organized several events and activities involving the participation of rural development specialists from governmental and non-governmental organizations, technical and financial cooperation agencies and the academic community.

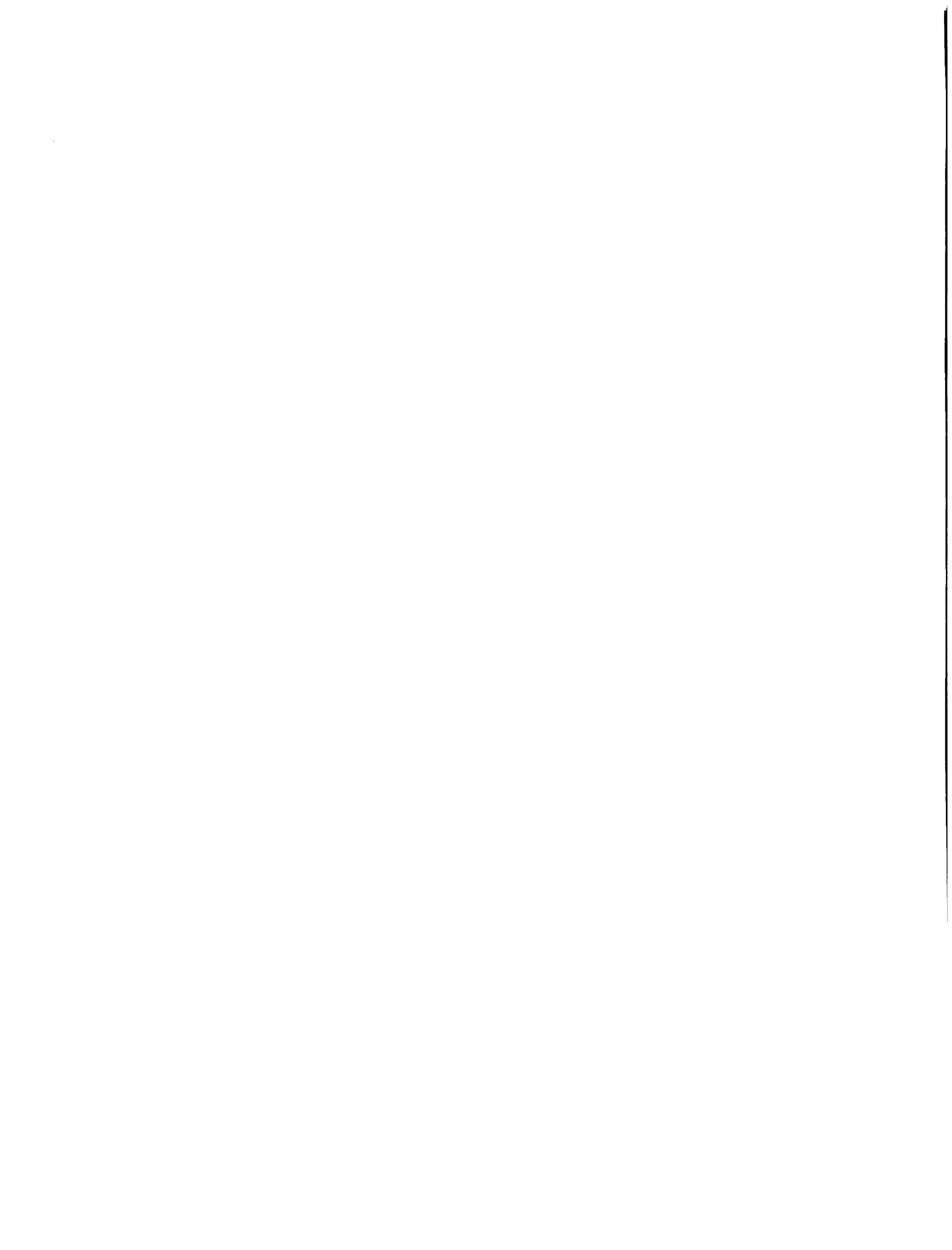
One such event was a seminar held in September 1988 on the role of the small-farm economy in the strategy for agricultural reactivation and development in Latin America and the Caribbean. During the meeting, it was agreed that the time had come to formulate new rural development policies calling for the democratic participation of the different social groups that make up the sector.

In 1989, with support from the Canadian International Development Agency (CIDA), Program III undertook a review of national rural development policies, programs and projects, as well as specific actions linked to decentralizing the State apparatus, with a view to increasing the participation of small farmers. This review took the form of case studies conducted in Argentina, Bolivia, Brazil, Colombia, Ecuador, Guatemala, Honduras, Mexico and Peru.¹

The results of this study are summarized in two conceptual papers presented in January 1990 at a consultative meeting of international experts, held to validate their contents, as regards: harmonization of macroeconomic and sectoral and rural development policies, basic criteria for formulating differentiated policies, specific requirements of differentiated policies, modernization of institutions, decentralization of the State apparatus, strengthening of municipal governments, increased participation in State

¹

- A. Encinas, "Alternativas Políticas Diferenciadas para el Desarrollo Rural. El caso de México", IICA, typed, 1989.
- M. Chiriboga, "Estudio sobre Políticas Diferenciadas para el Desarrollo Rural", el caso de Ecuador, IICA, typed, 1989.
- Astrid Martínez, "El Fondo DRI en Colombia: análisis de una política para el desarrollo rural", IICA, typed, 1989.



activities at the local level and training for civilian organizations in order to ensure decentralization and participation.

These documents are entitled:

- "Políticas Diferenciadas para el Desarrollo: Enfoque conceptual y propuesta" and
- "Descentralización y Participación en la Administración de Políticas y Programas de Desarrollo Rural."

This process gave rise to and led to the incorporation into the PLANLAC of a multinational project directly related to this topic, entitled "Strengthening Rural Development Institutions." The purpose of the project is to support the countries in formulating differentiated policies for rural development and in designing management models for formulating and executing such policies using decentralized and participatory techniques.

This proposal is part of the activities PROADER is carrying out under the PLANLAC and which are intended to promote the development of institutions and human resources, with a view to solving problems that limit the effectiveness of national, regional and local rural development policies, programs and projects.

3. SPECIFIC PROBLEM THE IICA PROJECT SEEKS TO SOLVE

The specific problem targeted for solution by this IICA project is the weakness of institutions and the technical-administrative systems' shortcomings in formulating and executing differentiated policies, programs and projects related to rural development, and that incorporate the criteria of decentralized management and participation of beneficiary organizations.

This is a serious limitation inasmuch as macroeconomic adjustment policies and reductions in public spending have made it necessary to spend less money and time solving the problems shackling rural development.

In order to implement adequate rural development policies, certain problems of the national institutions involved in the project must be overcome:

- a. The traditional approach to rural development views the farm and the farmer in isolation from their socioeconomic and political context and their relations with the rural

population and society in general, denying them a role in the microregion. This must be changed.

- b. There is a general lack of criteria for formulating and executing differentiated policies which take into consideration linkages with macroeconomic and sectoral policies, and which reflect the heterogeneity and specific features of the various small-farmer sub-sectors;
- c. There is a lack of know-how for modernizing the institutions of the public agricultural sector, especially as pertains to decentralizing the State apparatus at the national, regional and municipal levels, and increasing the participation of grassroots small-farmer organizations.
- d. There are insufficient technical personnel with the necessary training to develop, in national institutions, the criteria, methods and operating mechanisms for formulating and executing differentiated policies.
- e. There are insufficient technical personnel with the necessary training to develop, in national institutions, the criteria, methods and operating mechanisms for formulating and executing decentralized and participatory models for managing rural development.
- f. There are insufficient trained personnel in the grassroots organizations to participate effectively in the decentralized administration of rural development actions.

4. GENERAL PROBLEM

In the early years of this decade, the number of small farms in Latin America and the Caribbean totaled some 16 million, supporting a population of nearly 75 million, or 70% of the rural population of the hemisphere. Furthermore, small-scale agriculture occupied almost 160 million hectares. This segment of the rural population accounted for 65% of the production of foodstuffs and about 30% of certain export products such as coffee, cacao, plantains, cotton, fruits, flowers and vegetables.

Despite the economic and social importance of this subsector of the rural population, and of its contribution to regional development, statistics from 1980 reveal that 79% of small farmers live in relative poverty, and that of this percentage more than 25% live in absolute poverty.

Furthermore, studies conducted by PROADER in seven countries of Latin America and the Caribbean indicate that some of the most important rural development proposals carried out in the region have produced negligible results. Policies on community development, agrarian reform and integrated rural development did little to increase the productive capacity of small farmers or alleviate rural poverty.

In addition to the fact that these rural development actions took place under economic models which favored industry and agricultural production for export, another major factor negatively affecting their success were the shortcomings of the institutions responsible for such actions.

The following are some of the shortcomings observed:

- i. In most of the cases studied, the national agencies responsible for rural development actions do not have the political support of the central government. This hinders or prevents the establishment of ongoing, efficient and flexible mechanisms for inter-institutional coordination throughout the different levels of the State apparatus, as well as with international funding agencies, contributing to both instability and a lack of coordination between rural development actions and macroeconomic and sectoral policies.
- ii. Rural development systems have tended to be centralized, and decision making and the allocation of resources vertical, which has weakened their operations at the local and regional levels. Centralized management made it difficult to incorporate into rural development programs specific proposals reflecting the socioeconomic, ethnic and cultural peculiarities of small farmers in the different regions.

The aforementioned centralization also weakened government agencies working at the regional and local levels. They never developed operating structures capable of adapting instruments and/or actions to the social context of each region.

- iii. The centralization of decision making in government institutions was another factor contributing to the lack of participation by local governments and farmers' organizations in planning and managing rural development projects. As a result, the projects had no social value, beneficiary organizations were highly influenced by the government and actions reflected neither the beneficiaries' hopes nor their potential for production.

- iv. In most cases, the programs and projects were ill-conceived in terms of how they would address real development needs. This is true at both the conceptual and institutional-administrative levels. With regard to the first, sufficient consideration was not given to the specific socioeconomic characteristics of the different groups of farmers, as a basis for determining the type of action to be executed. Nor was any effort made to coordinate rural development programs with macroeconomic and sectoral policies. In the case of the latter, programs and projects had to be executed through a very complicated institutional structure, involved an excessive number of components and high administrative costs, all of which made integration and efficiency difficult.
- v. Because national institutions were not created to execute rural development actions tailored to the specific needs of small farmers, they have no clear idea of what the process involves, which hampers coordination of their actions. Consequently, each institute carried out its actions on its own, following traditional work methods and thinking more of itself than the objectives of rural development.
- vi. Almost all of the institutions involved in rural development fail to provide their technical personnel with training in the concept of and methods and operational mechanisms for involving beneficiaries in planning and executing rural development actions. At the project level, this is reflected in the small number of technical personnel capable of executing available resources and implementing actions to involve to farmers in decision making.

5. TECHNIQUES AND METHODS AVAILABLE FOR SOLVING THE SPECIFIC PROBLEM

Even though the proposal for differentiated policies and decentralized and participatory management of rural development is a new concept, it is based on principles of regional planning. Through its rural development program and its actions in the area of planning, IICA has gained broad experience in this field. Such is the case with the Multinational Project in Planning and Management for Rural Development in Latin America and the Caribbean (PROPLAN), the goal of which was to upgrade skills in public institutions, making them more effective and more able to respond to the needs of the rural poor.

Also, IICA has executed national and multinational projects to upgrade institutions and human resources (training for small farmers and technical personnel) in order to improve the technical capacity of national agencies in formulating and executing rural development policies, programs and projects. These projects have produced numerous conceptual and methodological documents which can be easily adapted to the needs of this project.

The Institute has prepared similar documents on the subject of regional planning, which will also be very helpful. Examples are Institute efforts in Brazil (in the state of Rio Grande del Sur) in support of the Secretariat of Planning; in Uruguay, in joint activities with the Ministry of Agriculture financed by the Simon Bolivar Fund; and in Ecuador, in joint efforts with the Ministry of Social Welfare to establish priority areas for the National Rural Development Program (PRONADER).

It should be stressed that IICA has collaborated in formulating and executing rural development programs and projects and in institutional strengthening in Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico and Paraguay, which has produced a wealth of methodological and operational instruments that can be used in this project.

PART B: THE PROPOSAL

6. GOALS AND IMPACT

Description of expected impact of project

Indicators and goals of the project's impact

A. IMPACT ON INSTITUTIONS

- Development and consolidation of institutional and technical processes for formulating and executing differentiated policies for rural development, as well as appropriate models for decentralized and participatory management.

- Proposed differentiated policies for rural development activities in execution in beneficiary countries.

- Improved capacity for response and greater efficiency in the national rural development institutions involved in the project.

B. IMPACT ON SECTOR

- More efficient use of resources allocated for rural development in the countries involved in the project, and participation of project beneficiaries in the design and management of rural development actions.

- More effective differentiated policies to promote rural development for small-scale farmers.

- Rural development programs and projects more suited to the socioeconomic and cultural characteristics of the beneficiaries.

C. IMPACT IN IICA

- Improvement of IICA's capacity to provide technical cooperation to the national institutions responsible for rural development actions in the countries involved in the project.

- Conceptual, methodological and technical documents related to rural development activities would be systematized and available at IICA for dissemination and training, and for use in new technical cooperation actions.

6.1 SPECIFIC OBJECTIVE

DESCRIPTION	INDICATORS AND GOALS	CONDITIONING FACTORS
<p>To strengthen and upgrade institutions responsible for rural development as relates to the technical and administrative aspects of the process to formulate and execute differentiated policies, programs and projects for small-scale farmers, which are based on the criteria of decentralization and participation.</p>	<p>Key rural development institutions in participating countries have technical teams with the capacity to:</p> <ul style="list-style-type: none"> - Identify and characterize the different groups that make up the small-farmer sub-sector. - Analyze the impact of macroeconomic and sectoral policies on the different groups of small farmers - Formulate differentiated policies for rural development. - Propose adjustments in macroeconomic and sectoral policies so as to produce a differentiated impact on the rural population, especially small farmers. - Provide advisory services related to the formulation of a conceptual framework for differentiated policies, to be used in preparing rural deve- 	<ul style="list-style-type: none"> - Political determination and institutional support for differentiated policies and decentralized and participatory management systems for rural development. - Meaningful adoption by national institutions of the conceptual and operating framework developed to promote differentiated policies and decentralized and participatory management systems for rural development. - Commitment by national rural development institutions to formulate and implement differentiated policies and decentralized and participatory management systems.

DESCRIPTION**INDICATORS AND GOALS****CONDITIONING FACTORS**

lopment programs and projects.

- Identify projects and draw up technical documents to seek external resources.

- Design and implement an organizational structure suitable for formulating and executing differentiated policies for rural development, and programming and supervising the negotiation, securing and management of external resources.

- Improve and update the methodologies, instruments and management models currently used in national institutions to plan and execute differentiated policies, programs and projects for rural development.

6.2 FINAL PRODUCTS

DESCRIPTION	INDICATORS AND GOALS	CONDITIONING FACTORS
<p>6.2.1 Conceptual framework and proposed differentiated policies and decentralized management models for rural development prepared and distributed by PROADER.</p>	<p><u>Phase 1</u></p> <p>6.2.1.1 A multinational workshop, with 30 participants.</p> <p>6.2.1.2 Edition, publication and distribution of conceptual framework and proposal documents.</p>	<p>- Willingness of the governments of the countries to participate in training events and in disseminating the project at the multinational and national levels.</p>
<p>6.2.2 Technical material prepared for use in setting up the process for formulating differentiated policies in the selected countries.</p>	<p><u>Phase 2</u></p> <p>6.2.1.3 Three multinational workshops, with 30 participants each.</p> <p><u>Phase 1</u></p> <p>6.2.2.1 A document describing the problems of small farmers in the selected country.</p> <p>6.2.2.2 A document containing proposed differentiated policies for rural development in the selected country.</p>	<p>- Willingness of the governments to allocate counterpart resources to execute the project.</p> <p>- Ongoing and permanent participation of officials from national institutions in charge of executing the project.</p> <p>- Availability of the human resources and logistic support needed to execute the project.</p>

DESCRIPTION	INDICATORS AND GOALS	CONDITIONING FACTORS
	<p>6.2.2.3 A document containing the methodology for implementing specific instruments of the differentiated policies.</p>	
	<p><u>Phase 2</u></p>	
	<p>6.2.2.4 Three documents describing the problems of small farmers in the three selected countries.</p>	
	<p>6.2.2.5 Three documents containing proposed differentiated policies for the three selected countries.</p>	
	<p>6.2.2.6 Three documents containing methodologies for implementing the instruments of differentiated policies in the three selected countries.</p>	

DESCRIPTION	INDICATORS AND GOALS	CONDITIONING FACTORS
	<u>Phase 1</u>	
6.2.3 Proposals for decentralized management of rural development actions, involving the participation of organizations benefitting from the project.	6.2.3.1 A document containing the basic elements of and the institutional and technical-administrative requirements for implementing decentralized and participatory management in the country selected.	
	<u>Phase 2</u>	
	6.2.3.2 Three documents containing the basic elements of and the institutional and technical-administrative requirements for implementing decentralized and participatory management in the three countries selected.	
	<u>Phase 1</u>	
6.2.4 Technical personnel trained in formulating differentiated policies and in designing decentralized and participatory management systems in the countries selected.	6.2.4.1 Two in-service training activities in the country selected, for 15 participants each.	

DESCRIPTION	INDICATORS AND GOALS	CONDITIONING FACTORS
<u>Phase 2</u>		
6.2.4 Technical personnel trained in formulating differentiated policies and in designing decentralized and participatory management systems in the countries selected.	6.2.4.2 Two in-service training activities in each of the countries selected, with 15 participants each.	
<u>Phase 2</u>		
6.2.5 Strengthening of managerial and technical capacity of municipal governments as relates to the implementation of rural development projects in the countries selected.	6.2.5.1 Decentralized and participatory management systems designed and implemented in two municipalities of each of the four countries selected.	
	6.2.5.2 In-service training for personnel.	
	6.2.5.3 Investment projects formulated with the participation of beneficiary organizations under way in the municipalities involved.	
<u>Phases 1 and 2</u>		
6.2.6 Project activities carried out in coordination with other actions of Program III and other Institute Programs.	6.2.6.1 Documents available on project activities in conjunction with other actions of Program III and other Institute Programs.	

7. STRATEGY

A hemispheric project has been formulated to support national rural development institutions in adopting and implementing the conceptual framework PROADER has developed regarding differentiated policies, decentralization and small farmer participation. This will be a four-year project involving both multinational actions and actions in selected countries.

The multinational actions, which will be executed throughout the effective life of the project, will involve events (seminars, workshops, technical meetings) designed to facilitate discussion, disseminate the proposed conceptual framework and promote exchanges of experiences; apprenticeships and horizontal technical cooperation related to differentiated policies and decentralization.

In addition, further work will be done on the topics of differentiated policies and decentralization, through complementary studies, analyses and systematization of experiences, etc..

7.1 Project Phases

- A country will be selected as site for initiating Phase 1 of the project (approx. 1 year). The purpose of Phase 1 is to: (i) validate the conceptual framework and the proposals for differentiated policies and decentralized management models in the context of a specific country; (ii) develop methodologies to design and implement specific differentiated policies; (iii) design decentralized and participatory management systems for rural development actions; and (iv) improve in-service training for technical personnel in formulating and managing differentiated policies.

In other words, emphasis in this phase of the project will be on validating and implementing PROADER's proposals on rural development policies and institutional systems.

In addition to broadening and improving the technical bases of the project, the aim is to facilitate the formulation of national sub-projects (modules) and to lay the groundwork for negotiating the expansion of both the objectives and geographic coverage of the project.

At the present time, negotiations are being held with the government of Costa Rica (Ministries of Agriculture and Planning)

- During Phase 2, lasting approximately three years, the project will be expanded to three countries.

The opening event in Phase 2 will be a workshop to evaluate the activities conducted during Phase 1. The evaluation will take place as part of one of the multinational workshops, and will aim to identify adjustments that will be needed to execute Phase 2.

The coverage of Phase two, in terms of both geography and subject matter, will depend on the external resources secured from national and international sources.

It should be mentioned that the country benefitting from Phase 1 would not be excluded from Phase 2. In Phase 2, project actions will be aimed primarily at strengthening local institutions' capabilities in executing rural development projects.

7.2 Project Actions in the Selected Countries

The first step in executing the project will be to negotiate and formalize agreements with national institutions. Based on these agreements, actions aimed at formulating differentiated policies and management models for implementing them, and others aimed at increasing the participation of local institutions in rural development programs and projects, will be executed simultaneously.

These actions must be executed simultaneously for two reasons: (i) this approach calls for learning by doing, which implies that the formulation and execution of differentiated policies and management models must coincide, as part of training objectives and project implementation; and (ii) in light of the current situation in the countries, it is essential that the project begin to execute rural development actions as soon as possible.

The following actions will be executed in the selected countries:

a. Reaching Agreement and Obtaining the Political-Institutional Decision to Execute the Project

The goals of this three-month process are to:

- (i) reach agreement with national institutions on implementing the project;

- (ii) discuss and disseminate the conceptual framework;
- (iii) identify the specific problem in each country;
- (iv) analyze rural development policies and programs in the country, and existing macroeconomic and sectoral linkages; and
- (v) define political and institutional guidelines for upgrading national rural development institutions.

Together with senior officials from pertinent institutions, guidelines for institutional strengthening will be defined and formalized in a document specifying the political-institutional strategy to be adopted in implementing subsequent phases.

This process will involve the open and free exchange of ideas among representatives of all institutions involved in the project, through a systematic process of consultation, discussion and reflection during technical meetings, seminars and workshops. Participants in these events will include management and technical personnel from the ministries of treasury, planning and agriculture; central and development banks; agrarian reform and rural development institutions; agencies linked to regional and local governments; municipalities; non-governmental organizations; and organizations of small farmers.

b. Formulation of Differentiated Policies and Models for the Decentralized Management of these Policies.

These actions, which are scheduled to last nine months, will be aimed at:

- (i) analyzing in more detail rural development policies and their macroeconomic and sectoral linkages;
- (ii) dividing the country into regions, based on socioeconomic and production microregions, to reflect the precepts and requirements of executing differentiated policies;
- (iii) identifying institutional, technical and administrative problems of public agricultural sector institutions in charge of rural

development actions at the national, regional and local levels;

- (iv) studying the problems of municipal governments related to the execution of differentiated policies;
- (v) studying farmers' organizations, especially at the local level, to identify problems that may hinder their participation in rural development actions;
- (vi) formulating objectives and strategies in relation to differentiated policies for rural development at the national level;
- (vii) formulating specific differentiated policy instruments for rural development at the national level: appropriate technology, rural agroindustry, marketing, funding, etc.
- (viii) formulating management models for planning and executing differentiated policies, and decentralizing State management, making it more participatory.

These actions will take the form of in-service training (hands-on experience).

Participants will include technical personnel from national, regional and local public institutions and NGOs involved in rural development, and representatives of municipalities and farmers' organizations.

This process will be coordinated by a technical group operating at the highest decision-making level within the national agency designated in each country. Both the public and private sectors should be equally represented within this group. IICA technical cooperation will be linked to this group.

Existing information, rather than new exhaustive diagnostic studies, will be used to formulate proposals in each of the areas mentioned above. This information will be used to prepare an assessment that will be analyzed and validated through a systematic and participatory process.

Broad use will be given to studies and documents IICA has already prepared on the following topics:
(i) methodologies prepared by PROPLAN for planning

agricultural policies, programs and projects; (ii) macroeconomic policy and agricultural sector strategies, investment policies and programs and agricultural projects in LAC, as well as research on the effects of adjustment programs on rural poverty, executed or being executed by Program I; and (iii) proposals, prepared by Program III, related to differentiated policies for rural development and decentralized management models for managing them, based on the analysis and systematization of experiences gained in selected countries of LAC.

c. Strengthening Local Governments for Executing Rural Development Actions

These actions are aimed at formulating and implementing demonstration projects to strengthen a small number of municipal governments with a view to boosting their capacity to execute specific rural development actions using decentralized and participatory methods.

The municipalities will be selected on the basis of the regional planning studies already conducted and the following criteria: (i) political determination and institutional support from local public institutions to promote rural development projects; (ii) degree of development of local organizations, especially those formed by small farmers, and (iii) viability of mechanisms for channelling external resources to the municipalities.

Local governments (municipalities) will be strengthened through investments which the local government and community have selected as priorities. At the same time, technical personnel from pertinent public institutions and members of private sector organizations will receive training.

This process may take as long as three years, depending on the availability of external and/or national resources and the institutional, financial and administrative adjustments that may be required to implement this proposal.

This proposal should include a number of complementary activities, which are considered fundamental if the decentralization-participation approach is to be effectively adopted. These include: (i) "hands-on" training activities related to the formulation, management and

evaluation of the decentralization-participation process; (ii) operation of a rotating fund to finance activities which the local governments and rural communities have selected as priorities for the municipality; (iii) technical cooperation to upgrade managerial and technical skills within local governments with a view to modernizing the State apparatus, and (iv) follow-up, evaluation and study of specific problems.

It should be emphasized that these actions are to be coordinated with those being carried out at the national and regional levels, in order to ensure decentralization at all levels and avoid isolated efforts being made at the local level.

Participation in these actions should be open to representatives of the local governments, small farmer and other private sector organizations, as well as technical personnel from national public institutions with operations in the selected municipalities.

7.3 Complementarity with other PROADER Actions

The project will benefit from the theoretical-conceptual and operational instruments generated by PROADER and receive direct technical support from other Program III projects currently under way, including the following:

- Hemispheric projects: "Training technical personnel to manage and administer rural development projects and programs" and "Training technical personnel to design and apply methodologies for training small farmers;"
- Multinational projects: Strengthening and Consolidating Rural Settlements (Central Area), Training and Study Program on Agrarian Reform and Rural Development for the Central American Isthmus and the Dominican Republic (PRACA), Increasing the Participation of Rural Women in the Socioeconomic Development of Central America, Andean Rural Development Fund (Andean Area) and Strengthening Small-Scale Farmers (Southern Area).

At the national and local levels, these actions will tie in with IICA-supported rural development projects. By taking full advantage of existing institutional linkages and IICA's established technical capacity in the countries, project objectives will be more readily achieved. As a matter of fact, an operating strategy

will be adopted in which the activities of the national projects complement and merge with the efforts of the hemispheric project to strengthen the systems and processes used in formulating and executing rural development actions.

7.4 Selection of Countries for Execution of Project

The project will begin in one country and its activities will extend over four years. To date, the governments of Costa Rica, Chile, El Salvador and Paraguay have requested assistance in institutional strengthening related to rural development.

The criteria for selecting countries in which to execute this project include:

- (i) political consensus and initial efforts at decentralizing management by the State;
- (ii) existence of national rural development programs for small farmers;
- (iii) recognition by national institutions of the need to formulate and execute differentiated policies for rural development, as well as to adopt decentralized and participatory models for managing them;
- (iv) institutional and technical-administrative capability to organize national teams to execute the different phases of the project; and
- (v) feasibility of being allocated national funds.

7.5 Guidelines for Securing External Resources

The process of negotiating external resources to fund the project should be flexible and decentralized, given the nature of the different activities involved and the different stages of execution in each country.

This process should take into account the following:

- Training and dissemination activities of multinational-scope, including short seminars and workshops and the writing and publication of basic documents, can be negotiated with different sources, depending on their interest in supporting specific events. In this regard, PROADER has

already signed agreements with PROCAPLAN and ILDIS to hold, in 1990, two seminars dealing with differentiated policies and decentralized administration for rural development. This type of activity is called for under the IICA/CIDA project.

- Negotiations for the funding of project actions in the individual countries can be done by modules. In other words, within the context of the multinational project, country modules would be formulated and negotiated. This would make it possible to negotiate with donors interested in supporting specific countries.

From a technical point of view, this procedure will make it easier to adjust the hemispheric proposal to the needs and nature of the institutions in each participatory country. It will also make it possible to determine accurately the need for national resources.

A case in point is the initiative of the government of Costa Rica to work through its ministries of planning and agriculture with PROADER to develop a proposal on differentiated policies and decentralization for rural development. The government of Costa Rica plans to seek funding from USAID for this proposal.

- Donor resources for investments at the local level will be used as seed capital, in order to facilitate the securing of national resources. It is important to remember here that one of the criteria for selecting municipalities is that they be located in areas in which rural development projects are under way. In this way, the municipalities will be able to draw on complementary resources and services offered by these projects, as well as IICA technical cooperation to local governments.

8. BASIC ACTIVITIES

TITLE OF THE ACTIVITY	DESCRIPTION OF THE ACTIVITY	INSTITUTIONAL PREREQUISITES
8.1 Training and dissemination	8.1.1 Organization and holding of seminars and workshops at multinational level	<ul style="list-style-type: none"> - Fulfillment, by institutions at the national and local levels of commitments related to execution of the project, especially as concerns the appointment of personnel and contribution of financial resources
	8.1.2 Organization and holding of seminars, workshops and technical meetings in the participating countries	<ul style="list-style-type: none"> - Commitment of technical personnel to stay with the project throughout its entire term
	8.1.3 Edition, publication and dissemination of conceptual and technical materials on the operational aspects of differentiated policies and decentralized management for rural development	<ul style="list-style-type: none"> - Availability of opportunities to secure external resources
8.2 Agreements with institutions and negotiation of external resources	8.2.1 Reaching agreement with national and multinational technical and financial cooperation agencies, and with donor countries	
	8.2.2 Identification of external funding sources	

TITLE OF THE ACTIVITY	DESCRIPTION OF THE ACTIVITY	INSTITUTIONAL PRE-REQUISITES
8.3 Formulation of proposals for differentiated policies and decentralized management models	8.2.3 Preparation of technical documents on national modules (sub-projects) for securing external resources	
	8.3.1 Analysis of rural development policies at the country level and their linkages with macroeconomic and sectoral policies	
	8.3.2 Analysis of the institutional, technical and administrative problems of public agricultural sector agencies	
	8.3.3 Analysis of the problems of small-farmer organizations	
	8.3.4 Formulation of specific instruments for implementing differentiated policies	
	8.3.5 Formulation of proposals for decentralized and participatory management models	
8.4 Support for strengthening local governments	8.4.1 Identification and selection of municipalities for strengthening	

<hr/> TITLE OF THE ACTIVITY <hr/>	<hr/> DESCRIPTION OF THE ACTIVITY <hr/>	<hr/> INSTITUTIONAL PRE- REQUISITES <hr/>
	<p>their rural development management capabilities</p>	
	<p>8.4.2 Analysis of problems of the municipal governments selected</p>	
	<p>8.4.3 Preparation of investment projects for rural development in the municipalities selected</p>	
	<p>8.4.4 Preparation of management models to upgrade managerial and technical skills in the municipal governments selected</p>	

9. RESPONSIBILITIES DURING PROJECT IMPLEMENTATION

BASIC ACTIVITIES	INSTITUTIONS		
	IICA	NATIONAL	
		CENTRAL	LOCAL
1. Training and dissemination			
1.1 Multinational seminars and workshops	R + C	P	P
1.2 National seminars and workshops	TS + P	R + C	P
1.3 Writing, publication and dissemination of documents	R	P	P
2. Negotiation of external resources			
2.1 Multinational actions	R	P	P
2.2 Country-level actions	TS + P	R	P
3. Formulation of policies and management models	TS + P	R + C	P
4. Upgrading municipal governments	TS + P	TS + C	R

C = Coordinates

TS = Technical Support

R = Responsible

P = Participates

10. BENEFICIARIES AND PARTICIPANTS

10.1 BENEFICIARIES

- **Ministries of agriculture**
- **Rural development, agrarian reform and rural settlement institutions**
- **Municipal governments**
- **Small-farmer organizations**
- **Organizations working with rural women and youth**
- **Organizations working with ethnic groups**

10.2 PARTICIPANTS

- **Ministries of planning and treasury**
- **Multilateral technical and financial cooperation agencies**
- **Central and development banks**
- **Agencies involved with regional and municipal development**
- **Universities**
- **Non-governmental rural development organizations**

11. Total Costs

YEAR AND SOURCE OF FUNDING	MAJOR OBJECT OF EXPENDITURE									TOTAL	
	1	2	3	4	5	6	7	8	9		
YEAR 1										126,100	
- REGULAR (1)	62,198			3,902	4,000	1,000		25,000		33,902	96,100
- EXTERNAL (2)											
. COUNTRIES								30,000		30,000	30,000
YEAR 2											856,000
- REGULAR	62,198			5,902	6,000	2,000		30,000		43,902	106,100
- EXTERNAL (3)											
. COUNTRIES								150,000		150,000	150,000
. DONORS								600,000		600,000	600,000
YEAR 3											856,000
- REGULAR (4)	62,198			5,902	6,000	2,000		30,000		43,902	106,100
- EXTERNAL											
. COUNTRIES								150,000		150,000	150,000
. DONORS								600,000		600,000	600,000
YEAR 4											856,000
- REGULAR	62,198			5,902	6,000	2,000		30,000		36,000	106,100
- EXTERNAL											
. COUNTRIES								150,000		150,000	150,000
. DONORS								600,000		600,000	600,000
TOTAL											
- REGULAR	248,792			21,608	22,000	7,000		115,000		185,608	414,400
- EXTERNAL											
. COUNTRIES								480,000		480,000	480,000
. DONORS								1,800,000		1,800,000	1,800,000
GRAND TOTAL	248,792			21,608	22,000	7,000		2,395,000		2,445,608	2,694,400

(1) Covered in IICA's 1990-1991 Program Budget

(2) Cost (salaries and operating costs) for team in Costa Rica, appointed by ministers of planning and agriculture

(3) External resources to be negotiated, country by country, during Phase 2 of project

(4) Resources to be included in IICA's 1992-1993 Program Budget

12. TIMETABLE FOR EXECUTION, BY PHASE AND ACTIVITY

PHASE AND ACTIVITY	YEAR I	YEAR II		YEAR III		YEAR IV	
	I	I	II	I	II	I	II
PHASE 1							
1. Training and dissemination	X	X					
2. Reaching agreement with institutions and negotiation of external resources	X	X					
3. Formulation of proposals for differentiated policies and management models	X	X					
PHASE 2							
1. Training and dissemination		X	X	X	X		
2. Reaching agreement with institutions and negotiation of external resources		X	X	X	X		
3. Formulation of proposals for differentiated policies and management models		X	X	X	X		
4. Support for upgrading municipal governments			X	X	X	X	X

13. Actions prior to execution of project

These actions are:

- i. Approval of project by Programming Committee
- ii. Preparation and approval of 1990 Plan of Operation
- iii. Conclusion of negotiations with government of Costa Rica

14. Indicators and information for follow-up and evaluation

14.1 Means to verify indicators and goals

INDICATORS AND GOALS	M E A N S O F VERIFICATION	RESPONSIBLE PARTY
1. Four multi-national workshops	1.1 Proceedings and reports of events	Project coordinator
2. Editing, publication and dissemination of technical documents	2.1 Report on circulation of documents	Project coordinator
3. Agreements signed with countries and/or donors	3.1 Reports and plans of operation, broadening goals of project	Program Directorate and Project Coordinator
4. Documents related to national modules (sub-projects) prepared or under way	4.1 Reports on implementation of national modules	Project coordinator and technical personnel of national institutions
5. National modules (sub-projects) for which external resources are being sought	5.1 Reports on expansion of goals of project	Project coordinator
6. Eight national workshops	6.1 Proceedings and reports of the events	National technical expert responsible for event

INDICATORS AND GOALS	M E A N S O F VERIFICATION	RESPONSIBLE PARTY
7. Decentralized and participatory management systems for municipal governments	7.1 Reports on organization and implementation of management systems	Project coordinator and technical personnel of national institutions
8. In-service training for personnel of municipal governments	8.1 Proceedings and reports of the events	National technical personnel responsible for process
9. Investment projects formulated and under way	8.2 Evaluations conducted with participants	National technical personnel responsible for process
9. Investment projects formulated and under way	9.1 Reports on follow-up and evaluation of investment projects	Project coordinator and technical personnel of national institutions
10. Documents available on activities of project in conjunction with other actions of Program III and other Institute Programs	10.1 Reports on joint actions carried out with Program III and other IICA Programs	Program III Directorate and Project coordinator

