



Stefanie Kaegi and Peter Schmidt 05.05.2015

The Hanoi Statement on Rural Advisory Service Systems

"Reaching the millions" with rural advisory services in a poverty oriented, ecological and sustainable way

A synthesis of the SDC Face to Face Workshop on Rural Advisory Services (RAS)
"Reaching the Millions", 2-7 March 2015, Hanoi, Vietnam.

Endorsed by 68 RAS experts and practitioners that participated at the "Reaching the Millions" workshop.

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Definition of terms:

RAS consist of "all the different activities that provide the information and services needed and demanded by [agricultural producers] and other actors in rural settings to assist them in developing their own technical, organisational, and management skills and practices so as to improve their livelihoods and well-being"¹.

RAS providers are institutions that offer one or several rural advisory services as defined above. RAS providers are typically government extension offices, producer and market organisations, private service providers including input and output companies, civil society organisations, and research institutions.

A. The Hanoi Statement

The Hanoi statement was elaborated in the frame of the SDC face-to-face workshop “Reaching the Millions”, in March 2015 in Hanoi. It is the synthesis of the discussions, intensive group work and prioritisation exercises, which took place during this six-daylong learning event. The starting point for these discussions was the results of seven studies on RAS projects and country RAS systems in Asia, as well as the experience of the 68 gathered RAS experts.

Current RAS systems are **pluralistic**: A multitude of service providers interacts with agricultural producers, and these service providers are funded from various sources. **The purpose of the Hanoi statement** is to increase the capacity of future pluralistic RAS systems to reach out to a **large number of agricultural producers** (“Reaching the Millions”) in a poverty oriented, ecological, and sustainable way. To this aim, the statement describes identified core aspects of RAS systems and defines the factors that are supporting them. Based on the core aspects, it provides recommendations on how development cooperation can contribute to strengthen RAS systems.

The figures below show the Hanoi statement, whereas the subsequent text provides related specifications.

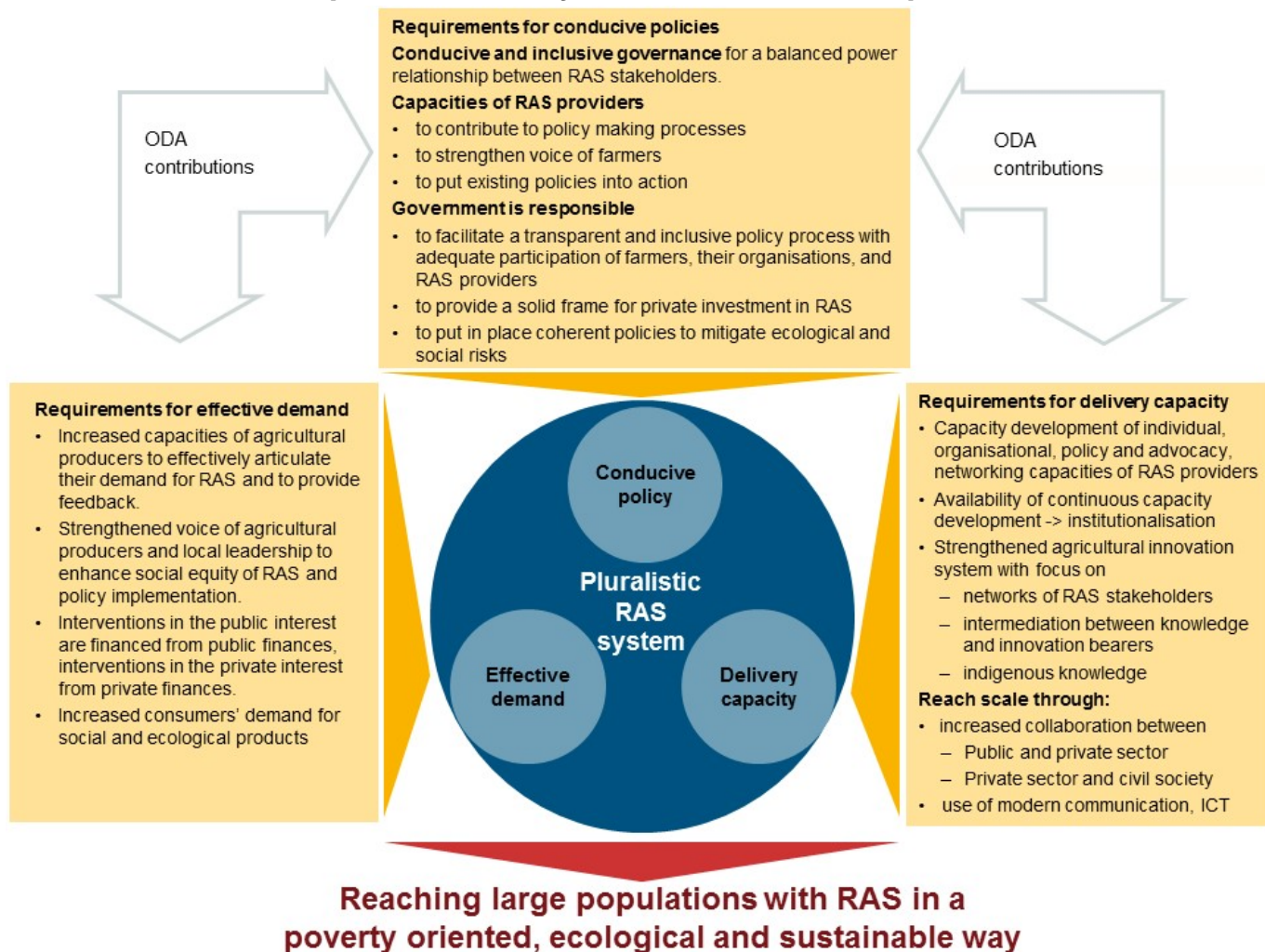
The **first figure**'s centre depicts three essential core aspects of RAS systems. These are:

1. conducive policies,
2. delivery capacities of RAS providers,
3. effective demand for RAS from private and public sector, as well as from farmers and their organisations.

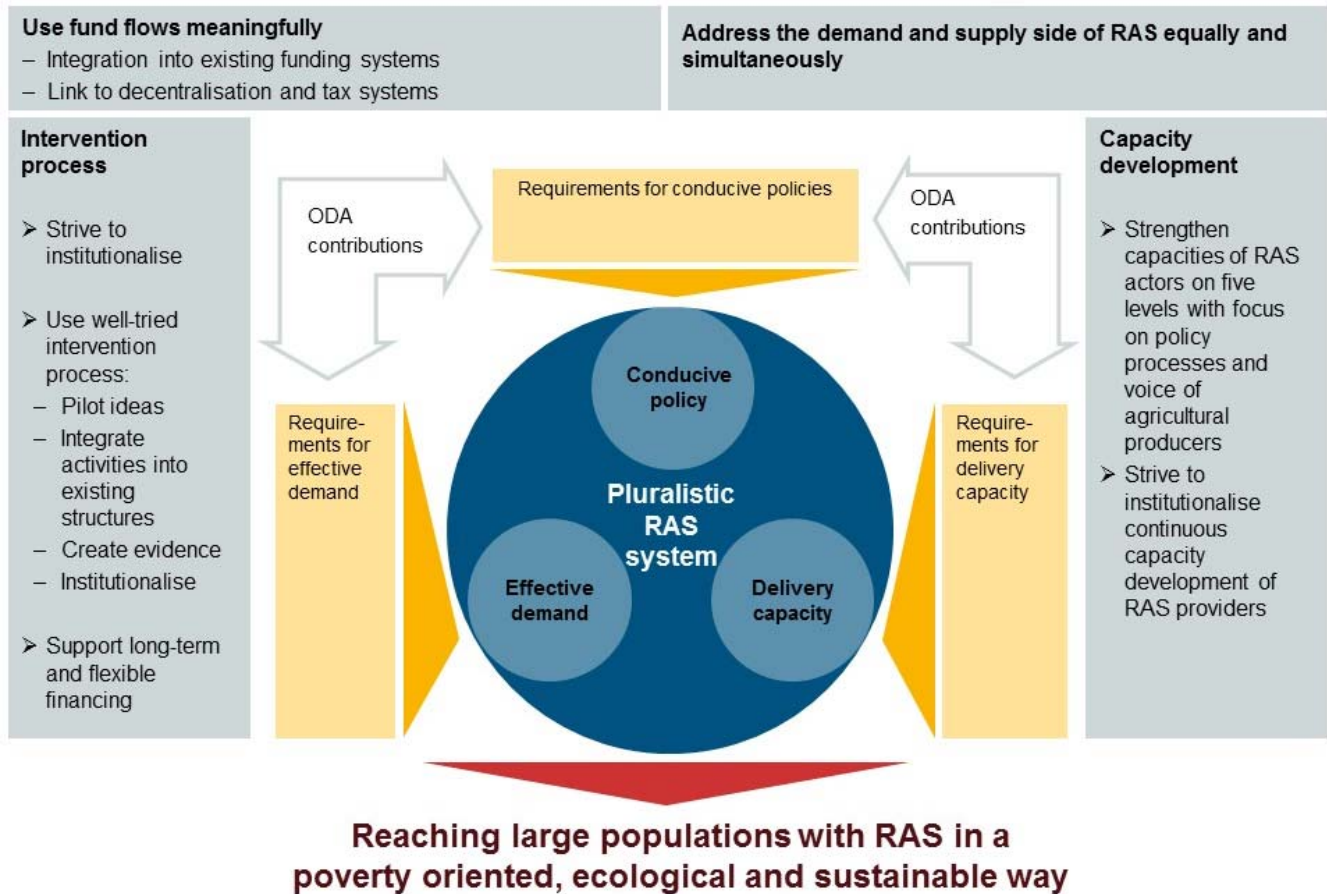
In order that RAS systems reach out to a **large number of agricultural producers** in a poverty oriented, ecological and sustainable way, certain requirements need to be fulfilled. The surrounding boxes show these requirements.

The **second figure** summarises the elaborated recommendations for development cooperation projects and donors.

Core aspects of RAS systems and related requirements



Recommendations for Overseas Development Assistance (ODA)



B. Core aspects of RAS systems and related requirements

1. Conducive policies

Poverty-oriented and ecologically sustainable RAS systems require a coherent set of supportive policies. They provide the normative frame for an effective response to the RAS demand of diverse stakeholders, and underpin the delivery capacity of the RAS system.

Policies must be conducive to decentralised coordinated RAS planning and financing, and to capacity development of RAS providers (see Delivery capacity). Furthermore, policies must mitigate ecological and social risks related to RAS delivery that might otherwise serve exclusively private interests (see *Effective demand*).

Conducive and inclusive governance is the basis for a balanced power relationship between RAS stakeholders, which is necessary for policy processes that respond to the requirements of all stakeholders of a pluralistic RAS system, in particular those of disadvantaged groups. Capacities of agricultural producers and local RAS providers to contribute to policy processes often remain weak. Therefore, it is crucial that **RAS providers are capable to contribute to policy making processes, to strengthen the voice of agricultural producers, and to put existing policies into action.**

Governments are responsible to facilitate transparent and inclusive processes with adequate participation of agricultural producers, their organisations, and RAS providers, in order to develop coherent policies and to ensure their implementation. Whether and how governments assume this responsibility depends on their resources, on the stability of the political context, and on the above-mentioned power relationship among RAS stakeholders.

Among policy related issues, three are particularly important for the functioning of RAS systems:

1. **Decentralised planning and financing of RAS:** Decentralised public funding and local development plans are crucial to enhance agricultural producers' participation in RAS processes. Policies should thus provide a

regulatory framework for local governments to allocate public funds for RAS delivery, be they funds from higher administrative levels or funds from local tax revenue systems. Furthermore, policies should provide a framework for dovetailing local and national development planning, which allows agricultural producers to articulate their RAS demands in an effective way.

2. **Institutionalised capacity development of RAS providers:** Continuous capacity development of RAS providers is key for the quality of RAS. Policies must provide the regulatory framework for (participatory) curricula development based on needs assessments, continuous in-service education, quality assurance and accreditation of RAS providers.
3. **Solid frame for private investments and protection of public interests:** Private investments are necessary for reaching out to large numbers of farmers with RAS. However, privately financed RAS is likely to neglect public interests such as ecological sustainability or gender and social equity. These risks are most likely to arise in the context of embedded services or contract farming arrangements. Hence, policies have basically two functions: to develop a solid frame for private investments, and to take care of the public interests, respectively mitigate ecological and social risks of RAS that focus on private interests.

2. Effective demand

Present country RAS systems are pluralistic: Diverse stakeholders demand and finance various RAS providers. Typically, governments and donors demand RAS to serve a public interest in line with national agricultural development strategies; private companies want RAS to generate economic benefits; civil society organisations often pursue RAS for social or environmental objectives; and agricultural producers expect from RAS to improve their livelihoods.

The cumulative demand of all stakeholders is the driving force for a country RAS system. In order for the systems, which are often loosely coordinated, to reach out to large populations in a poverty oriented and ecological way, the following three conditions must be met:

1. Interventions in the public interest are financed from public sources.

Poverty alleviation and ecological sustainability are public interests, which may require different services than short-term private interests. Examples for RAS that is primarily in the public interest are:

- RAS to agricultural producers living in remote areas with low agricultural potential, where the private sector does not intervene.
- RAS to smallholders that do not have sufficient resources (land, knowledge, financial capital, mobility) to collaborate with the private sector.
- RAS to reduce poverty and to increase food security of local communities.
- RAS to support sustainable natural resource management, to maintain biodiversity and adaptation to climate change.
- RAS to maintain scattered settlement structures and to protect cultural heritage.

Without allocation of public resources, these services are either not offered or don't reach scale.

2. Interventions in the private interest are financed from private sources.

- **Private companies' demand for RAS:** Such privately financed RAS are likely to neglect public interests. Therefore, strong policies and strengthened voice of agricultural producers are needed to mitigate ecological and social risks.
- **Consumers' demand for social and ecological products:** A complementary way to assure social equity and ecologically sound RAS is the power of united consumers who demand and are ready to pay for ecologically sustainable and fairly produced and traded products.

3. Agricultural producers are aware about RAS and able to articulate their demand for RAS:

- Independently of who pays for RAS, strengthened voice of RAS users and strong local leadership are required to enhance social equity, and to foster implementation of conducive policies. Therefore, agricultural producers' capacities to articulate their demand for RAS, to provide feedback and to advocate for policies and their implementation are key.
- Information and awareness about potential RAS are crucial for agricultural producers to articulate their demand for RAS.

3. Delivery capacity

The delivery capacity of a RAS system encompasses three aspects, namely 1) to provide effective services, 2) in an efficient manner and 3) to reach scale.

Capacities of RAS providers to offer services

Capacities of RAS providers are one, if not *the* key element of a RAS system. Today's "new extensionists¹" are expected to offer a diversity of services ranging from technology development and transfer to facilitation of market access and financial services, and include advocacy and networking activities.

RAS provision requires the following – equally important – capacities¹.

- **Individual capacities:** RAS content, RAS methods, personal attitudes
- **Facilitation capacities:** e.g. linking agricultural producers to market actors or to financial services
- **Organisational capacity:** e.g. management and financial capacities
- **Policy and advocacy capacity:** to contribute to policy making processes, to strengthen voice of agricultural producers, and to put existing policies into action
- **Networking capacity:** to become an effective member of the agricultural innovation system.

In an ever-changing context, capacity development is a **continuous process**, which needs to be **institutionalised**. To this end, two avenues are most important: 1) demand based and regularly reviewed curricula, which are embedded into training and education institutions, and 2) sustainable financing mechanisms.

Such capacity development significantly relies on innovations, which are developed in so-called agricultural innovation systems¹. There are three critical issues related to agricultural innovation systems:

- Agricultural innovation systems operate through **networks and inter-relations** among RAS providers, agricultural producers, research institutions, agribusinesses and other knowledge and innovation bearers. Thus, strong networks and networking capacities of RAS stakeholders are required to enhance agricultural innovation.
- **Intermediation between innovation bearers** is a significant source of innovation and an important role of RAS providers. Particularly, intermediation between research and agricultural producers often remains weak and insufficiently institutionalised.
- **Indigenous knowledge** and agricultural producers' perspectives are often neglected but are considerable sources of innovation.

Reaching scale for RAS delivery

In most countries, public RAS providers are still the back-bone of the RAS system and the guarantor for coverage and equity. The newly developing pluralistic RAS systems contain the potential for increasing efficiency, effectiveness and scale of the country RAS systems. However, this potential is generally not yet fully exploited.

A particular potential for scale and social orientation is seen in collaboration between:

- Private and public sector
- Private sector and civil society (including producer organisations)

Furthermore, communication platforms that are reaching large populations, such as ICT and mass media are developing fast and offer additional potential that is not yet fully used.

Source of finances and RAS providers in pluralistic RAS systems

Source of finances for services	Service Providers				
	Public sector	Input suppliers	Private Sector Processors / traders	RAS providers	Civil Society NGO / Farmer Org.
Public	Public extension system	Potential			
Donors					
Private companies		Private extension system (embedded services / contract farming)			
Farmers					
NGOs		Potential			
Farmer Organisations					NGO / FO hired as service providers

C. Recommendations for donor and project interventions

Overseas Development Assistance (ODA) can best contribute to the functioning of the above-described core aspects of RAS systems by paying particular attention to the following three issues.

4. Intervention process

Strive to institutionalise

ODA interventions are limited in time and resources. Thus, realistic planning needs to anticipate phasing out from the beginning. By institutionalising successful contributions, such as promising RAS delivery mechanisms, effective RAS methods, relevant RAS contents, as well as processes that strengthen the demand side of RAS (with focus on agricultural producers), ODA projects considerably enhance the probability to sustainable improvements in RAS systems.

A well-trying and recommended intervention process leading to institutionalisation is given below:

1. **Pilot ideas** with the aim to experiment, learn, and institutionalise. This accounts for all RAS related activities, including financing mechanisms, delivery methods, contents, demand articulation, or capacity development, networking, etc.
2. **Integrate RAS activities into existing structures – also pilot activities.** Implementing project activities through existing structures that function without ODA support allows for creating realistic evidence of the pilot ideas, and enables possible up-scaling for which these structures are key.
3. **Create evidence.** Pilot activities are a considerable means to create evidence of the benefits of the tested/promoted idea. Experiences gained from pilot activities are the basis for an evidence-based policy dialogue.
4. **Institutionalise.**

Such institutionalisation processes are only possible through long-term interventions that encourage flexible reaction according to trial and error, adaptation to changing contexts, and spontaneous use of upcoming opportunities. In short, **long-term and flexible financing is key for institutionalisation processes.**

Watch out!

- There is a trade-off between quality in project intervention processes and up-scaling.
- Donors' principles do not always tally with governments', people's or private companies' priorities.

Use fund flows effectively

Fund flows are *the* trigger to influence decision power within a RAS system. Right from the beginning, they must be designed consciously and purposefully:

- 1.) ODA funds should be used to serve public interests.
- 2.) If fund flows should be adopted by RAS actors in the long run, the following aspects deserve attention:
 - **Integrate project funds into existing funding systems.** This is the prerequisite to institutionalise fund flows for RAS in the long run.
 - **Link project funding to decentralisation of public funds and tax systems.** Decentralised funding of RAS increases the voice of agricultural producers and local leadership with respect to RAS planning and delivery. By using ODA funds to reinforce or create decentralised funding systems, development actors effectively use their potential to increase local availability and management of funds.

Watch out:

- Fund flows are only institutionalised successfully if they reflect the effective demand for RAS.
- Effective decentralisation of public finances requires adequate capacities of local governments to manage public funds and ultimately decentralised fiscal systems.
- Without putting special attention to service market systems, ODA risks to distort service markets.

5. Demand and supply side intervention

Usually, RAS project interventions aim at strengthening the supply side of RAS. Looking at the above-mentioned core aspects of RAS, a strong demand side is equally important for a RAS system.

Accordingly, ODA needs to take into account the supply and demand side of RAS equally, and address both sides in parallel.

Since agricultural producers are generally the weakest element of the demand side, interventions at the demand side should focus on them. In order to become an effective part of the demand side, agricultural producers and their organisations need capacities

- to participate in RAS planning and to provide feedback
- to raise voice to enhance social equity of RAS delivery
- to foster policy implementation.

Watch out!

Strengthening the above-mentioned capacities of farmers is an element of RAS, and could therefore be carried out by RAS providers. However, in the absence of good local governance, RAS providers may not see this as part of their role. In this case, ODA interventions to strengthen the demand-side must be independent from those on the supply side.

Last but not least, **sensitising consumers** to the benefits of social and ecological products is a significant means to strengthen private sector involvement in RAS that benefits to poor agricultural producers in an ecological way.

6. Capacity development of RAS providers

Access to knowledge and innovation

ODA can best support required access to knowledge and innovation of RAS stakeholders by

- Working towards institutionalised capacity development by supporting the development and implementation of curricula and relevant policies
- Institutionalising financing mechanisms for capacity development
- Strengthening networks of RAS stakeholders and support alternative learning approaches

Capacity development on five levels

Watch out!

- Short-term ODA interventions tend to neglect institutionalisation of capacity development of RAS stakeholders, therefore a long-term perspective is required.
- With capacity development activities, ODA interventions significantly contribute to the content of future RAS and influence the promoted agricultural practices. This needs to be taken into account when planning capacity development.

Supporting capacity development of RAS providers is a typical and meaningful ODA contribution to RAS systems. The changing paradigm away from simple technology transfer towards participatory holistic RAS services broadens the requirements for capacity development. Projects and donors best respond to the requirements of today's "new extensionists" by including the five above-mentioned levels of capacity development into their activities.

Since policies set the normative framework for RAS activities, the voice of agricultural producers and RAS stakeholders in policy processes is key. Yet, such policy and advocacy capacities of local RAS actors and agricultural producers remain weak. Development projects and donors often successfully contribute to policy processes but they frequently neglect to strengthen the ability of local stakeholder to assume this role in the long run. Hence, capacity development activities should give a particular focus on the capacities of RAS providers to contribute to policy processes and to strengthen voice of agricultural producers.

¹ Reference: The "New Extensionist": Roles, Strategies, and Capacities to Strengthen Extension and Advisory Services. Position Paper of the Global Forum for Rural Advisory Services. November 2012.