ALIVE
PARTNERSHIP FOR LIVESTOCK DEVELOPMENT, POVERTY ALLEVIATION & SUSTAINABLE GROWTH

LIVESTOCK SECTOR INVESTMENT AND POLICY TOOLKIT

LSIPT

Manual 3

Modules 5&6

Planning and Monitoring Phase

January 2013

THE WORLD BANK
Working for a World Free of Poverty

M5

Strategy, action plan

Module M5: Strategy, action plan

1. Objective

To define a Strategy and Action Plan, which provides optimal returns in terms of the contribution of the livestock sector to poverty reduction, food security and economic growth, is adequately resourced, and is shared by all stakeholders. It is based on the previous diagnosis and should be prepared in close cooperation with all stakeholders.

2. Expected outcomes

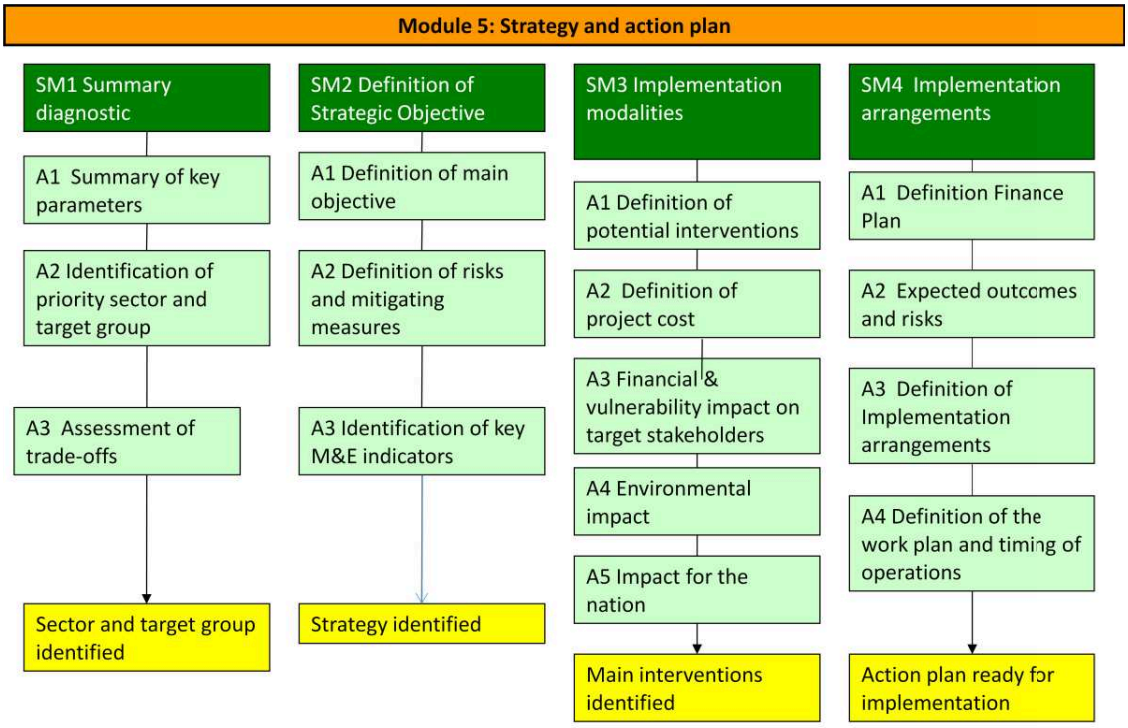
The final result of this module will be a Livestock Sector Development Plan, which brings together, in a succinct form:

- In M5-SM1, the summary of the main results of the diagnostic modules, in particular to (a) make the case for livestock development; (b) provides the information to define the priority development actions, in particular regarding the choice of target population, production system and sub-sector to develop; and (c) assess the trade-offs involved in making those priority choices;
- In M5-SM2, the longer term Strategic Objective (s) in terms of the sector's contribution to poverty reduction, food security and economic growth, the risks and necessary mitigating actions, and the key monitoring indicators to measure the progress made in meeting this Strategic Objective
- In M5-SM3, the definition of the interventions and the ex-ante evaluation of the main interventions, including policy changes and investments needed to work towards meeting the Strategic Objective, their costs and an assessment of the main socio-economic and environmental and fiscal impacts; and
- In M5-SM4, the definition of the supporting activities with the main implementation activities and the financing plan and a chronogram of the different operations.

The outline for the final document is available in: m5_sm3_outline_EN.pdf

m5_sm3_outline_EN.pdf [88 kB]

M5_full_text_EN.pdf [476 kB]



Outcome of Module 5: A Strategy and Action Plan defined, which provides optimal returns to investments in the livestock sector in poverty reduction, food security and economic growth, is adequately resourced, and is shared by all stakeholders.

Sub-module M5-SM1: Diagnosis summary

1. Objective

To summarize, on the basis of the diagnosis of the previous modules, in a succinct and very accessible fashion, key parameters from the diagnostic phase required to make informed decisions on the priority actions and target groups, and thus fully use the potential of the livestock sector for poverty reduction and economic growth.

2. Expected outcomes

- In M5-SM1-A1, a summary of (a) the main parameters to make the case for including the livestock sector in a national policy for poverty reduction and economic growth; and (b) the elements needed to make an informed decision on the target population, sector, commodities and key interventions
- In M5-SM1-A2, a decision tree on setting priorities, based on the key parameters from M5-SM1-A1,
- In M5-SM1-A3, an approach to facilitate decision making on the trade-offs which emerge between poverty reduction and economic growth and between poverty reduction, increased production, environmental sustainability and public health.

3. Activities

- The required information to prepare M5-SM1-A1 is mostly provided through direct links with module M3 and M4.
- The preparation of decision trees and definition of the trade-offs M5-SM1-A2 and A3) should be completed in a highly participatory fashion, involving all the stakeholders, and particular senior policy makers.

Activity M5-SM1-A1: Summary of key parameters

1. Objective

To prepare a summary of (a) the main parameters to make the case for including the livestock sector in national development plans for poverty reduction and economic growth; and (b) the elements needed to make an informed decision on the target population, sector and key interventions.

2. Expected outcomes

- A set of simple and easily accessible tables which provides quantitative information on:
  - Contribution of the livestock sector to GDP differentiated among clearly defined direct and indirect contributions, among the main production systems, among commodities and among poverty groups;
  - Employment generated by the sector, both in household and hired labor;
  - Fiscal transfers from the sector at national and local level.

- A set of similar designed tables, which will inform decision making on priority actions to be undertaken to realize the potential of the livestock sector. This will include:
  - Comparative advantage of the (sub) sector;
  - Supply-demand balance and resource (feed) availability;
  - Poverty and food security vulnerability levels;

3. Method and tools

A series of tables are proposed in the following files to summarize the main results from the diagnostic modules.

(i) Making the case

The first two tables in this tool present a number of parameters, which are useful to justify to macro-economists and other decision makers that it is worthwhile to invest in livestock development for poverty reduction and economic growth. It would be a part of the introductory chapter of the final report.

- **Tool: Making the case: GDP and social values**

- m5_sm1_a1_TOOL_1_results_synthesis_EN.xlsx
  The written conclusion could be along the following lines: The country's/region livestock sector is of major/moderate/limited economic importance in the national economy. It is particular important in its direct/indirect contribution, productive/processing chain. The ... production system and ....(commodity) are of particular importance. In addition, the country's livestock sector is of major/moderate/minor importance to the rural population, in particular in terms of the number of poor which depend on the sector, the employment and the fiscal revenue at the national and local level it generates.

(ii) Defining focus and priorities

The four tables in this tool present a number of indicators, which can be used by decision makers to compare investments between different sectors. Investment in a particular sector would only be justified, if that sector is competitive compared with imports, if there is a market, and if the human and physical resources are adequate for the sector to grow. This information is a critical part of the justification for investment in the livestock sector.

- **Tool: Key sector parameters to inform decision making on focus and priorities**
  - m5_sm1_a1_TOOL_2_results_synthesis_EN.xlsx
    This tool consists of 4 tables:
  - *Key sector parameters to inform decision making on focus and priorities,* which, based on the analysis of mainly M4, identifies the comparative advantage of the main production system, current and future demand, and current and future resource availability under different conditions
  - The written summary could be along the following lines: The country/region has/has not a comparative advantage in the production of meat/milk, etc, has/has not a growing demand in the domestic market, has/has not currently and in the future the forage, byproducts, cereals available for a growing livestock sector. If the production system is competitive, the priority should be given to the … production system, because of its current poverty and food insecure situation
  - *Contribution of production systems to the value chains,* which identifies, based on the analysis of M3-SM3-A1, the most important value chains and production systems.
  - *Summary table on efficiency in the value chain, to inform decision makers on priority actions,* which again based on analysis in M4 compares actual margins in the different components of the value chain, for the priority commodities selected.
  - The written summary could be along the following lines: The… (liquid milk, beef etc) chain has low/moderate/high post harvest losses in on-farm/processing losses, and relatively low margins in the…. (production/processing etc) sector. Priority action should therefore be given to…part of the value chain)

- *Summary table of technical parameters compared with "good practice" standards to inform decision making on priorities for technical interventions,* which based on the actual ("without) technical parameters, inputted in the herd developments of M3-SM2 & 3 and compared with "good practice" levels from the literature or well-run farms in the region, identifies the major yield and efficiency gaps
- The written summary could be along the following lines: Considering the gap between the current and the potential performance and the capacity to improve in a relatively short time, the highest priority would have to be given to improving: cattle, sheep young stock mortality/fodder production....

m5_sm1_a1_TOOL_1_results_synthesis_EN.xlsm [3 MB]
m5_sm1_a1_TOOL_2_results_synthesis_EN.xlsx [54 kB]

4. Further information

- Lore, T, Omore, A and Staal, S. 2005. Types, levels and causes of post-harvest milk and dairy losses in sub-Saharan Africa and the Near East: Phase two synthesis report. Nairobi, Kenya: at ILRI. http://mahider.ilri.org/handle/10568/3741
- Dairy Supply Chain Margins 2010/11 http://www.dairyco.net/media/480202/dairy_supply_2011_web.pdf

Activity M5-SM1-A2: Identifying priorities

1. Objective

To provide decision makers, using the key parameters of M5-SM1-A1, through a logical and well reasoned process, the required information to make better decisions on priorities regarding the target population group, commodity (sector) and technical and policy/institutional interventions.

2. Expected outcomes

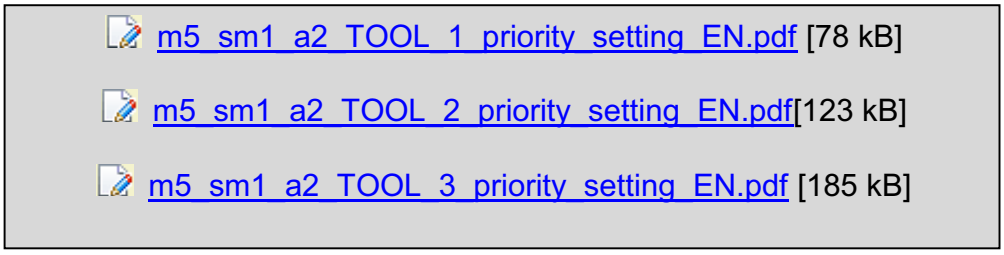
- A completed checklist or decision tree with recommended priorities on target group and commodity/farming system.

3. Method and tools

The tools provided are in the form of frameworks that have to be adapted to the particular conditions. The draft checklist/decision tree to guide decision makers in setting priorities provides an overview of the key issues to be considered before the strategy and action plan is defined. The two tools available, which can be used in any sequence, are:

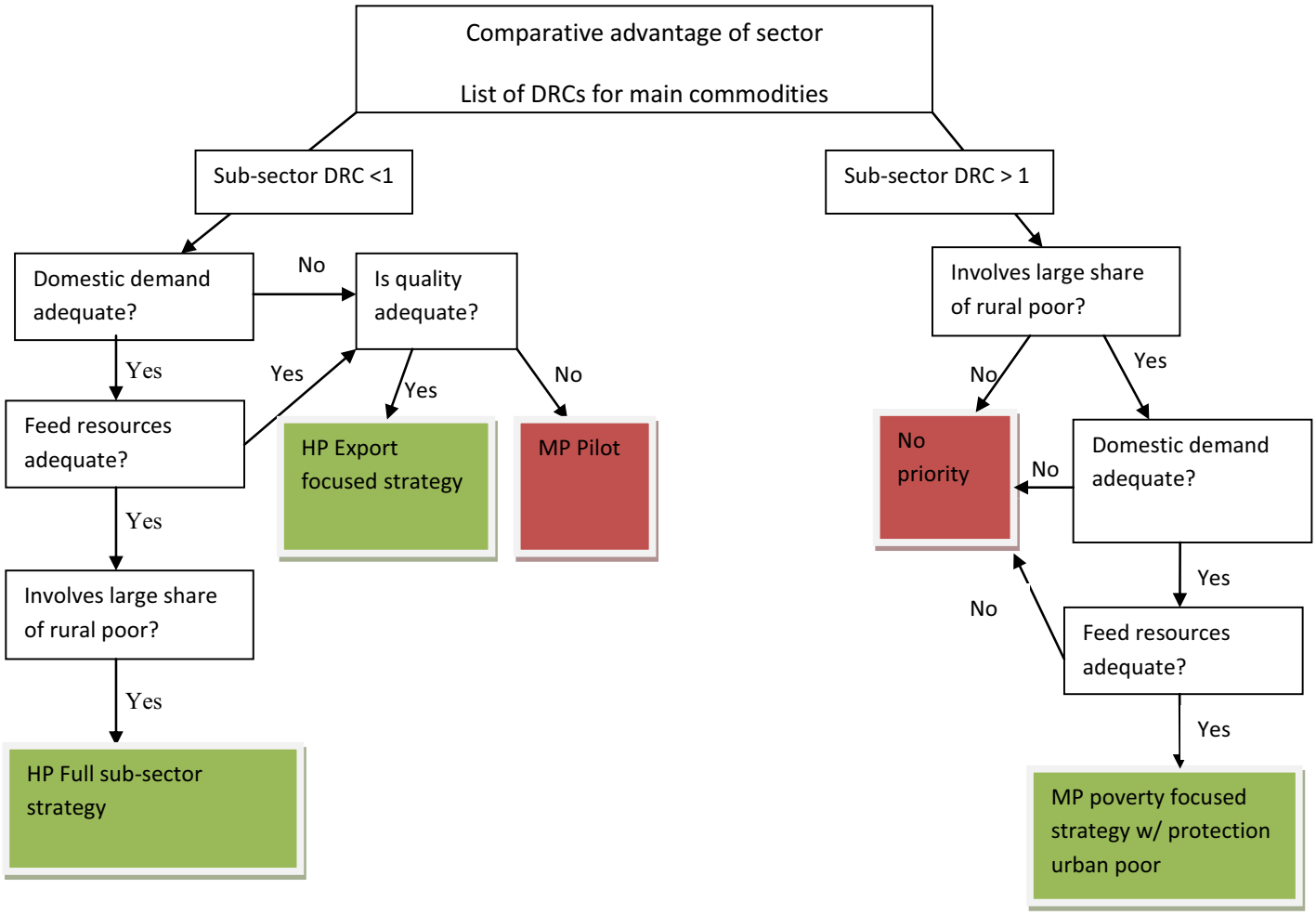
- A decision tree on sector priorities, with as key criteria the comparative advantage of the subsector, the strength of the domestic demand, the available feed resources and the share of vulnerable rural population involved. What criteria to include and the hierarchy in which they are assessed, is a political decision. For example, if poverty alleviation in rural areas is the key government priority, the poverty alleviation potential of the livestock sector might come first. However, if poverty alleviation in urban areas is the main government goal, the comparative advantage of the sector, and its competitiveness compared to imported milk or meat might be the first consideration.
- **Tool: Decision tree on setting (sub) sector priorities**
  - m5_sm1_a2_TOOL_1_prioritysetting_EN.pdf
    The written summary could be along the following lines: In view of the comparative advantage of the milk/beef, etc…. sector, the current and future market, the number of poor involved and the available feed resource, the most rational policy would be: pro-poor development/export promotion/importing for the poor urban consumers.

- A decision tree to determine the priority target population. This can again be determined on the basis of a simple decision tree, as shown in the tool below. However, investing in the poorest group will not automatically give the highest returns in terms of poverty reduction. Focusing on a less poor quintile (s) of households in the target commodity and production system, can yield higher returns than investing in the poorest of the poor.
- **Tool: Decision-tree on selecting priority target population(s)**
  - m5_sm1_a2_TOOL_2_prioritysetting_EN.pdf
- A schematic presentation helping to classify the prevailing production system by assets and potential for growth and attractiveness of investments, differentiating among ”losers”, “workers”, “leaders”, “dilemmas” and “pilots”. This differentiation might help in discussions with policy makers.
- **Tool: Simple tool to classify production systems or commodities by their assets and potential for growth and attractiveness of investments**
  - m5_sm1_a2_TOOL_3_priority_setting_EN.pdf
- The written summary of these two tools could be along the following lines: In view of the policy of poverty reduction/economic growth, the main target population would be the poor/wealthier part of the population for the production of milk/beef etc in the ….. system, with …… as the systems with future growth potential.



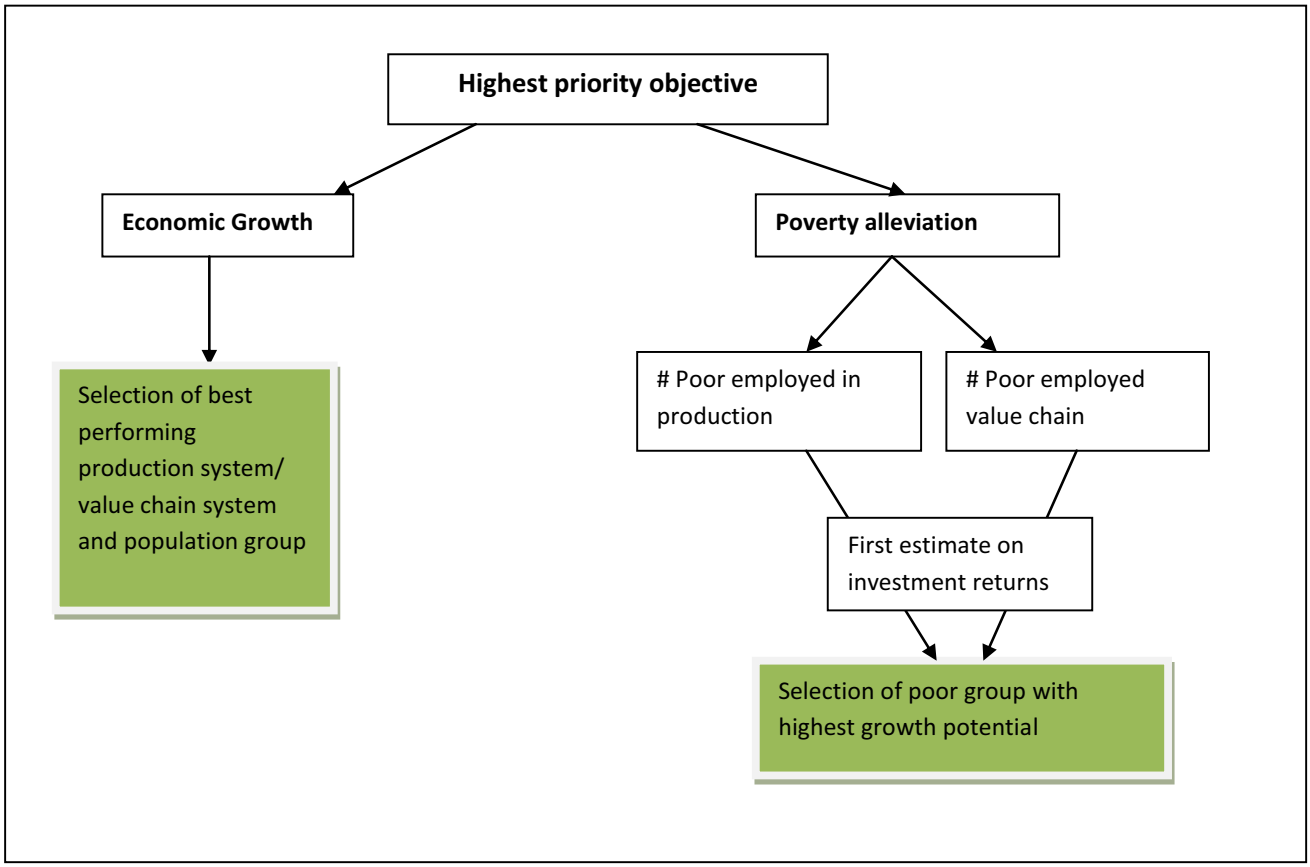
m5_sm1_a2_TOOL_1_prioritysetting_EN.pdf

Simple decision tree on setting (sub) sector priorities



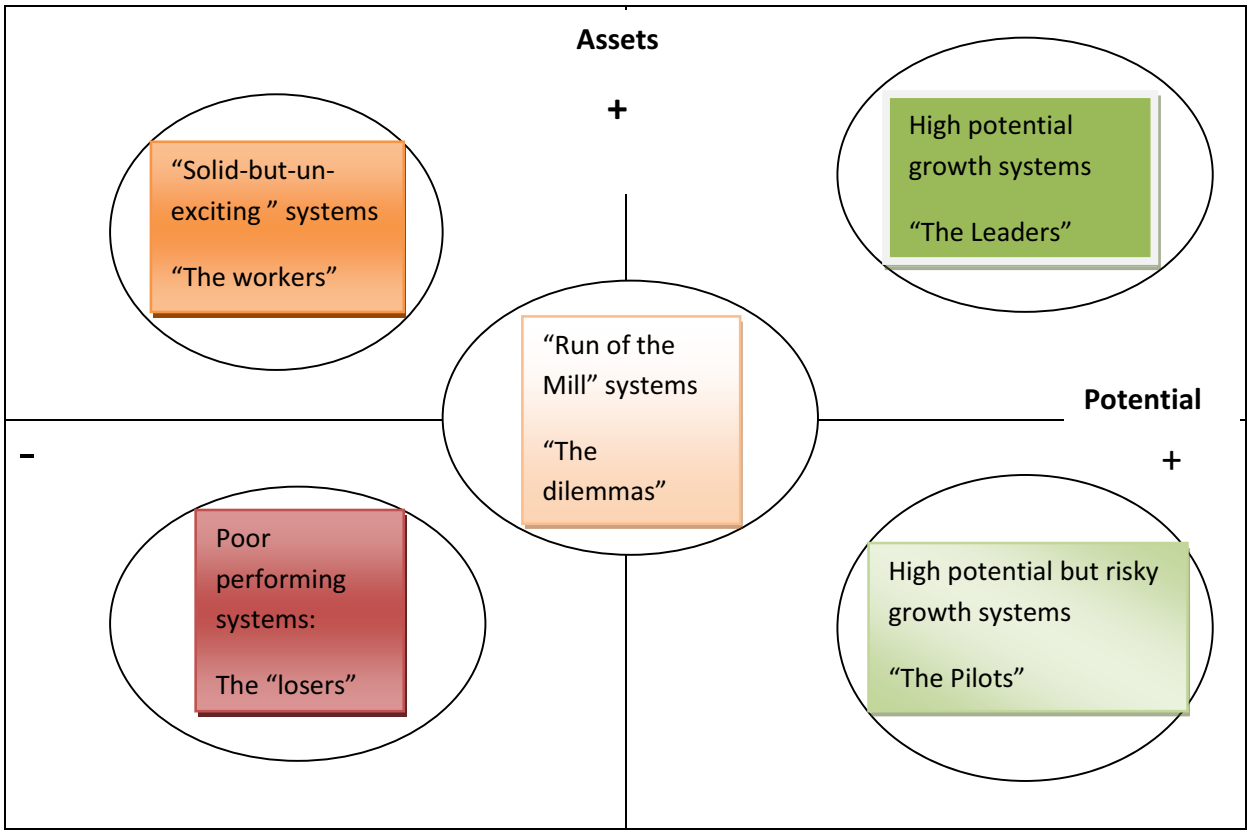
m5_sm1_a2_TOOL_2_prioritysetting_EN.pdf

Simple decision-tree on selecting priority target population(s)



m5_sm1_a2_TOOL_3_priority_setting_EN.pdf

Simple tool to classify production systems or commodities by their assets and potential for growth and attractiveness of investments



Activity M5-SM1-A3: Assessments of trade-offs

1. Objective

To provide decision makers the required tools to better assess the trade-offs between those different priorities using the main priorities for target population, production systems and commodity, as established in M5-SM1-A2.

It is based on the assumption that there are few win-win situations, i.e., a situation where the outcome is beneficial to all aspects of the production process, (i.e., economics, the environment and public health), but that almost always decisions on trade-offs (losing one quality or aspect in return for gaining another quality or aspect) are needed.

2. Expected outcomes

- An informed decision on the key elements of the future strategy for the sector, taking account of the advantages and disadvantages of specific potential strategies.

3. Method and tools

With the key stakeholders that were identified in M2, the main potential strategies are listed, the winners and losers of each strategy are (population groups or sectors) are identified and their importance ranked. Ranking can be done, either numerical (1 to 5) or descriptive (low, medium, high, overriding), but should be done in a participatory fashion.

- **Tool: Assessing trade-off among socio-economic policies**
  - m5_sm1_a3_TOOL_1_tradeoffs_EN.xlsx

Decisions often depend on the stage of development, and the potential markets in which each specific country seeks to access. Generally, and driven by public opinion, developed countries will pay more attention to public health and the environment, whereas for developing countries, income growth can be more important. A simple diagram can demonstrate possible differences in decisions between a developed and a developed country in trade-offs between environment, public health and equity.

- **Tool: Assessing trade-off among sectors**
  - m5_sm1_a3_TOOL_2_tradeoffs_EN.pdf

The written summary of applying the two preceding decision trees/check lists could be along the following lines: Considering the strong priority the government attaches to poverty reduction/food security/self sufficiency… it has been recommended/decided to give this policy the highest priority, introducing appropriate measures to counter the negative aspects on the environment/health/equity.

The entire analysis on targeting is then summarized in one table:

- **Tool: m5_sm1_a3_TOOL_2_summarytargettingresults_EN.pdf**

m5_sm1_a3_TOOL_1_tradeoffs_EN.xlsx [9 kB]
m5_sm1_a3_TOOL_2_tradeoffs_EN.pdf [123 kB]
m5_sm1_a3_TOOL_2_summarytargettingresults_EN.pdf [71 kB]

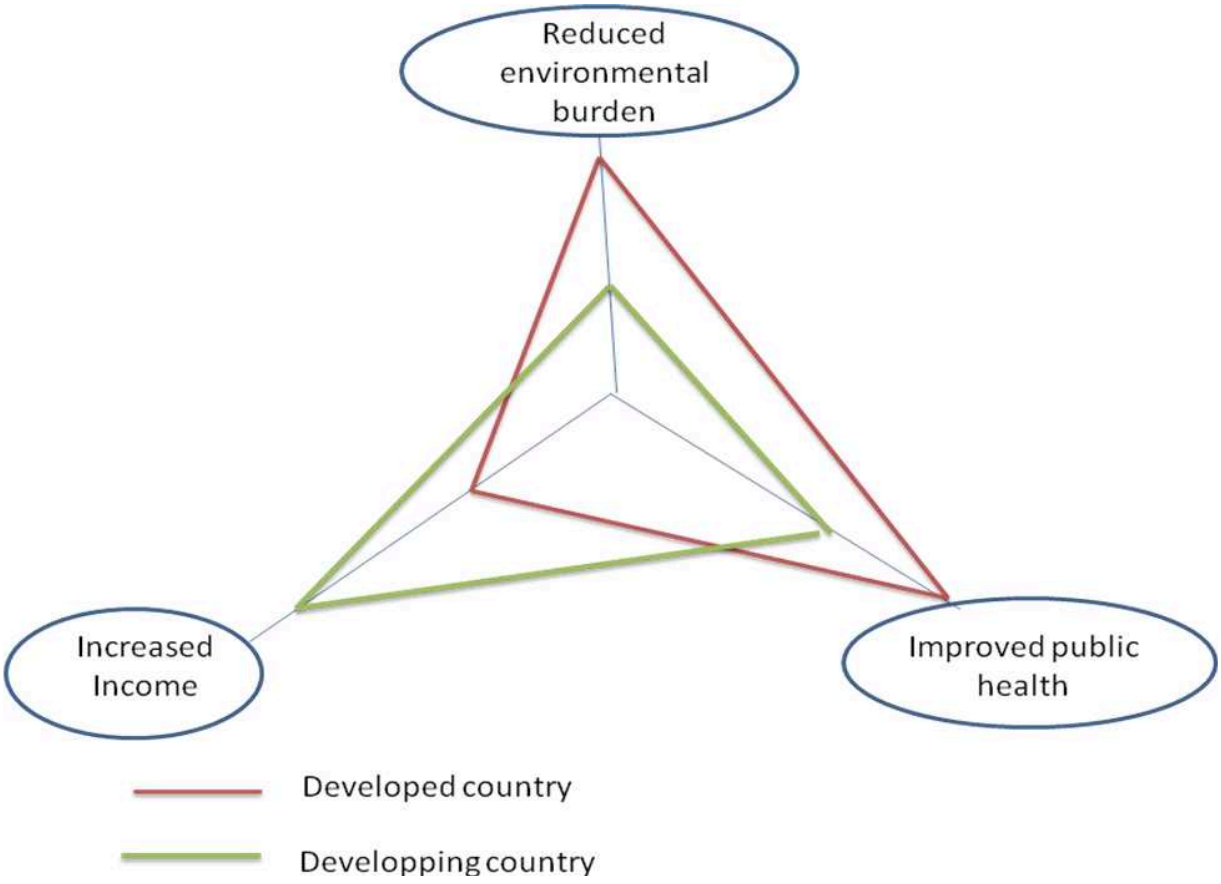
Tool: m5_sm1_a3_TOOL_2_summarytargettingresults_EN.pdf

Summary of main results

Subject		Module
Priority Commodity (s)	Beef/mutton/milk	m5_sm1_a1_TOOL_3_results_synthesis_EN.xlsx
Priority Market	Self consumption Domestic/export	m5_sm1_a1_TOOL_3_results_synthesis_EN.xlsx
Priority production system	Mixed farming, etc	m5_sm1_a1_TOOL_3_results_synthesis_EN.xlsx and m5_sm1_a2_TOOL_1_prioritysetting_EN.pdf
Priority target group in selected production system	Lowest income quintile, etc.	m5_sm1_a1_TOOL_3_results_synthesis_EN.xlsx and m5_sm1_a2_TOOL_1_prioritysetting_EN.pdf and m5_sm1_a2_TOOL_2_prioritysetting_EN.pdf
Focus are of improvement	Nutrition (grassland etc), health genetics	m5_sm1_a1_TOOL_4_results_synthesis_EN.xlsx
Priority component of value chain	Collection, processing etc.	m5_sm1_a1_TOOL_5_results_synthesis_EN.xlsx

m5_sm1_a3_TOOL_1_tradeoffs_EN.pdf

Simple diagram illustrating possible decisions regarding trade-offs between developed and developing countries.



Sub-module M5-SM2: Definition of strategic objectives

1. Objective

Define the strategic objective(s) for the sector, using the analysis in M5-SM1 on focus and priorities regarding commodities, target population(s) and production system(s) and considering the trade-offs.

2. Expected outcomes

A simple worded objective that clearly describes the expected future outcome(s) in the development of the sector, the main risks which can affect this objective and the parameters needed to monitor progress on achieving that objective.

3. Activities

Using the analysis in M5-SM1 and brainstorming sessions with policy makers, formulate a simple worded strategic objective and define the high level risks and their mitigating measures and the key indicators to follow progress on the implementation of this objective.

Activity M5-SM2-A1: Definition of the main objective

1. Objective

To define the strategic objective for the sector, using the analysis in M5-SM1 on focus and priorities regarding commodities, target population(s) and production system(s) and considering the trade-offs.

2. Expected outcomes

A simple worded objective that clearly describes the future result(s) and outcomes of the sector, and is developed in a participatory fashion, involving all stakeholders, but in particular the political decision makers.

3. Method and tools

A well formulated strategic objective is based on the analysis of the priority sector and target group (M5-SM1-A2) and the assessment of the trade-offs (M5-SM1-A3) and could, for example, have the following wording:

- *Reduce poverty of smallholder livestock (or dairy, cattle, sheep, poultry) farmers by raising income from livestock with x percent by year ...*
- *Promote export of (milk/beef/broilers/eggs etc.) by increasing export of those products by x percent by year...*
- *Enhance self-sufficiency in milk/beef/broilers/eggs etc.) by reducing exports by x percent in year ...*
- *Reduce environmental impact of the livestock sector, by reducing GHG emission by x percent by year ..., environmental pollution by reducing BOD of main waterways by y percent by year...*

Some examples of strategic objectives for the livestock sector are provided in:

m5_sm2_a1_EX_strategyformulation_EN.pdf [90 kB]

m5_sm2_a1_EX_strategyformulation_EN.pdf

Examples of National Livestock Strategies

Government of Burundi:

- *By 2020 (i) balancing supply and domestic demand for milk, and (ii) cover 50 percent of the demand in meat with domestic production, and (iii) increasing the Value Added of the sector to 500 billion Burundi Francs, in particular by increasing VA post harvest from 30 to 45 percent; and (iv) reduce the share of the rural population under the poverty level by 10 percent and cover the requirements for animal protein of the countries of 40 percent of the population.*

This would have benefitted from a closer discussion on the trade-offs.

Government of Burkina Faso:

- *The sustainable and equitable improvement of the contribution of the livestock sector to poverty reduction and economic growth. This is further detailed in six specific objectives, around the ensuring the livelihood of agro-pastoral producers, and semi-commercial producers, and the strengthening of the competitiveness of the sector.*

Major project investments will also require the definition of a main objective. Some examples of recently prepared livestock development projects for international funding are:

- *Proposed Project Development Objective Zambia Livestock Project*. "*Improve the productivity of key livestock production systems for the targeted smallholders and emergent producers in the identified areas and improve the safety of meat and dairy products sold on markets"*

- *Heilongjiang dairy project: to improve the financial viability of existing and new dairy operations in selected areas the province, and reduce GHG emissions and increase carbon sequestration.*

Activity M5-SM2-A2: Definition of risks and mitigating factors

1. Objective

To define the risks which might affect the implementation of the strategy, defined in M5-SM2-A1, and the means of mitigating these risks.

2. Expected outcomes

A simple matrix, specifying the type of risk, the level of risk (high. moderate, low) and the main mitigating measures which need to be taken to ensure that the strategy can be correctly implemented.

3. Method and tools

At the strategy level, the main risks and mitigating measures are those mostly outside the direct mandate of livestock sector decision makers. They constitute the "enabling environment" which the sector policies and investments required to produce results. A SWOT analysis at the national level has been undertaken in m4_sm3_a1_TOOL_policies.xlsm for the policies and in m4_sm3_a2_TOOL_institutional_diagnosis.xlsm for institutions.

For the preparation of an overview of the risks and opportunities in a simple form, easily understandable to policy makers, the CAADP framework, with the four pillars has been selected. The activity under this sub-module consists in the preparation of a simple matrix, which enumerates for these four strategy pillars the main risk factors. Completing this matrix needs to be based on the in-depth analysis carried out under m4_sm3_a1 where the CAADP pillars have been highlighted and confirmed through a participatory consultation with policy makers.

- **Tool: Summary institutional and policy strengths and weaknesses, risks and opportunitie**
  - sm5_sm2_a2_TOOL_1_Swot summaryEN.xlsx

The mitigating actions to address these risks would also follow the CAADP Pillars, they would normally for each pillar include (a) physical risks (climate, etc.); (b) technical risks (disease outbreaks, etc.); (c) institutional risks (lack of human capacity to implement, etc.); and (d) political risk (price policies, etc.) A draft matrix is provided in:

- **Tool: Matrix describing main risk factors and mitigating measures:**
  - m5_sm2_a2_TOOL_risk_EN.xlsx

m5_sm2_a2_TOOL_1_Swot summary EN.xlsx [9 kB]
m5_sm2_a2_TOOL_risk_EN.xlsx [12 kB]

4. Further information

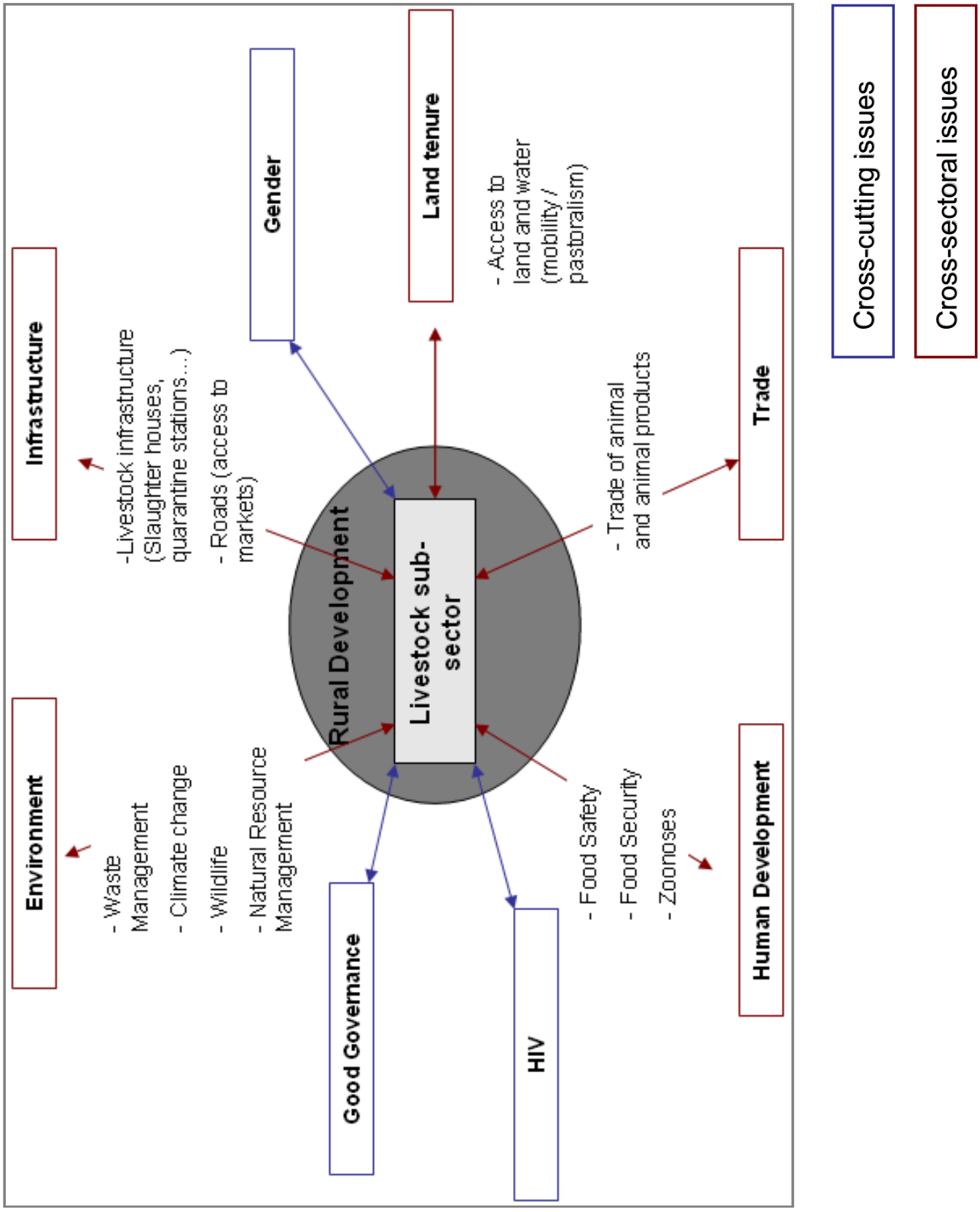
Overview of the main inter-linkages to guide the identification of the exogenous risks

- m5_sm2_a2_ANN_risk_EN.pdf

CAADP pillars for agriculture are in http://www.nepad-caadp.net/pillar-2.php
CAADP framework for livestock development (although not following the 4 pillars) can be found on http://www.au-ibar.org/index.php?option=com_flexicontent&view=items&cid=86&id=171 and in http://www.nepad-caadp.net/pdf/A0586e03.pdf

m5_sm2_a2_ANN_risk_EN.pdf [31 kB]

m5_sm2_a2_ANN_risk_EN.pdf



Activity M5-SM2-A3: Identification of key indicators

1. Objective

To identify a small number of quantifiable indicators, that will provide reliable and accurate information on the rate of progress in reaching the objectives.

2. Expected outcomes

A small number of quantifiable parameters identified, which are directly related to the strategy and can be easily collected.

3. Method and tools

The methods and tools are explained in M6-SM1-A2. For example, for the livestock strategy for Burundi described in M5-SM2-A1, the key parameters would be (a) the trade balance for milk and meat; (b) the value added of in the entire value chain; (c) rural income levels, including those of livestock farmers and (d) nutritional intake of the population.

- **Tool: Example of logical framework for a livestock strategy, aiming at reducing poverty through smallholder dairy development**

m5_sm2_a3_TOOL_indicator_EN.xlsx [11 kB]

4. Further information

More information on the preparation of logical framework is presented in SIDA: The Logical Framework Approach and World Bank , and IFAD .

The World Bank has moved since 2003 to result based monitoring and evaluation.

Sub-module M5-SM3: Implementation modalities

1. Objective

Define the policy and investment interventions required to meet the objectives of the strategy, their socio economic, environmental and fiscal impacts.

2. Expected outcomes

A Plan of Action, which follows the framework of CAADP, is fully in line with the strategy as described in M5-SM2- A1, follows up on the decisions regarding overall focus, target group, commodity and production system, is based on the summary of key parameters in M5-SM1-A1 and takes account of the required mitigating measures, and contains the impact (including a sensitivity analysis) on poverty reduction and economic growth, and has an assessment of the environmental and fiscal impact.

- **Tool: Annotated Outline Sector Strategy and Action Plan:**

m5_sm3_outline_EN.pdf [88 kB]

3. Activities

Develop, in a participatory fashion, a concise report, according to the outline provided in m5_sm3_ANN_outline_EN.pdf, including a definition of the potential interventions (M5-SM3-A1) and their costs (M5-SM3-A2), using, among others the State of Art in Livestock Support (SAILS) and the CAADP framework for Livestock development. The proposed interventions are then screened by the preparation team on their impact on the targeted population (M5-SM3-A3), their environmental impact (M5-SM3-A4) and their impact of the budget of the nation (fiscal impact) (M5-SM3-A5).

m5_sm3_outline.doc

Annotated Outline Sector Strategy and Action Plan

Format recommendation: not more than 20 pages for the core report (without annexes)

1. Physical resources
   - Livestock numbers, population involved in the sector, areas, production and consumption of animal source foods;
2. Household level analysis:
   - Livestock production's role and position in the household economy;
   - Differentiation of households according to dependency on livestock for income and livelihood, risks and vulnerability, importance of the sector for other participants in the chain;
   - Policy and institutional constraints at the household level.
3. Macro-level analysis:
   - Direct and indirect contribution of the livestock sector to the national economy: GDP; employment, indirect effects on other sectors; contribution to food security, and poverty reduction, fiscal revenues; the reduction of poverty and inequalities;
   - Future estimated supply and demand, and potential for growth, sector's competitiveness;
   - Technical constraints and opportunities: feed and genetic resources, health and health constraints;
   - Policy and institutional constraints at the national level.
4. . The justification for sector development:
   - Competitiveness of different animal source food commodities, priority production systems; market opportunities, and
   - Contribution to poverty reduction.
5. Strategy and Plan of Action:
   - Definition of Sector Strategy, based on overall national strategy, comparative advantage for target group, commodity and production system/value chain, and trade-offs between priorities;
   - Definition of Action Plan, with major investments and policy adjustments required;
   - Cost and benefits of those actions (social, economic, environmental and fiscal)
   - Sensitivity analysis
   - Implementation arrangements
6. Recommendations for follow-up
7. Annexes
   - Diagnostic process and background documentations
   - Tables of main results

Activity M5-SM3-A1: Definition of potential interventions

1. Objective

Based on the previous analysis and on good practice elsewhere, to define the policy and investment interventions.

2. Expected outcomes

- A results framework, which follows the framework of CAADP, is fully in line with the strategy as described in M5-SM2-A1, follows up on the decisions regarding overall focus, target group, commodity and production system, is based on the summary of key parameters in M5-SM1-A1 and takes account of the required mitigating measures;
- An agreed-upon list of main interventions based on this result framework.

3. Method and tools

Results frameworks are increasingly replacing the full logical framework in the approval process of international investment institutions. For example for the World Bank and IFAD, the results agreement is part of the legal documentation of their investments. In this result framework, the CAADP pillars are the main components. For large and broad-based national investment plans, this would be the preferred way of presenting the required interventions, for smaller investments a more specific results framework can be developed.

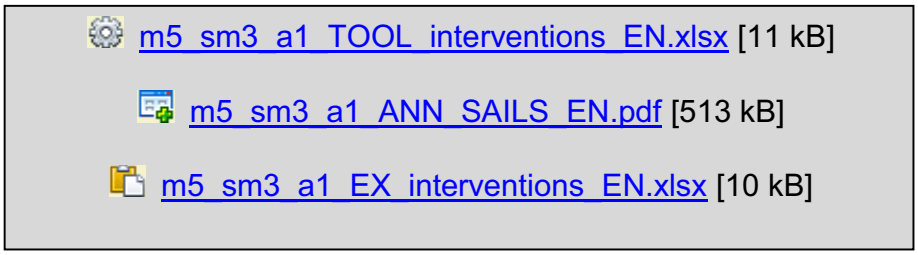
- **Tool: Simple Results framework**
  - m5_sm3_a1_TOOL_interventions.xls

Once the results framework has been developed, the specific interventions have to be identified. **SAILS** (State of the Arts Investment for the Livestock Sector) gives an overview of the main interventions and additional references along the lines of the CAADP pillars.

- **Annex: State of the Arts Investment for the Livestock Sector**
  - m5_sm3_a1_ANN_SAILS_EN.pdf

An example of how to complete the result framework is provided in

- **Tool: Model of a result framework**
  - m5_sm3_a1_EX_interventions.xls



4. Further information

A good overview on the preparation of a Result Framework with examples and indicators is provided by the World Bank.

Past project experiences are in the ALive data base and in World Bank: Livestock development: implications for rural poverty, the environment, and global food security (2001).

Activity M5-SM3-A2: Definition of project cost

1. Objective

To define the cost of the required investments to meet the strategic objective and the result of the proposed result framework.

2. Expected outcomes

A cost table in EXCEL or COSTAB, which provides a breakdown, by component and item of the investment and recurrent costs.

3. Method and tools

A simple ECXEL spreadsheet is presented in **Tool Presentation of Project Costs**

- **Tool: Presentation of Project Costs**
  - m5_sm3_a2_TOOL_Costs_EN.xlsx

A more detailed EXCEL sheet to record project cost is provided in

- **Tool: Example of detailed cost plan**
  - m5_sm3_a2_EX_costplan_EN.xls

m5_sm3_a2_TOOL_Costs_EN.xlsx [9 kB]
m5_sm3_a2_EX_costplan_EN.xls [36 kB]

4. Further information

- **SAILS** gives some unit costs, but the main source of unit costs will have to be local consultations.
- World Bank and other international organizations have adapted COSTAB, as the basic format for project cost assessments. A description is provided in Introduction to COSTAB

Activity M5-SM3-A3: Financial & vulnerability impact on target stakeholders

1. Objective

To analyze the impact *ex ante* (before the implementation) of the strategy for poor stakeholders who depend on livestock production, from the point of view of these stakeholders. This analysis is essential because these stakeholders are the strategy's main target.

The analysis includes a **quantitative financial and vulnerability analysis** (poverty reduction, employment generation, and dietary enhancement from livestock production) and a **qualitative sociological analysis** (which concerns access to resources, social capital, equity issues, in particular).

The financial analysis and vulnerability analysis consist of modeling the effect of the implementation of the strategy on producers' incomes and vulnerability (situation with change). Once the results have been estimated, they should be compared to the actual situation (situation without change) in order to estimate the additional benefits generated.

The financial analysis will then be used for the economic analysis, which will be conducted using the tools in M3-SM1 and which will make it possible to estimate the value of the action plan for the nation as a whole (and no longer from the point of view of individual stakeholders).

These results will be used in the discussion to demonstrate the interest of a strategy for the poorest stakeholders in the country. These analyses will also be used to demonstrate the strategy's effect to interest donors and government to fund the strategy.

2. Expected outcomes

A set of financial and vulnerability indicators, which will help determine whether the strategy has a positive impact on the different types of target stakeholders identified in the analysis of the current situation of households (M3-SM1-A4). The hypotheses selected for evaluation will also be recorded in a document that will accompany the tables of indicators. As far as the social aspects are concerned, they will be recorded in the summary table.

3. Method and tools

Stage 1 Technical and financial analysis of the livestock systems and household vulnerability analysis

For the technical and financial analysis of the livestock systems and the analysis of household vulnerability, the situation “without change” is taken from the analysis of the current situation in M3-SM1-A3. The situation “with change” corresponds to the implementation of measures and activities that are part of the action plan (M5-SM2). Three stages are necessary in order to obtain these results:

Stage 1 .1

- Establish the situation “with change” for each livestock system. This stage involves establishing models of the production systems for the situation “with change” in the same way as in module M3-SM1-A2&A3 for the situation “without change”. The herd projection and financial analysis used in module M3 will be used with the assumptions on improvement.
    - Access the Excel files in M3-SM1-A2 (red sheets in the Excel files) of the priority livestock systems identified in m5_sm1_a2_TOOL_1_prioritysetting_EN.pdf.
    - Then for each system, identify the investments that will be made under the implementation of the action plan, as well as improvements that would result (evolution of some zoo-technical and health parameters, sale and purchase prices, etc.).
    - **Tool**: m5_sm3_a3_TOOL_1_hypothesis_with change_EN.xls
    - Run these new parameters in the yellow sheets of the same Excel files in order to model the situation “with change”. The investment costs should be entered in the “Investment” sheet of these files.
    - Import results to the m3_sm1_a1_TOOL_synthesis.xls and from there to the m3_sm1_a4_TOOL_household.xls (if option 2 selected) and subsequently to the m4_sm1_a1_TOOL_GDP.xls.

Stage 1.2

- Compare the situation "with change" to the situation "without change". The results of the situations “without change” and “with change” are calculated automatically and appear in the “Summary” sheet of the Excel files of M3-SM1-A2**&**A3 as well as in m3_sm1_a1_TOOL_synthesis.xls. The comparison of the financial indicators, the vulnerability and dietary enhancement indicators will be used to estimate the additional benefits of implementing the action plan.
- Regroup the main hypotheses considered to model the situation “with change” in the summary table. Similarly, record the main results from the production systems (with and without change) in a summary table so that they can be compared easily.
    - **Tool**: m5_sm3_a3_TOOL_2_results_with&without_EN.xls

Stage 2 Qualitative analysis for all the stakeholders

Then fill in the summary table for all the stakeholders in the sector. For livestock producers, this will mean that more qualitative elements can be added to the quantitative analysis above.

- **Tool** : m5_sm3_a3_TOOL_3_social_impacts_EN.xls

m5_sm3_a3_TOOL_1_hypothesis_with change_EN.xls [22 kB]

m5_sm3_a3_TOOL_2_results_with&without_EN.xls [25 kB]

m5_sm3_a3_TOOL_3_social_impacts_EN.xls [21 kB]

4. Further information

RuralInvest methodology (FAO): support to develop and assess investment projects at small and medium scales

- Module 2 of RuralInvest: Preparing and using project profiles
- Module 3 of RuralInvest: Detailed project formulation and analysis

Activity M5-SM3-A4: Environmental impact

1. Objective

To assess the environmental impacts and ensure that the strategy and its action plan are sustainable.

2. Expected outcomes

An assessment on the environmental impact of the proposed interventions, including a classification, and the proposed mitigation measures

3. Method and tools

For assessing the environmental impact of an ***overall strategy***, a Strategic Environmental Assessment (SEA) is often required. The toolkit can be accesses from the World Bank external website

TOOL: Environmental toolkit and a description of environmental safeguards
TOOL: Environmental safeguards

For *project investment s* an Environmental Assessment (EA), which classifies the impact of the operation on the environment according to a scale of A; Major impact, B: moderate impact and C: limited impact is used. Further information is provided in the note below.

m5_sm3_a4_NOT_envimpact_EN.pdf [59 kB]

4. Further information

- FAO – LEAD - Livestock's Long Shadow - Environmental issues and options
- FAO has used the Life Cycle Analysis (LCA) for identification of GHG emission of different dairy production systems . This LCA approach can be used also at the country level.
- Mitigation of environmental impacts LEAD Toolbox

m5_sm3_a4_NOT_envimpact_EN.pdf

METHOLOGICAL NOTE
ENVIRONMENTAL IMPACT ASSESSMENT
ACTIVITY M5-SM3-A4

METHODS AND TOOLS

1. The environmental assessment consists of a technical analysis of the activities and measures envisaged. It seeks to identify and assess the possible negative environmental impacts and to propose appropriate monitoring and relief measures.

2. It is important that the environmental assessment procedure starts when the preparation for the action plan begins (repeated procedure) so that the relief measure can be built-in.

3. The assessment should not be limited to a purely technical exercise conducted by independent specialists. On the contrary, it should involve the beneficiaries of the action plan and the populations affected (see the procedure in Module 2). Lastly, environmental assessments are no longer limited to the biophysical environment, they also cover economic, social and cultural aspects increasingly.

EXPECTED RESULTS

4. A complete logical framework (activities, risks, hypotheses, indicators) and the costs for the project/programme

5. As for the analysis of other risks conducted within the framework of the activity M5-SM1-A5, the expected outputs for this activity are:
    i. identification of the major environmental risks associated with the implementation of the strategy and
    ii. the hypotheses that should be developed.

6. These risks and hypotheses are part of the strategy's logical framework. They will be added in column 4 of the action plan's logical framework.

7. This exercise will also allow us to complete the programme/project/strategy with activities that aim to diminish the risks. As for any other activity, these relief measures should be included in the costs of the project (see M5-SM2-A1) and should be checked and assessed (cf. M5-SM1- A4 and M6).

8. Note for the environmental impact assessment

9. In fact, this activity will also provide the team with elements for drafting a brief environmental impact assessment according to the usual format required by sponsors.

CONCEPTS

10. Environmental assessment (EA)
11. General procedure for assessing the environmental impacts associated with human development activities. It can include very detailed in-depth studies (EIA) or more limited ones. It usually includes the assessment of possible negative impacts and the development of measures to reduce and monitor them.
12. Environmental impact assessment (EIA)
13. Tool used to identify and assess the potential impact of a project or activity that is under consideration in order to assess alternatives, propose relief measures, management measures and monitoring (generally in the form of an environmental management plan).
14. Environmental monitoring
15. This activity consists of measuring and estimating (i) the environmental changes caused by a project and (ii) the implementation of measures to prevent or reduce them. Environmental

monitoring is based on data collection before, during and after the project. It often uses indicators, in other words quantitative and qualitative variables that can be measured and, if they are observed regularly, can reflect the modifications to the environment where the project has been implemented.

16. Measures to reduce the environmental impact
17. This activity seeks to avoid, minimise and limit the severity or to control the environmental or social impacts of a proposition by developing alternatives, programming and adding protective measures, as well as other actions.
18. Preliminary environmental examination
19. First phase of the assessment procedure, during which the initial level of the environmental impact (category) is determined for the project, as well as the EA "treatment" required.

TOOLS AND STAGES TO ACCOMPLISH

Tools

The risk matrix used for the analysis of risk **(M5-SM2-A2)** is also used for this activity in order to compile the information relevant to risks, their impact and probability.
Use the LEAD toolbox to identify the risks, their impact, the probability of their occurrence and the indicators.

Stage 1 Rapid environmental assessment: determine which category the project/programme belongs to

To assess the impact of a project/programme, environmental categories are generally used (particularly by sponsors). A more detailed environmental assessment will be required for stage 2, depending on the project/programme category.

To assess the strategy that is applied to an entire sector, each programme within the strategy can be examined one after the other so that it can be classified in a category.

The environmental categories of projects/programmes vary depending on the sponsor. However, the ones described below are generally used. On the basis of these definitions, indicate which category your project/programme belongs to:

Category A

A project under consideration is classified in category A if it is likely to have negative environmental impacts that are sensitive, diverse or unprecedented. These effects could have an impact on a larger zone than that containing the sites or installations to be subjected to physical developments.

Category B

A project under consideration is classified in category B if its potential impacts on human populations or important zones from an environmental point of view (humid zones, forests, pastures and other natural habitats), are less negative than those for projects in category A. These impacts are specific to the site concerned. Very few, indeed none of them, are irreversible and, in most cases, it is easier to develop relief measures than for projects in category A.

Category C

A project under consideration is classified in category C if it is likely to have little or no impact on the environment. No relief measures are necessary.

Stage 2 Assessing the environmental impact of projects/programmes in categories A and B

Once the project's category has been determined, we propose conducting a more in-depth environmental assessment for the projects/programmes in categories A and B. An EIA generally includes the following elements:

Stage 2.1 Identify the potential impact of the operations planned

The objective is to assess the potential environmental impact of the activities proposed for the project/programme. Assess the risk for the environment, its impact and probability, by activity or by output (depending on the detail required). The matrix of risks used for M5-SM1-A5 can be used to collect information.

You can use the LEAD toolbox (FAO) to assess the environmental risks caused by the livestock development actions in your project/programme.

The objective of this toolbox is to help users to identify the links between specific procedures that have a positive or negative environmental impact and to identify the technologies or policy choices that increase the positive effects and/or reduce the negative effects.

To identify the environmental risks using the toolbox go to:
http://www.virtualcentre.org/fr/dec/toolbox/Index.htm/STRUCTURE/Toolbox_outline

Risks per animal production system click on the box "Matrix of risks and opportunities"

Risks per technological option implemented by a project/program click on the box "Matrix of technological options"

Risks per policy and institutional option click on the box "Matrix of policy options".

Stage 2.2 Define the relief measures and incorporate them into project design

Once the potential impacts have been identified, it is possible to define the measures that can be taken to prevent, minimise, relieve or compensate for them. These activities should be added to the logical framework for the project/programme.

The LEAD toolbox also proposes technical and institutional options on how to develop relief measures:

Go to:
http://www.virtualcentre.org/fr/dec/toolbox/Index.htm/STRUCTURE/Toolbox_outline

For technical mitigation measures click on the box "Technological problems and solutions"

For institutional and policy relief measures click on "Political and institutional problems and solutions".

As for any other activities, the cost of these should be added to the global cost of the project/programme **(see M5-SM3-A2).** The LEAD toolbox also provides information on costs:

Go to:
http://www.virtualcentre.org/fr/dec/toolbox/Index.htm/STRUCTURE/Toolbox_outline

Click on the box "Technological problems and solutions", Choose a technical option, look at the section "Costs".

Stage 2.3 Integrate the remaining hypotheses in the logical framework

As for the analysis of other risks, transfer the remaining hypotheses (those that remain once the relief measures have been set up) from column F of the risk matrix to column 4 in the logical framework.

Stage 3 Monitoring environmental impacts

As for any other project/programme activity, you have to identify the indicators that make it possible to monitor the environmental impact of the project and to implement relief measures. Environmental monitoring should start as soon as the project activities begin and should continue throughout the project. With the help of monitoring indicators, the personnel responsible for implementing the project/programme will be able to:

Check whether the environmental relief measures are applied and produce the desired effects;
Detect possible environmental problems that were not anticipated in time so that the necessary adjustments can be made during project implementation;
Provide information and data for project assessment.

For general information on how to choose indicators, go to **M5-SM2-A3** and M6 for the monitoring and assessment system.

The LEAD toolbox also proposes a list of examples of indicators for monitoring each of the possible relief measures:

Go to:
http://www.virtualcentre.org/fr/dec/toolbox/Index.htm/STRUCTURE/Toolbox_outline
Click on the box “Technological problems and solutions”, hoose a technical option, look at the section “Monitoring: EIA indicators”.

At the end, the environmental impact indicators should be added to the logical or result framework.

Activity M5-SM3-A5: Impact for the nation

1. Objective

To assess the impact of the implementation of the plan of action for the nation as a whole. This assessment is an extremely important element for persuading sponsors and the government to invest in the sector. Benefits at the stakeholder level do not necessarily mean a benefit for the nation, additional benefits at the national level could arise, for example from foreign exchange savings, because of import substitution.

2. Expected outcomes

The expected result is a simplified assessment of the additional benefit resulting from the implementation of the Action Plan for the nation. As for the financial analysis conducted in M5-SM4-A1, the economic analysis always compares the situation "with change" and the situation "without change" i.e. without taking into account for the employment impact, human health, trade balances and environmental costs and benefits.

3. Method and tools

In this module, a simplified economic analysis to assess the impact of the Action Plan on the nation by using the method of reference prices will be conducted. There are approaches that take account of a wider range of impacts, but they require much greater means (effects method, for example).

Stage 1 Additional economic benefits generated by the production systems

- **Stage 1.1**
  - For as many investment scenarios proposed, copy and paste the models of priority livestock systems from M3-SM1-A2 &A3 to a new file and input national herd / flock numbers in the "projection" sheets and cell "H18" for ruminants and in the corresponding cells for the other species.
  - Include the economic prices in the models of the production systems used in M3-SM1-A3 to calculate the economic returns.
  - Fill in the "investment" sheet with relative cost in economic prices of the investment program allocated to the respective priority livestock systems.

- At the national level market prices (or financial analysis) do not reflect the true value of goods if there are market distortions. This is the case particularly when there are competition failures between markets or when the state disrupts the economic processes with taxes, subsidies, rules, etc. Therefore, the economic analysis will substitute the market (financial) prices with the economic reference prices for goods. Reference prices, also known as economic prices, reflect the true economic value of goods and services. To determine the reference prices, we differentiate between exchangeable goods and services, in other words goods and services that can be exported or imported, from non-exchangeable goods.
- For exchangeable goods, their parity price is used, in other words the CIF price for the imports at the border plus the costs of transport to the market and, possibly the cost of processing required before sale. On the other hand, for exportable products, the FOB price minus the costs of transport to the border, and eventually the cost of processing, is used.
- For non-exchangeable goods, the financial transfers (taxes, etc.) are deducted. For the internal production factors, such as land, work, etc., their opportunity costs are used, in other words the maximum price for the value of the goods outside the sector. Once these economic prices have been determined, they have to be integrated into M3-SM1-A3 ("without change") and ("with change"), changing the "Financial" option to "Economic" at the top of the red sheet "Diagnosis". The file then automatically takes into account the prices indicated in the columns "economic prices" and all the other data in red (family labor, for example) to calculate the results. Thus, the economic results for the production systems are obtained.

- **Stage 1.2 Aggregate the EIRR for the livestock systems in a synthesis table:**
  - Tool : m5_sm3_a5_TOOL_IRRscenarios.xls

Stage 2 Calculate and compare the economic costs of the action plan (optional with COSTAB)

- If the software program COSTAB is used to estimate the costs of the action plan, it automatically calculates the economic costs as a function of the basic costs calculated in M5-SM3-A2 (excluding taxes, etc.).
- Compared to the opportunity rate of capital investment for the nation, the EIRR rate shows whether it is worthwhile for the nation to invest its resources in the Action Plan. The COSTAB program also automatically conducts an analysis of the sensitivity of this rate to increases in costs or to reductions in benefits.

Sub-module M5-SM4: Implementation arrangements

1. Objective

To describe the implementation arrangements, including the financing plan and the implementation chronogram.

2. Expected outcomes

An implementation plan, which specifies the oversight arrangements, the institutional responsibilities of the different stakeholders, the financing plan and the timing of the different operations.

3. Activities

In direct negotiations with all authorities, in particular the Steering Committee, define the responsibilities of all parties involved.

Activity M5-SM4-A1: Definition of financing plan

1. Objective

To prepare a mutually agreed financing plan for the strategy or project investments, in line with the respective responsibilities of the stakeholders, and using the most appropriate financing instruments.

2. Expected outcomes

Completion of the cost table with sources and amounts of funds

3. Method and tools

Based on the cost table **m5_sm3_a2_EX_cost_plan.xls** sources of finance will be defined.

4. Further information

SAILS (Chapter 5) provides an overview of the various funding instruments available. For the convenience of the operator, this overview is also provided in

- Note: Financing Instruments for Livestock development

m5_sm4_a1_NOT_finance_instruments_EN.pdf [97 kB]

m5_sm4_a1_NOT_finance_instruments.pdf

Financing Mechanisms for the Livestock Sector

The **financing and incentive mechanism**s to promote the above described technologies depend to a large extent on the decision whether the support is planned for public or private good. Recommendations to help the decision are provided in Annex table 1.

(a) The possible **financing mechanisms** are:

- *Direct funding* is mostly used for supporting public good services, such as public veterinary, and most research and advisory services. This can be channelled, either to a government agency or to a subcontractor. One of the main issues in direct public sector funding is the highly variable level over time, as donor support or government budgets change. At least partial cost recovery of non-pure public sector services, for example, for the non-salary operating costs (if the revenue from such user fees can be used by the service that originated the revenue) can help to maintain sustainability.

- *Matching grants* or partial support by the public sector is used, if and when the beneficiary(ies) contribute(s) on the other part. This form is most common for investments which are (a) not a pure public good, but are justified under the infant industry argument (see below); and (b) preferably hardware (infrastructure) investments, as they are mostly of limited duration and allow more easily to define their total costs. Examples are, in particular, in the collection (cooling tanks) and processing (slaughter houses, dairy) sector or occasionally for investments at the input side (AI stations).

- *Government investment with lease to private operators* is recommended if the private sector is not yet solidly established with a proven performance record and full transfer of property is risky.

- *Government investment with renting to private operators* is recommended in situations with weak private sector capacity.

(b) Other **incentive mechanisms** include:

- *Tax benefits* (reduced taxation) are often used in other parts of the developing world, for example to promote a better geographical spread[1] of intensive pig farms in Thailand, to reduce the environmental pressure of these farms.

- Imposition of *import tariffs* can be useful to protect local production, in particular as it develops and is still in its infant stage. It is also justified in the form of countervailing tariffs against subsidized exports ("dumping") from OECD countries, although the increase in commodity prices, in particular of milk and meat has reduced dumping.

[1] Gerber

- The introduction *direct subsidies* for the consumption of animal products to poor and vulnerable groups, such as school children can also be an important force to develop local production, as has been shown, for example in Kenya.

- *Issues:* Ensuring the sustainability of direct funding or other incentives is probably the most critical issue. While initial subsidies and protection, in particular for a private good, might be fully justified from a social viewpoint (the so-called "infant industry" argument), if continued over a longer period, such support can easily crowd out the private sector of providing those services, or lead to inefficiency. It might also drain away scarce resources from support for other, more essential public goods. For example, support for loss making parastatal ranches has impinged on the capacity of veterinary services to protect national herds. Moreover, phasing out such payments is often politically sensitive.

- *Promising developments and success stories:* Sub-contracting specific veterinary functions to private providers, although still not generally accepted in SSA is now becoming generally accepted in many SSA countries. In Kenya, the school milk program, with direct subsidy on the product has greatly increased dairy consumption. Matching grants have now been used with some promise in Nigeria and other West African countries.

- *Indicators:* Trends in the normal indicators used to define the level of protection of a sector, such as the Producer Support Estimate (PSE) or if not available, budget allocation for the livestock sector in relation to agricultural GDP and overall GDP give an indication of government's commitments to the sector.

- *Costs:* Not applicable.

- *Literature:* ALive Trade and Subsidy and Dairy Policy Notes, World Bank (2008).

Activity M5-SM4-A2: Expected outcome and risks

1. Objective

To prepare for demonstration to decision makers the results of investments and the concomitant risks.

2. Expected outcomes

A table with the main outcomes, based on the CAADP pillars, and the main risks to achieve these outcomes.

3. Method and tools

Based on the result framework in SM2, and the results of the modeling exercises in M5-SM3-A1, an table with the main quantitative outcomes, resulting from the investments is prepared.

- **Tool: Model of a result framework**

m5_sm4_a2_TOOL_outcomes_EN.xlsx [9 kB]

4. Further information

Together with the earlier provided overview of the result framework from IFAD, an additional source can be the publication of the World Bank on result frameworks.

Activity M5-SM4-A3: Definition of implementation arrangements

1. Objective

To describe the implementation arrangements, including the oversight and consultative arrangements and the respective individual responsibilities of the stakeholders.

2. Expected outcomes

- A document on the governance of the operations; and
- Tables, which, for each task to be implemented, provide the institutional responsibilities of the different stakeholders for the implementation.

3. Method and tools

- **Governance and oversight** Overall oversight of a major strategy or investment operation is often entrusted to a high level Steering Committee. This is often composed of all the stakeholders, and can be the "Coalition for Change" constituted at the beginning of the exercise in M2-SM1-A1. Experience, for example in the HPAI campaign, seems to indicate that steering committees operate most effectively if (a) they are established with a clear legal mandate; and (b), they are chaired by an official of the highest government hierarchy (Prime minister of Vice Prime minister).
- **Implementation** For the implementation, there is the choice between (i) establishing a special unit (in the case of a project, a Project Management Unit), which often has the advantage of a faster and more efficient implementation, or (ii) implementing through different government departments, which might take longer, but has the advantage of a better after-project sustainability. The choice of the preferred option depends on the Institutional Analysis in M4-SM3-A2, but ultimately is also a political choice.
- **Tool: Matrix on distribution of responsibilities:**
  - m5_sm4_a1_TOOL_1_responsibilities.xlsx
- **Public and private sector tasks** A main issue is also the distribution of responsibilities between the public and the private sector. This depends on the public good characteristic of the tasks.
- **Tool: Matrix on distribution of public and private sector responsibilities:**
  - m5_sm4_a1_TOOL_2_responsibilities.xlsx

m5_sm4_a3_TOOL_1_responsibilities_EN.xlsx [11 kB]

m5_sm4_a3_TOOL_2_responsibilities_EN.xlsx [10 kB]

4. Further information

A detailed overview of public and private sector responsibilities is provided in World Bank (2009) Minding the stock

Activity M5-SM4-A4: Definition of the work plan and timing of operations

1. Objective

To prepare a chronogram for the implementation of the project, to ensure that inputs are timely available and to enable the monitoring and evaluation as described in M6.

2. Expected outcomes

An Excel Sheet with a detailed chronogram of the activities.

3. Method and tools

The project chronogram is normally prepared for the duration of the project or implementation period of the strategy, with more detail for the initial year(s). A useful aid in representing such a chronogram is the Gantt presentation, available as software on the internet from several firms. It is very suitable for participatory interaction. A simpler form is available on:

- **Tool M5_sm3_a4 Model Work plan**

m5_sm4_a4_TOOL_workplan_EN.xls [24 kB]

4. Further information

More information on the Gantt type presentation of a chronogram of activities is provided on.

M6

Monitoring and Evaluation

Module M6: Monitoring and Evaluation

1. Objective

This module proposes to take a fresh look at how to facilitate and integrate module management with the institutional learning and change required to achieve the mandated outputs. It is built on the contention that a 'learning-based' M&E system, which involves different project/module management levels and other stakeholders in a continuous process of 'learning', can help the project management make course corrections, guiding project strategy on an ongoing basis, ultimately leading to better project outcomes. This also means of course that these activities need to be an integral part of all activities and involve all stakeholders, or at least the key members of the coalition for change. It also means that activities need to be implemented in an action-research manner. At the same time, this module also needs to satisfy the more numerically orientated and provide budgetary tracking.

Some cautionary points on M&E

Before going on to this task is it useful to raise some cautionary points on M&E. These are raised, because, as a process driven activity M&E assumes a special importance – it becomes a management tool for making mid-course corrections and fine tuning approaches and process by both the project team and by partners. However, as Biggs (2006) points out, while countless publications, guidelines and training programmes have been devoted to M&E, the problems of getting M&E procedures implemented are well documented (Biggs and Smith, 2003). Biggs (2006) points to a recent World Bank publication on good practice where it said 'M&E systems have been weak in World Bank Agricultural Knowledge & Information Systems (AKIS) and the AKIS programmes that they support' (Alex and Byerlee, 2001, p. v).

Part of the problem maybe that the term M&E, is often viewed as being synonymous with policing of activities and partners – and this is often the case! If M&E is not to become the Achilles heel of this initiative it is suggested that the language of M&E is dropped and tools are selected to achieve the institutional learning objectives that we want to achieve with this module – learning based management (LBM?) maybe?

2. Expected outcomes

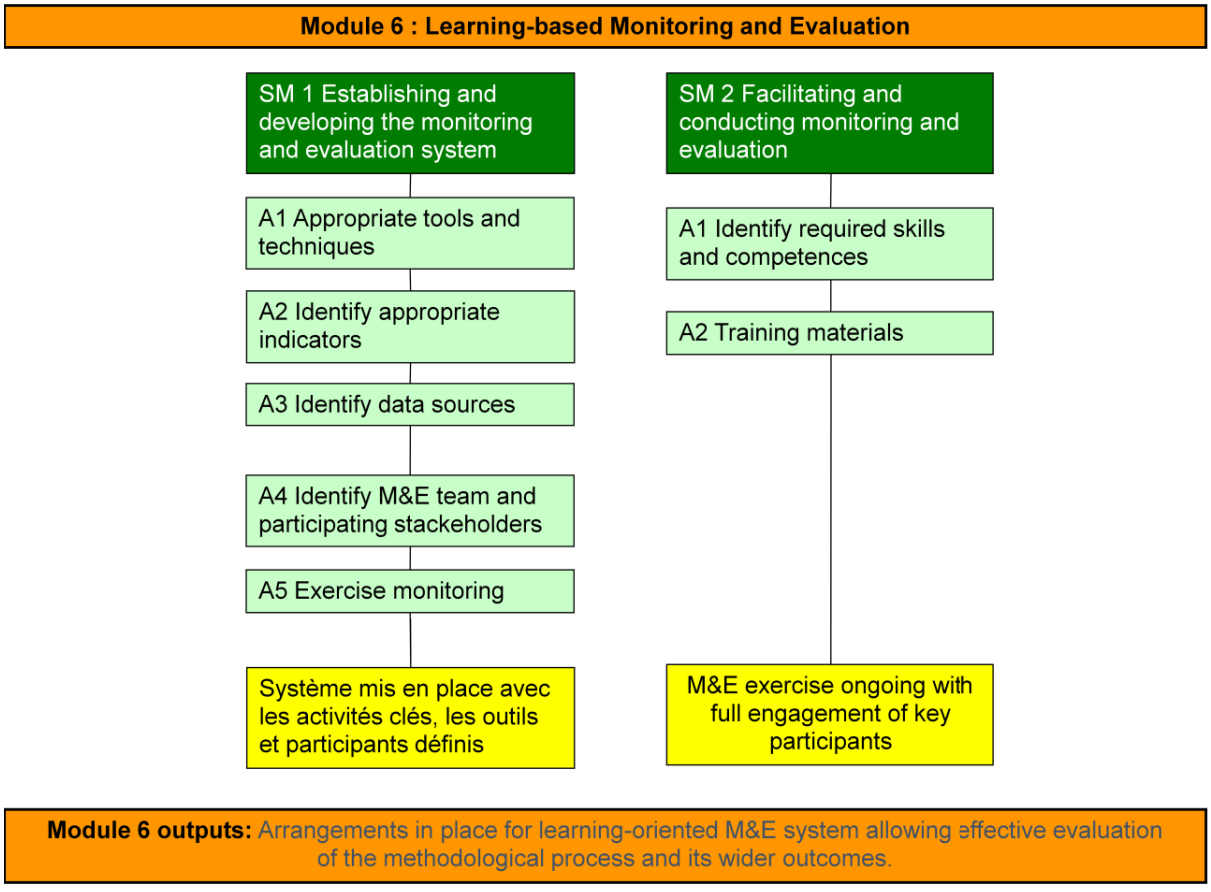
Arrangements in place for a learning-oriented M and E system allowing effective evaluation of the methodological process and its wider outcomes.

3. Sub-modules

The following component activities will be required in order to generate the *learning-based monitoring and evaluation* output:

1. Establishing and developing the monitoring and evaluation system;
2. Facilitating and conducting monitoring and evaluation;

M6_full_text_EN.pdf [347 kB]



Sub-module M6-SM1: Establishing the M&E system

1. Objective

- Implement a system of monitoring changes, processes, and reporting capacities that support an interactive learning that is effective and favorable to the poor.
- Identify qualitative and quantitative indicators
- Respond to the M&E traditional exercise needs (exploit data sources and information aggregated through the modules M3, M4 and M5)
- Create monitoring and evaluation teams.

2. Expected outcomes

- According to this model, the activities of this module should focus on the processes in the context of the continuous evolution and adaptation of the system, and where different steps (or changes) have to be defined and refined with the participants throughout the execution of the different modules.
- A monitoring and evaluation system based on learning and comprising defined activities, tools key participants.

3. Activities

- Identify the appropriate tools and techniques for use during monitoring & evaluation
- Identify the appropriate indicators to monitor the interactions evolution within the livestock sector
- Identify data sources for reference studies and monitoring
- Identify the participants and create a team of monitoring and evaluation
- Monitoring of the exercise

Activity M6-SM1-A1: Appropriate tools and techniques

1. Objective

For the purposes of this module we suggest the adoption of process monitoring. This is required as we are trying to facilitate shifts that make the PRSP process operate in more pro-poor ways and one thus needs to monitor and report changes in process. Some of the key elements of such change concerns variations in grouping of actors, partners / stakeholders, and the institutional arrangements (norms, standards, behaviour) that allows interactive learning among them to occur in more effective and pro-poor ways.

2. Expected outcomes

The emphasis of the activities under this module should be on the process as part of a continuously evolving and adapting system, where different progressive stages (or progressive changes) need to be defined and re-defined with stakeholders throughout the implementation of the various modules.

3. Method and tools

- **Process Monitoring**. Key issues and techniques for implementing process monitoring are described in this document.

 Key issues and techniques for implementing process monitoring [35 kB]

m6_sm1_a1_NOT_Process_Monitoring.pdf

Process monitoring in practice
To operationalize the monitoring it is proposed to break up the various processes that the modules are addressing into a number of distinct monitoring domains. In each domain essential questions are asked that the team(s) will need to keep revisiting as the activities evolve.

However before starting this off, it may be useful for the key team and its partners to agree on some base-line assumptions / situation in respect of the sector development context and the PRSP process as it has been conventionally organized. To make this really effective, we suggest that the core team and its broader coalition partners brainstorm on this in a workshop. Some of these assumptions may, for example, include the following:

- Roles of various actors are fixed. Assumptions about their ability to perform that role are not contested. Limited / no scope for new partners / actors to join, be included, or play new roles;
- Relatively narrow range of actors is involved in PRSP process and subsequent policy making. Processes may involve the poor, but usually either as numerical targets of technology outputs or in order to facilitate investment strategies;
- Assumptions about the nature of development / policy impact /innovation not tested or explored. Institutional arrangements, nature of relations and political economy issues not examined and reported on. No incentives for institutional learning;
- Expected outcomes narrowly defined by limited set of actors;
- Definition of the problem / opportunity and subsequent 'solutions' to be evaluated, defined by limited set of actors (scientists / bureaucrats / economists);
- Limited consultation and / or participation by wider systems of stakeholders (including the poor);

Domains
On the basis of the eventually agreed assumptions, one can move on to brainstorm about the critical questions and progressive stages (from current state to the project's future vision of the PRSP process and outcome). Again, some examples are provided:

Domain: Involvement and role of different actors per specific activity
Indicative questions e.g.: Are 'new' actors performing roles traditionally performed by others? Are different actors performing multiple or new roles? Who? In which specific activities? How do these changes manifest themselves?
Progressive stages e.g.:

Set and fixed Decided in consultation Iterative/evolving
----------→

Domain: Nature of relationships and patterns of linkage.
Indicative questions e.g.: What are the key relationships in the project? What do individual partners think about these relationships? Are these relationships and the rules that govern them evolving? How do such changes manifest themselves?
Progressive stages

One dominant member Joint implementation Joint responsibility
----------→

Domain: PRSP process management and structures by specific activity.
Indicative questions e.g.: How are decisions on different activities reached? Who is consulted? Who participates?
Progressive stages e.g.:

Use of sanctions Powers of veto By consensus
----------→

Domain: Poverty relevance.
Indicative questions e.g.: How do the processes facilitated by the PRSP process ensure inclusion of the poor? Source of information? How is this established?
Progressive stages e.g.:

Output targets consulted stakeholders coalition partners
----------→

Domain: Relevance of competencies and skills strengthened and provided by the project to PRSP processes.
Indicative questions e.g.: What are the key skills and competencies that the project delivers/ strengthens/promotes. Who is involved? How is their capacity to respond to a changing environment affected?
Progressive stages e.g.:

Technology Adapted technology contextual innovation
----------→

Activity M6-SM1-A2: Identify indicators of progressive change

1. Objective

The above described *process monitoring* activities will provide a number of qualitative indicators of progressive changes in process and capacities. Other additional indicators are identified as part of this activity.

2. Expected outcomes

Additional indicators agreed.

3. Method and tools

- **SMART Indicators**. SMART (Specific, Measurable, Achievable, Relevant and Time-bound) indicators related to [numerical] verification and planning that are refined over time should be established. Such indicators should probably established at the level of the project management only, and revisited regularly in a series of repeat workshops by the core team and key stakeholders
- **SPICED Indicators**. When collecting subjective data related to change an additional process that involves a larger group of stakeholders should be facilitated through workshops, community meetings and the like to establish a series of SPICED indicators). Given that the resources required to do this are significant it is advisable to do this with few communities in a cross-section of representative livestock production systems. SPICED indicators are defined as follows:
    - *Subjective*: Informants have a special position or experience that gives them unique insights which may yield a very high return on the investigators time. In this sense, what may be seen by others as 'anecdotal' becomes critical data because of the source's value;
    - *Participatory:* Indicators should be developed together with those best placed to assess them. This means involving a project's ultimate beneficiaries, but it can also mean involving local staff and other stakeholders;
    - *Interpreted and communicable* : Locally defined indicators may not mean much to other stakeholders, so they often need to be explained;

- *Cross-checked and compared* : The validity of assessment needs to be cross-checked, by comparing different indicators and progress, and by using different informants, methods, and researchers;
- *Empowering* : The process of setting and assessing indicators should be empowering in itself and allow groups and individuals to reflect critically on their changing situation;
- *Diverse and disaggregated*: There should be a deliberate effort to seek out different indicators from a range of groups, especially men and women. This information needs to be recorded in such a way that these differences can be assessed over time.

m6_sm1_a2_NOT_Selecting_Indicators.pdf [106 kB]

Activity M6-SM1-A3: Identify data sources for baseline studies and repeat monitoring

1. Objective

Much of the numerical data that will be used for SMART indicators should make use of the data sources and information collected under modules M3, M4, and M5 for use in a traditional M&E exercise.

Beyond this use of conventional numerical data that will emerge from the implementation of said modules, the above described process of repeat workshops and meetings will furnish the information that will allow the evaluation of progressive change and fuel a continuous process of 'learning', can help the project management make course corrections, guiding project strategy on an ongoing basis.

2. Expected outcomes

Conventional monitoring and evaluation exercise allowing effective evaluation of the methodological process and its wider outcomes put in place.

3. Method and tools

- Monitoring and evaluation - A guide for DFID-contracted Research Programmes
- What is impact assessment

m6_sm1_a3_NOT_M&Eguide.pdf [1 MB]

Activity M6-SM1-A4: Identify M&E team and participating stakeholders

1. Objective

This task should directly source the outcomes attained under sub-module M2-SM2 on the characterization of the stakeholder network.

Activity M6-SM1-A5: Exercise monitoring

1. Objective

This task is essentially an administrative one for the core team and uses the tools that were described under activity M5-SM4-A4, allowing the core team to monitor actual expenditure, and to share with, and report these figures to key stakeholders.

Sub-module M6-SM2: Facilitating and conducting M&E

1. Objective

Organizing the relevant arrangements and initiating the learning-based M&E process is likely to require significant coaching. The best approach is an inductive one, whereby people are exposed to different ways of working and helped to assess why some lead to success and others fail. In livestock communities where soft skills are generally not well develop, creating such an environment may be difficult and skilled facilitators need to be hired and / or significant mentoring of the process may be required initially.

2. Expected outcomes

On-going M&E exercise with full engagement of key participants.

Activity M6-SM2-A1: Identify required skills and competencies

1. Objective

The competencies and skills such as process monitoring, facilitation, reflection and learning required to facilitate the learning-based M&E process, particularly in its initial stages, may not be readily available in the core team or the any of the key partners. There may, however, be local pockets of expertise on workshop / group facilitation and process monitoring that may be tapped into, and such locally available resources should be explored before deciding to bring in foreign expertise.

2. Expected outcomes

Capacity building and skill acquisition needs to enable the core team to implement the learning-based M&E activities identified.

3. Method and tools

See M6-SM2-A2

Activity M6-SM2-A2: Training materials

1. Objective

For these interventions to operate effectively the perspective needs to be understood and appreciated by a cross-section of players active in the livestock sector, including policy bodies. This requires new skills; different ways of working; new partnerships; more eclectic attitudes towards the value of different sources of information; and a wider acceptance of the importance of collective knowledge and capabilities.

2. Expected outcomes

Although training helps, it is no substitute for trying these ideas out. No amount of tools and 'cookbooks' can substitute for developing this outlook through experience and implementing the above described

3. Method and tools

The below list provides some training materials that may be of useful in the acquisition of the soft skills that will aid mainstreaming of the required perspectives.

- Institutional learning and change resources
- workshop facilitation / facilitation skills
- learning and listening skills

m6_sm2_a2_NOT_Facilitating skills.pdf [887 kB]