



# FAIR PROJECT

## FARMER ACCESS TO INNOVATION RESOURCES

### Synthesis of lessons learnt

**Action research Phase 1  
2006–2007**



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Zaken**



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## ACRONYMS AND ABBREVIATIONS

|            |   |
|------------|---|
| ARD        | agricultural research and development                                   |
| CBI        | community-based institution   |
| CBO        | community-based organisation  |
| CEDAC      | Center for Study and Development in Agriculture                         |
| CP         | Country Programme   |
| DURAS      | Promoting Sustainable Development in Agricultural Research Systems      |
| FAIR       | Farmer Access to Innovation Resources                                   |
| FARA       | Forum on Agricultural Research in Africa                                |
| FFS        | Farmer Field School   |
| IAS        | Innovation Africa Symposium   |
| ISF        | Innovation Support Fund   |
| LISF       | Local Innovation Support Fund   |
| M&E        | monitoring and evaluation   |
| MoU        | Memorandum of Understanding   |
| NARO       | National Agricultural Research Organization                             |
| NRM        | natural resource management   |
| PID        | Participatory Innovation Development                                    |
| PROLINNOVA | Promoting Local Innovation in ecologically oriented agriculture and NRM |



## INTRODUCTION

There is now increasing understanding that development of agriculture and Natural Resource Management (NRM) does not follow a linear process with new knowledge coming primarily from formal research and reaching landusers through a variety of extension or service providers. An innovation system perspective on development reveals that the actual change processes are much more complex and diverse (IAS 2006). Landusers are not merely recipients of new knowledge but also potential sources and/or partners in its generation, i.e. they are researchers and innovators in their own right. Local experimentation, adaptation and ingenuity are vital for finding locally effective practices. This recognition has led to approaches to agricultural research and development (ARD) that are designed to enhance systems of local learning and innovation by multiple actors, through what can be referred to as "Participatory Innovation Development" (PID). PID builds on and strengthens local experimentation and innovation processes involving partnerships between local landusers and outside ARD agents.

Many of the current ARD funding mechanisms are intended to encourage participatory research and extension, but few give attention to stimulating and supporting local innovation and PID. In almost all cases, the funding mechanisms are managed within governmental ARD institutions. Local landusers do not regard such mechanisms as being ultimately meant for them and, despite much talk about farmer participation, the role of farmers and other landusers in deciding how these funds are used is still extremely limited. The current ARD funding mechanisms are very difficult for smallholders to access, and they require much paperwork. Although efforts have been made in recent years in some countries to open up research funds for other stakeholders through competitive bidding processes, these are still largely researcher-controlled and quite demanding in terms of administrative requirements. At the same time, evidence from Latin America shows that small amounts of money available to local innovators can help accelerate innovation and make the process locally sustainable (Ashby *et al* 2000).

Partners in PROLINNOVA, an international partnership programme promoting local innovation and PID, believe that a fundamental change in mechanisms for allocating research funding is required if small farmers<sup>1</sup>, their concerns and their own innovation capacities are to play a more central role in ARD. If such change could be achieved, it would contribute to creating a longer-term institutional basis for PID (Waters-Bayer *et al* 2005). The question faced by the partners was whether alternative, farmer-led funding mechanisms for PID could be developed that are cost-effective and sustainable?

PROLINNOVA therefore initiated systematic action research to find practical ways to set up financing mechanisms that allow local landuser groups and communities to access funds for improving and accelerating their innovative activities. These were named "Local Innovation Support Funds" (LISFs). In 2004, partners in Nepal had already initiated a pilot Innovation Support Fund using own resources. In late 2005, funding support from the DURAS (Promoting Sustainable Development in Agricultural Research Systems) project financed by the French Government enabled expansion to pilots in four other countries: Cambodia, Ethiopia, South Africa, and Uganda. This publication – the scientific report in DURAS terms – summarises the initial findings from the pilots in all five countries, covering two years (2006 and 2007). These first findings are encouraging enough for PROLINNOVA to commit itself to continue the action research on LISFs for at least another four years.

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<sup>1</sup> "Farmers" is used in a wide sense to include peasant/family smallholders, pastoralists, forest dwellers and artisanal fisherfolk, among others; the term is used here interchangeably with "landusers".

## THE CENTRAL QUESTIONS AND DIRECTIONS OF SEARCH

In discussing the LISF concept at various opportunities, the initiators realised that a number of fundamental issues would determine whether LISFs would make sense and could become sustainable.

*Firstly*, the LISF concept was developed initially with little farmer involvement but with a view to addressing farmers' needs as understood by the initiators in order to make ARD more meaningful. But would farmers need funding support to enhance their innovative work? Would they see it as a priority as compared to funds for investment in pumps, roads, seeds etc? And, if it is a real need, could this need be mobilised to create an effective demand?

*Secondly*, can applications by farmers for funding be processed properly, with decisions made and communicated in time at cost levels appropriate for requests expected to range from only 50 to 2000 Euros? In other words, can simple, lean and low-cost fund management mechanisms be found to handle this level of grants, in an environment where poverty and comparatively low levels of financial management capacity often prevail?

*Thirdly*, how can we ensure that the LISF does not become another 'outsider-run' system, hard to access by farmers and biased by external perceptions? Can farmers and their organisations play a central role in designing and managing the fund?

*Finally*, would successful LISFs have a development impact? Would successful operation of an LISF to fund farmer-led experimentation lead to the development and spread of improved methods, practices and approaches for NRM? Would an LISF therefore be a better way of spending scarce ARD resources than the conventional funding systems? What else would farmers and others perceive as important impacts of an LISF?

Very early in the process, people involved in the pilots felt that the above-mentioned concerns could be addressed only by developing and building the LISF(s) from below, starting at community level, rather than simply launching an LISF at national level and waiting for farmers to apply. Mechanisms needed to be developed jointly with farmers, made to work at the community level and then gradually expanded to higher levels or larger geographical areas. The initiators assumed that existing farmer groups or community-based organisations (CBOs) could be the main partners in this process of search for new and more effective ways to fund research and development for ecologically oriented agriculture and NRM by smallholder farmers and other landusers.

It was also realised that, in this process, a number of more autonomous LISFs might grow at the community level, managed fully by farmers, their groups or CBOs. At the same time, a need might emerge for a larger institution-based Innovation Support Fund (ISF) at a higher level – district, regional/provincial or national – that would support the emergence of many community-based LISFs and be the focal point for attracting ARD funds. The central questions thus became:

1. How to catalyse community-based LISFs?
2. How to shape the higher-level ISF and its interaction with the community-based LISFs?

## THE ACTION-RESEARCH PROCESS

Before the findings of the first two years of the LISF piloting are presented, a summary is given here of the action research process that took place and the main tools used.

### International comparison of previous relevant experiences

At the outset of the process, staff at the PROLINNOVA international secretariat in the Netherlands studied and reviewed experiences of others in operating decentralised mechanisms for agricultural and NRM research and development in efforts to improve responsiveness to local needs and interests and to encourage partnership between researchers, extensionists, farmers and other actors. Most of these experiences involved some form of competitive funding. In the review, specific attention was given to cases involving small-scale/poor farmers in rural settings (see list of cases in Box 1). The review was based mostly on the study of relevant documents, complemented in a few cases with interviews of people directly involved in the experiences.

#### Box 1: Cases included in the international review

- Competitive Agricultural Technology Funds (CATFs), as operated by many research systems all over the world
- Local Agricultural Research Committees (Spanish acronym CIAL), as developed and promoted by the International Centre for Tropical Agriculture (CIAT)
- Small-Scale Project Fund, operated by the German Appropriate Technology and Ecoefficiency Programme (GATE)
- Agricultural Technology and Information Response Initiative (ATIRI) in Kenya, co-funded by the World Bank
- Self-Financed Farmer Field Schools in East Africa (as piloted and promoted by FAO in partnership with national governments)
- National Innovation Foundation (NIF) in India, developed through the efforts of the Honeybee Network
- City Community Challenge Fund (C3F), piloted by CARE and local governments in Zambia and Uganda, among other countries
- Innovation Fund Horticulture in the Netherlands
- initial Local Innovation Support Fund experiment by Local Initiatives for Biodiversity, Research and Development (LIBIRD), coordinator of Prolinnova–Nepal

The findings of the study were documented in a comprehensive report (Veldhuizen et al 2005). The main conclusions of the study are summarised in Box 2, formulated as much as possible in the form of concrete suggestions or considerations for those designing, implementing and monitoring the LISF pilots in the participating countries. The report was shared with them, and the main findings were also presented and discussed during the international PROLINNOVA partners meeting in early 2006. The findings continued to inspire the international support staff for the Farmer Access to Innovation Resources (FAIR) project in their interaction with and backstopping of the Country Programme (CP) staff. Many of the issues from this initial review found a place in the LISF pilots in the countries, as shown in the case descriptions that follow.

## Box 2: Summary of key issues from international review of LISF type of experiences

- Include two levels in the design of the LISF – a larger, institution-based LISF supporting and catalysing the emergence of community-based innovation and learning funds – and start from the latter
- Focus LISF grants on technical or social innovations that are likely to be relevant for smaller-scale farmers and have at least no negative gender implications; make sure that information on the possibilities of the LISF also reaches women
- Give priority to applications to the LISF by groups/CBOs but allow for a small number of applications from individual farmers
- Overview of key criteria for screening applications, of eligible cost items and of issues to consider in forming a grant selection committee
- The timeframe for LISF grants is generally one season or year
- Keep individual grants small initially (between 100 and 400 Euros seems feasible)
- Consider different levels of grant volumes, each with specific administrative requirements, the smallest ones with limited administration (allowing for a fast-track procedure)
- Elaborate activity-specific simple-to-use templates for applying for funds; this would help farmers to complete the application forms and draw up the related budgets
- Pay attention to the extent that research and extension persons who are to be involved in the proposed activities have an understanding of PID and skills to support farmer-led PID. How do farmers assess this?<sup>2</sup>
- To keep administrative costs as low as possible, consider alternatives to bureaucratic procedures, such as peer review of proposals by farmers or communities, selection and recommendation by well-respected partner organisations, and use of volunteers
- Plan for a procedure to ensure full transparency about the use of grants to all involved, e.g. through signing of a memorandum of understanding (MoU) or contract to which the stakeholders have access. Can PROLINNOVA member organisations play a role in this?
- Develop a simple grant reporting format; consider distinguishing between very small grants and large ones; make sure that documentation of results is, as much as possible, part of the activities under the grant
- Be aware that LISF staff may be challenged to take up support and capacity-building activities related to LISF functioning and LISF-funded activities; if LISF staff take them up, it adds to the LISF overhead. Can these tasks be part of member organisations' regular work? Can their costs be part of the LISF grant itself?
- Importance of giving attention to the future institutional position and ownership of the LISF: how to ensure adequate farmer involvement in the discussions on the institutional setting and governance of the LISF? Allow for sufficient time to resolve the institutional issues: run the LISF in the pilot stage from a temporary setting and analyse the experience thoroughly
- Strategise future resource mobilisation for the LISF from the very beginning, as it will co-determine how the LISF is positioned; consider access to regular government funds and/or establishment of an endowment fund

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<sup>2</sup> The report suggested compiling information on PID experienced people willing to support farmer-led ARD, possibly leading to a "certification" of PID practitioners by the organisation managing the LISF or the PROLINNOVA Country Programme network.

## Country-level feasibility studies and stakeholder consultation

In the design of the FAIR programme, it was assumed that institutional, political, legal and socio-cultural conditions in each country would have a strong influence on the particular LISF approach and the specific form and arrangements for LISF implementation. Organisations involved in each country were therefore encouraged to study the local context and conditions and to develop a country-specific design for the LISF pilots, based on the general LISF concept and principles and the concrete guidelines from the international review.

The so-called “country feasibility studies” played a key role in this local anchoring of the LISF approach. More specifically, they had the following objectives:

1. To find relevant experiences in the country with decentralised funding mechanisms – both for farmers and communities and for their support agents – in support of innovation, research and development activities, and to identify lessons for piloting LISFs
2. To review the ARD-related institutional, legal and financial structures in the country in order to assess the longer-term feasibility of LISFs and to identify the best overall set-up that will enable regular replenishment of the fund in the future
3. To develop clear recommendations on how the LISF pilot should best be implemented in terms of geographic coverage, partner organisations, farmer involvement, financial sustainability, management and, particularly, monitoring and evaluation (M&E).

Three countries hired a consultant to assist in this study (Yohannes 2006, Krone 2006, Walaga 2006). In Cambodia, three organisations from three different provinces were asked to develop and propose an LISF approach for their area; this led to three design proposals (in Khmer). In all countries, the results of the studies and the proposed LISF design were discussed and improved in meetings with a wider stakeholder group, either through a regular meeting of the PROLINNOVA CP steering committee or a stakeholder workshop specifically organised for this purpose. Although this formed a strong initial basis for the pilots, subsequent interactions and learning from experiences on the ground led to important adaptations to the original design by each CP, in the true spirit of action research.

## The monitoring and evaluation approach

The decentralised design of the LISF pilots and the diversity of LISF forms and mechanisms being tested present a challenge for the (action) research. They call for a study framework that can accommodate the diversity and, at the same time, generate information comparable across countries that would help to answer the central questions formulated above. Considerable time was therefore invested in developing an M&E framework for the pilots that would help capture such information systematically. Much of the development of this framework was done jointly during a meeting of PROLINNOVA partners in Cambodia in early 2006 and was based on initial ideas from earlier email consultations. This led to the FAIR M&E framework as summarised in Annex 1.

In developing the M&E framework, the overall central questions were made more specific and operational. A distinction is made between the functioning of the LISF itself, its capacity to be effective in making funds available to farmers to support local innovation, and the impact such funding support for local innovation has on local livelihoods, directly or indirectly.

For M&E purposes, an LISF was considered to be functioning effectively if it was able to:

1. Create adequate awareness and demand among resource users and support agencies of its role so that relevant applications are generated
2. Effectively screen and decide on applications, at relatively low cost and with an important role for farmers in this process

3. Effectively disburse funds to farmers and farmer groups
4. Lead to actual utilisation of the funds in line with the application
5. Put in place an M&E system for the LISF grants
6. Develop a longer-term sustainable set-up and institutional arrangement for continuation of the LISF, again with a major role for farmers.

The M&E framework of Annex 1 identifies for each concern a number of entities for which data needed to be collected, as well as suggested tools for collecting them, to be able to arrive at well-founded conclusions. A major conclusion of the exercise of developing the framework was that information relevant to several criteria for a well-functioning LISF could be captured if each application and its process steps were registered properly. A format for a "Register" was therefore designed, using Ms-Access software, and shared with the CP-based managers of the pilots. After a number of refinements in response to comments from the managers, the register is now fully operational and doubles as a tool for M&E and for basic administration of the LISFs. A considerable part of the data reported below is based on a compilation of information from the registers from the five CPs.

With regard to the impact of the LISFs, the M&E framework distinguishes between two dimensions: i) the development and spread of agricultural innovations, including socio-economic ones, and ii) the impact these have on small farmers' livelihoods. Because of the potentially great diversity among activities funded by the LISFs, it is impossible to set in advance a limited set of monitoring indicators for impact at local level. Assessment was to be undertaken through ex-post impact studies. These studies were to look also at LISF impact beyond the direct result at the level of local livelihoods. This could include the extent to which the LISF operations had supported a change in mindset and attitude of ARD actors and/or the capacity-building impact for farmers who are leading or involved in joint experimentation, enabling them to interact meaningfully with ARD management and policymakers at higher levels. This would thus impact on the way ARD takes place in the countries.

The finalisation of formalities at donor level and the initial study and design process in the countries demanded so much time that the LISFs became fully operational only in 2007. It would have been premature, therefore, to undertake full-fledged impact studies already at this point in time. Some impact information could be gathered, however, as part of regular monitoring visits, and is included below.

## **Regular action-reflection cycles**

True to the explorative nature of the action research, the designs and approaches during the pilots were modified periodically after reflection on experiences and interaction in practice. To a considerable extent, this was done within the CP coordination teams for the LISF. The multi-stakeholder PROLINNOVA National Steering Committee in each country sometimes provided a platform for more systematic reflection and adjustment of strategies. Interaction with farmers and community members formed the largest source of new ideas for modifications. For example, the farmer groups involved in Cambodia introduced payback rules on grants received from the LISF. Interaction with farmers in South Africa made the LISF coordination team reconsider its original intention to establish a legal trust for the LISF up front; it decided instead to support the farmers in establishing a voluntary association as a precursor to the eventual formation of a trust.

The interaction with other CPs and international resource persons about LISFs provided a second opportunity for reflection and replanning. Such opportunities were created through:

- Two international meetings: specific days or sessions on the LISF concept and practices were organised linked to the PROLINNOVA International Partners Meeting in Cambodia (March 2006: LISF concept, experiences from Nepal, findings from international review, design of

M&E system) and in Senegal (March 2007: LISF design in all countries, first experiences in South Africa and Cambodia, design and use of M&E register)

- Regular telephone conferences (2–3 per year) to present and discuss progress
- Exchange amongst countries of relevant formats, lists of selection criteria etc.
- Exchange and support through the international resource persons; to a considerable extent, this was provided through regular email communication; interaction between country-level teams and international resource persons also took place as part of the annual backstopping visits of International Support Team members to each country; specific LISF-focused support visits were also undertaken to Ethiopia, Cambodia and South Africa.

At the end of the project period, all partners met again for a “writeshop” in Ghana in March 2008, immediately before the annual PROLINNOVA International Partners Meeting. This time, all five CPs brought to the meeting their draft reports on the LISF pilots and presented the main results and lessons learnt. Based on feedback received from their peers during this meeting, they redrafted and finalised their country-level reports, which have been the main source of information for drafting this synthesis report (see list of reports under References). The writeshop also provided a platform for jointly distilling the main lessons learnt across all five countries, as discussed later in this report. In the next chapter, the five country cases are introduced and their main features summarised.



Sharing and analysis of LISF experiences across countries during the 2008 write-shop in Ghana  
(Photo: PROLINNOVA International Secretariat)

## THE FIVE CASE STUDIES

### Implementation realities

The contract between DURAS and PROLINNOVA was signed in September 2005, and the project was to run for a two-year period up to 30 August 2007. An extension was then granted to March 2008. Currency exchange delays were experienced in the processing and transfer of funds to each country-level partner. Once funds found their way to the CP, the PROLINNOVA CP and local FAIR project partners needed some time to develop the detailed plan of implementation of the a pilot. The first feasibility study (in South Africa) was completed in February 2006, while the others came through in mid-2006. After this phase came the more challenging task of working out in each country what to do and how to do it. This included, among other things, activating the partnerships at country level, critically assimilating the findings of the feasibility study, engaging where possible with local farmers to obtain their inputs and then formulating an implementation plan with guidelines for operation. Given all of this complexity, it was not until late 2006 or even early 2007 that actual operation of LISFs commenced. Thus, the effective period of operation of LISFs in the various pilots is now about one year. This is long enough to generate an important list of lessons learnt, but far from adequate to be able to assess the LISFs according to the main criteria for good functioning and to answer fully the two key questions.

The strength of the process described above is that all pilots have truly been developed at the country level rather than by the international support team. The pilots have been informed by the feasibility studies, by experiences from the NGOs engaged in regular work with resource-poor farmers, as well as by the interaction with farmers and their organisations during the pilots. This process gave an opportunity to capitalise on local experiences and history of partnership work and capacity building. The variety and form of this previous work, and the wider context of farmer capacities and of government programmes and practices, have had a bearing on what has been possible in each situation. Table 1 summarises the key features of the pilots in the five countries.

**Table 1: Design features of LISF pilots per country**

| Country        | Application logic   | Structuring mechanisms   | Type of research funding   | Scale                        |
|----------------|---|--|--|------------------------------|
| Cambodia       | Farmers with their Farmer Association apply to NGO/ Provincial Government | Builds on existing groups that have savings & lending activities | Loan plus interest (2–4% pm); if experiment failed, interest free loan | Three provinces              |
| Ethiopia North | Farmer/group applies to NGO   | From NGO to group/ individual                                    | Grant; 20% equity contribution   | 1 District ( <i>Wereda</i> ) |
| Ethiopia South | Farmer group applies to CBO   | From CBO to farmer group   | Grant; 20% equity contribution   | 1 District ( <i>Wereda</i> ) |
| Nepal          | Farmer applies to PROLINNOVA Committee                                    | Contract, deposit in account or cash in stages from NGO          | Grant  | National moving to local     |
| South Africa   | Farmer applies to multi-stakeholder panel                                 | Contract with farmer from NGO, moving to CBO                     | Grant; 20% equity contribution   | Three villages               |
| Uganda         | Farmer applies to Farmer Committee of CBO                                 | Contract with farmer; CBO bank account                           | Part loan, part grant, variable across sites                           | Four districts               |

The above differences have led to important differences, too, in the realisation of grants to farmers, as shown in Table 2. Where a CBO or farmer group played a central role in the granting process, the number of applications received and approved is generally higher, but the amount per grant relatively small, and not yet including costs of technical support by extension or research staff.

**Table 2: Realisation of LISF grants per country**

| Country        | Applications | Approved   | Female (individual applications) | Range of size of award (US\$) | Observations: individuals vs. groups      |
|----------------|--------------|------------|----------------------------------|-------------------------------|---|
| Cambodia       | 81           | 57         | 30%                              | 9 – 105                       | Individual applications filtered by group |
| Ethiopia North | 10           | 10         | 20%                              | 75 – 285                      | Individuals                               |
| Ethiopia South | 11           | 10         | 25%                              | 220 – 310                     | Groups of 4–5 persons each                |
| Nepal*         | 39           | 21         | 0%                               | 48 – 730                      | Mostly individuals                        |
| South Africa   | 53           | 7          | 20%                              | 728 – 2,334                   | Mixed/ unisex groups and individuals      |
| Uganda         | 80           | 55         | 47%                              | 23.5 – 117.60                 | Three group applications only             |
| <b>TOTAL</b>   | <b>274</b>   | <b>160</b> | <b>28.4%</b>                     | <b>9 – 2,334</b>              |   |

\* The period of operation of the ISF in Nepal goes back to 2004; it operates more as a national ISF.

It is important to note that the above was realised under relatively adverse project administrative conditions. Budgets were small, compared to the complexity of the endeavour and the challenges faced. A compounding factor has been the detailed administrative requirements of the donors that led to delays in disbursements of funds. These procedures were not conducive to facilitating partnership operation over a great number of partners and countries. As a result, some partners had to advance funds for more than a year in order not to frustrate people in the field and had to spend long, unpaid days in sorting out formalities. This was particularly true for the coordinating partner in South Africa. These factors have affected partner morale and led to some hesitation in implementation.

## Cambodia

In Cambodia the pilot started off quite slowly, as the lead partner – an NGO called the Center for Study and Development in Agriculture (CEDAC) – grappled with understanding the concept and with coming to grips with technical formulations in a foreign language. On the other hand, CEDAC had a strong platform on which to develop a strategy with local partners and farmer groups. It has had a decade of experience in building local farmer organisations around principles of self-reliance, collective organisation and action, as well as social and economic empowerment. In one LISF pilot province, a considerable number of farmer organisations had developed capacity to manage and generate funds and to render financial services to its members (through group-based savings and lending).

This backdrop created a very strong foundation for group-based LISFs. The uniqueness of the Cambodia model is that these farmer groups were asked if they were interested in the LISF pilot and, if so, to send in their applications. Out of these, CEDAC staff together with farmer representatives jointly chose the farmer groups to be involved in the pilot. Remarkably, these farmer groups or associations adopted policies for their LISF that involve funding support for their research and experimentation efforts through loans, on which interest is charged, except in cases where experiments have failed. In this instance, only the capital portion has to be repaid.

Considerable time was needed to develop partnership understanding in the two other provinces chosen for LISF piloting. This included the provincial Department of Agriculture in one case. Here, the government received funds and transferred them on to group-based applicants. This created an interesting precedent for a government entity, showing its impressive responsiveness to an opportunity for learning and serving farmers. CEDAC managed to facilitate a coherent set of principles and practices across the three provinces so that similar rules and procedures have been applied in all of them. The initial mechanism for triggering transfers to local farmers is by way of several individual farmer applications which are endorsed by their farmer association and jointly submitted to the provincial level. In this way, the association plays a quasi selection role and harnesses the collective wisdom of peers as well their impression of the capacity of the applicant to undertake the experiment. They have applied practices and habits developed in their lending activities.

As a result of this process, 57 applications were approved and related funds disbursed, quite small amounts of money in all cases. The resources were used for farmers' own experimentation, with technical support from either NGO or government extension staff. In cases where the grant period was over, funds received have been repaid to a newly established fund within the Farmer Association which is to be maintained for new applications. It must be noted, though, that costs of technical support were not included in the grant given to farmers. These hidden costs have been covered by project or government budgets.



LISF supported experiment by farmer Sar Kimsun to compare 2 chicken feeding systems (Chickens outside the shelter are fed with natural feeds, chickens inside with feed bought from the market)

## Ethiopia

The pilot process in Ethiopia has evolved in two regions, in the north (Tigray Region) in Axum, and in the Southern Region in Amaro. Each has an NGO taking responsibility for the introduction of the LISF concept. The North is characterised by relatively low levels of farmer organisation but much farmer initiative and self-help. The lack of farmer organisational structures has made it difficult to find ways of achieving direct farmer management of funds. The legal environment is a further complicating factor. However, there are now steps underway towards establishing a new farmer-based association that will assume responsibility for LISF management at the community level. This association has recently secured official registration status and can now legally hold funds and be recognised by banks as eligible to receive fund transfers. In the interim, the local supporting NGO – the Institute of Sustainable Development (ISD) – has acted as a conduit for fund management.

In the South, the LISF pilot could build on several years of intensive capacity building of farmers through the supporting NGO – Agri-Service Ethiopia (ASE) – and other NGOs such as FARM–Africa. These NGOs share the founding principles and philosophy of PROLINNOVA. Farmer Field School (FFS) programmes have strengthened local farmer organisation, linked into the existing structure of community-based institutions (CBIs) at various levels. The CBIs are registered entities with bank accounts and have thus been able to assume responsibility already for LISF management.



An Ethiopian farmer researcher showing the distinct difference of treatments for controlling enset bacterial wilt  
(Photo: PROLINNOVA Ethiopia)

The number of grants approved (10) has not yet been very high in the North. In the South, the same number of grants has been approved, but each grant is for a cluster of at least four farmers. Building on previous FFS experiences, the farmers were able to clearly identify common priority problems to be addressed through the LISF. Most of the proposed experiments have commenced, and results are beginning to come through. This clustering approach implies fewer applications for funds, but has the advantage of combining the capacities of farmers and having ready-made platforms for dissemination of results and learning. As in Cambodia, the costs of technical support staff have not yet been included in the grants to farmers.

## Nepal

Nepal is included in this report, as it brings additional experiences and learning into the collective PROLINNOVA LISF piloting process. It has a longer history of ISF, with operation dating back to 2004. It started out as an NGO-managed fund to which farmers could apply. Its scale is national, with access being open to all farmers, though in practice mostly farmers with a history of collaboration with the LISF piloting organisation. In 2006, the project was absorbed into the PROLINNOVA programme and was linked with the FAIR project without, though, being co-funded by the project. This expanded possibilities to involve other partners in the country, allowing applications to be channelled through these, and also paved the way for inclusion of the Nepal CP in the next phase of joint piloting of LISFs. The original model in Nepal led to a relatively low number of grants per year. PROLINNOVA–Nepal now plans to decentralise and work towards establishing a local-level LISF institution that is managed by farmers. At the same time, it wishes to retain the national ISF and explore how it can continue to offer support to individual farmers outside of the PROLINNOVA LISF areas of operation.

## South Africa

Over the past decade, South Africa has seen a rapid erosion of farming capacity, except in the more formal, large-scale, capital-intensive sector. Policy measures and support practices have meant that resource-poor farmers have diminished in number and faced a hostile environment with little support from government. A very weak education system, a drain of capacity to urban opportunities, severe levels of HIV/AIDS and tuberculosis, social transfers in the form of government grants, and a growing grant-based approach to development have all created an especially challenging environment for LISF operation. Dependency has tended to prevail over self-reliance and local initiative. It was therefore concluded by Farmer Support Group and SaveAct that further complementary activities be undertaken to assist in developing a more self-reliant local culture built around farmer action related to livelihoods, economic literacy, financial security, social capital associated with collective action, and PID. Funds have just been obtained locally to this end.

The LISF piloting was undertaken in three adjoining villages where the three partner organisations all had some prior experience and where they enjoyed a good relationship with the local communities. This has proved very important in enabling the introduction of a project that was not readily understood at local level.

Implementation in South Africa has tended to run slightly ahead of the other CPs and has generated ideas in the design and early experiences which were of value for the other pilots. These included the development of selection criteria for applications, the preparation of application forms and the procedures for selection. A joint committee consisting of NGO and government staff and local farmers has been responsible for screening and selecting applications. As would be expected, many initial applications were aimed at seeking inputs for normal farming operations or construction of public infrastructure. It has been a substantial leap for many land-users to understand the purpose of the LISF and how they can engage with it. One valuable mechanism to address this has been the organising of innovation market days, where farmers were encouraged to introduce their ideas and practices. This helped develop an understanding of what the LISF approach is all about and, over time, applications submitted have become more relevant.

In the end, seven applications could be approved. Unlike the case in other CPs, some grants did include costs for technical support, as research involvement was factored into the design of the applications. Steps are now well underway to secure the establishment of a local farmer-led institution to take responsibility for managing the LISF at the local level, and this is also expected to increase the number of relevant applications.



Amazizi Cooperative member with Craft Grass joint-experiments

## Uganda

The Ugandan pilot was implemented in an area where the supporting NGO – Environmental Alert – had substantial previous experience in promoting farmer-led development. It could build on relatively strong local CBOs with prior experience in managing funds, though mostly for covering costs of conventional farming inputs. Initial selection of CBOs to be involved in the pilot was based on their institutional strength, their experience in handling funds and their track record in working with farmer-led experimentation and innovation. The pilot involves four village sites in the Central Region, each with an already established CBO.

Interestingly, in three of the four cases, these CBOs – like in Cambodia – also chose to secure a partial payback of funds from farmers to their LISF, in order to contribute to fund maintenance. In one instance, it appears that the assumption of the role of managing an LISF has prompted the CBO to consider embracing also a savings and credit model to further enhance financial services for members.

The Ugandan model has resulted in a relatively high number of grant applications and approvals, almost 50% involving women! Themes on which the farmers are currently focusing in their research are shown in Table 3.

In Uganda, as in the other countries, a challenge has been to achieve an understanding that LISFs funds are not for covering the costs of farming inputs but rather are reserved for locally relevant experimentation which, if successful, may also have wider benefits for improved practices in the community. In some of the grant awards, this distinction is not yet clearly established. However, it is still early in the piloting process and the local CBOs are attending to such issues.

**Table 3: Approved LISF grants in Uganda per theme**

| Theme                       | Number of approved grants |
|-----------------------------|---------------------------|
| Soil fertility              | 5                         |
| Crop management             | 25                        |
| Agro-processing             | 18                        |
| Animal husbandry            | 16                        |
| Soil and water conservation | 3                         |
| Other                       | 12                        |

The pilot experiences in Uganda take place against the backdrop of perhaps the most enabling policy and institutional environment. This is a major advantage, as national research agencies such as the Uganda National Council for Science and Technology and the National Agricultural Research Organization (NARO) are increasingly playing a support role to the pilots and participating in learning and reflection dialogues with NGOs and CBOs. It will be a substantial boost to the experience if these agencies can be drawn further into the next phase and can assist in M&E and documentation. Farmers themselves also confidently articulate their views in a variety of platforms, including at the recent PROLINNOVA International Partners Meeting in Ghana.

## ANALYSIS AND FINDINGS

The experiences of the five pilot CPs allow us to start assessing the extent to which the six central criteria for good functioning of LISFs have been achieved.

### Adequate creation of awareness and demand

Table 2 shows that a total of 274 applications was received over all the five CPs, out of which 160 were found to meet the LISF criteria and could thus be approved for funding. This is a first indication that the LISF pilots were able to create awareness and an effective demand. At the same time, there are important differences between the countries. Particularly where LISF management was decentralised fully to CBO level, a higher level of good (i.e. relevant) applications was realised. It is also important to realise that the application data basically refer to one year only: 2007. One would expect awareness to increase gradually with time.

The case studies report a variety of methods and approaches used in setting up and operating the LISFs. Quite often, information about the LISF was presented to farmers and communities through visits by NGO staff in their regular project areas or project activities. Once CBOs became involved, their meetings formed the main platform for awareness-raising. This was followed by local farmer-to-farmer exchange. In several countries, mass-media approaches were added to this: posters pasted on trees, local radio broadcast and even newspaper coverage of LISF granting. It is yet to determine which approach has been most effective in creating awareness and demand.

It must be noted, though, that in a number of cases considerable efforts were needed from the LISF coordinating organisation or its key partners to transform a farmer idea or demand into a grant proposal that could be processed. This was the case particularly in South Africa. The ideas from farmers for LISF support implied in a number of cases the need to identify interested researchers or other resource persons to work with the farmers and then to work with these and the farmers to arrive at a solid proposal and clear agreement on the compensation level for the resource people. The costs involved in this process, especially in terms of the time of staff involved, have been carried by the relevant organisations. Where the farmers' interest went towards own experimentation, i.e. without the support of resource persons, the provision of simple application formats in local languages was enough to help create fundable proposals.

### Effective mechanisms to process applications

Two main models for processing applications emerged from the pilots, each with variations. One is a more centralised, multi-stakeholder approach and the second a fully decentralised, farmer-managed approach. To a certain extent, the Cambodia case combines both approaches.

In the more centralised approach, farmers' applications are sent to a facilitating organisation, while key partner organisations and farmer representatives were invited into the screening committee that formulated criteria and took major decisions. The main advantages of this approach are: i) learning takes place between farmers and the support agencies on what should be funded; and ii) generally the quality of the screening in terms of meeting the LISF principles is strong right from the beginning. Its disadvantages are: i) reduced accessibility for small-scale farmers, leading to lower number of applications; and ii) relatively high costs (transport, allowances for attending meetings, time/salaries of agency staff involved). However, it proved impossible to compile detailed data on these costs across all countries.



Multi-stakeholder LISF Screening Committee assessing applications in South Africa

In the decentralised model, screening is the responsibility of the respective CBOs, which generally form their own committee for this. The facilitating agency assists the CBO in setting criteria and organising the screening process, e.g. by providing forms. In this approach, accessibility for small-scale farmers is relatively high and the costs involved in the screening very low. The disadvantage may be the initially lower levels of quality of the screening when farmers are learning the principles of the LISF. There is also the danger that LISF grants are limited to farmers' own experimentation, as there are no in-built mechanisms for other stakeholders to interact with farmers in the screening process.

While Cambodia by and large follows the second approach, it has the additional mechanism in which CBOs have to apply to start up their own LISF, rather than the agency looking for interested CBOs. Screening of the CBO proposals with stakeholder interaction potentially offers a possibility to bring others on board.

Interesting enough, the screening criteria developed and used in the pilots are very similar in all countries irrespective of the screening model.

### Box 3: Main screening criteria for LISF grants across all countries

- It must be one's own idea
- If a technique is being developed, it must be technically, economically, environmentally and socially sound
- Replicable amongst the poor and vulnerable
- The value addition achievable through LISF support
- The applicant must be willing to contribute at least a certain percentage of the costs of the total budget of the activity for which support is requested, which could also be in kind
- Applicant must be willing to work according to an agreed plan (MoU)
- Applicant must be willing to monitor, record progress and report to a PROLINNOVA partner or the CBO
- Applicant must be prepared to share his/her results with others, receiving visitors, teaching others

Initial data suggest that the average time needed to process an application from its receipt by the screening body to final decision-making has been less than 30 days in the case of the four CPs that are engaged in the DURAS-supported pilots. This is an indication of the effectiveness of the screening process so far.

## **Mechanisms for disbursing funds to applicants**

The five country-level studies show that disbursements to farmers could be done effectively in all cases and in good time. However, this required some creativity. The rural banking system in Cambodia being limited, most disbursements were made in cash. In other cases, the disbursement pattern was from the coordinating agency to another NGO, government department or CBO using their bank accounts and then to farmers in cash. Even then, CBOs leaders had to travel up to 100 km to access the bank accounts. In South Africa, the new CBO was assisted in establishing an account while, in Uganda, an existing bank account of a CBO had to be revived.

The CPs in Nepal, Uganda and South Africa used formal contracts as basis for fund disbursement, either between the NGO and CBO or between the NGO and farmers.

## **Utilisation of funds**

Considerable time and effort was needed in all countries to develop clear criteria as to what could be funded by the LISF and for what purposes. Interaction at the level of the NGO staff involved and with the respective CBOs to develop these criteria helped strengthen the understanding that the LISF is a new kind of experimentation or research fund and not a conventional investment or development fund.

In practice, the majority of LISF grants were used to fund experimentation by farmers or farmer groups on a great diversity of innovative practices. However, there is a need to continue reflection within the LISF pilot coordination teams and the CBOs on what costs could be covered to maintain the focus on experimentation to generate and spread new things that work. In South Africa and Uganda, several grants were given to support farmer cross-visits.

It is clear from the five pilots that many costs related to implementation of the LISF-supported activities are often hidden, and not included in the grant to the farmers. This refers, for example, to technical advice given by field staff during visits to farmers or training events, when these costs are covered by the organisations involved from other sources. In future pilots, it will be important to make these costs explicit. It can then be decided whether or not these could and should be included in the grant received by the farmer for her/him to pay for the support received.

In four out of the 160 grants, there was some diversion in the use of the funds. In one case, funds were used by the CBO for a development activity, different from that for which was applied. In two cases, costs budgeted were found to have been inflated as compared to what would be needed while, in one case, implementation of the supported activity is considerably behind schedule. All in all, this low portion of grants (2.5%) not fully used for intended purposes appears to be evidence of the effectiveness of local social and organisational control mechanisms.

## **M&E of LISF grant system**

The M&E of the LISF grants is only partially in place as yet. It has become clear that it can be done well without incurring high costs only if a considerable part of the M&E is done at CBO level. This is effectively being done already in Uganda, Cambodia and, partly, Ethiopia: CBO or

group leaders visit LISF grantees regularly and record key observations. Written grantee reports have been received on only three of the 160 grants (all three in Nepal). In other cases, field staff have recorded key progress during their field visits and included this in reports covering a number of grantees. In the long run, the most effective way to capture farmer-level M&E information is probably by asking all grantees in an area to present their findings in a CBO or community meeting to be documented by field staff or CBO leadership.

| Field visit subform |  |
|---------------------|--|
| Date of field visit | Main Observations  |
| 6/17/2007           | The compost start to decompose at the bottom of the pith       |
| 6/30/2007           | The owner turned the pith two times already                    |
| 7/1/2007            | 50% of the compost was decomposed                              |
| 8/6/2007            | Use the compost in rice field                                  |
| 9/11/2007           | The rice growing in good condition (19-22 tillage per clump) * |

Example of LISF grant implementation monitoring done by a farmer association committee in Cambodia

CBO-led M&E is being complemented by M&E visits of the LISF-related staff. Here, the cost factor obviously becomes critical. To reduce costs, these visits need be strategically planned and/or can be delegated to partner organisations closer to the LISF operational area. In Nepal, MSc students have been found interested to study LISF grant implementation. This can contribute to M&E.



The LISF executive committee of the CBO and beneficiaries discuss progress of their activities supported by the LISF with the backstopping team  
(Photo: PROLINNOVA Uganda)

## Longer-term sustainability

The LISF piloting is done with the ultimate vision to develop a longer-term sustainable system for farmers to access innovation resources, co-managed by farmers. The evidence from the current pilots suggests that considerable progress has been made in achieving this at the community level, by decentralising fund management to existing CBOs or farmer groups. These CBOs have shown both interest and capacity in handling a community-based LISF. Management costs have thus been reduced considerably. Payback arrangements agreed within

the CBOs, as shown in Table 1, will contribute to replenishment of funds at that level, although actual repayment data are becoming available only now.

There is less clarity at this point in time on the longer-term sustainability and related institutional framework of the functions now performed by the LISF coordinating agencies and their partners. This refers, among other things, to catalysing community LISFs in new villages, screening potential CBOs for eligibility to be involved, providing technical support to them in starting their LISF, raising funds from regular research and development sources in the country to feed into the institutionalised ISFs, managing these funds and disbursing them to CBOs for community-level LISFs, and providing M&E complementary to the CBOs' own M&E. Emerging mechanisms for this include the forming of multi-stakeholder LISF committees, with farmers involved in community LISF management, but the appropriate longer-term institutional framework for this and the local funding base have yet to be determined as the pilots continue.

## IMPACT OF LISF AND THE SUPPORTED ACTIVITIES

To begin answering the question of LISF impact, we look more generally into assessment of the wider relevance of the LISF and of the activities it supports. The M&E framework distinguishes four subsets of issues:

1. The extent to which LISF support has led to development of improved land-husbandry practices and systems
2. The extent to which these practices and systems have spread among farmers, and the impact they had on local livelihoods
3. The change in capacities of farmers and other landusers to access relevant information and to develop locally relevant technical and socio-organisation innovations
4. The change in openness and interest of ARD agencies to support and work with local innovators and groups.

The major instrument planned to assess impact is formed by the “focused impact studies”. At the present stage of the pilots, it was too early to undertake these studies in order to assess impact of the LISF grants at the level of the grant recipients and even more so at the level of the community and beyond in terms of improved livelihood (issues 1 and 2 above).

The country-level case studies do show some initial signs of improved capacity at the level of individual farmers and landusers and their organisations, as well as at the level of ARD agencies (issues 3 and 4 above). Involvement in the LISF pilots has helped build the capacities of farmers to formulate their own research and development needs and has strengthened their confidence to interact with outsiders such as staff of the Department of Agriculture (Ethiopia) or scientists (South Africa) in trying to meet these needs. In South Africa, where people were accustomed to handouts from NGOs and government, they are beginning to understand that they do not have to depend on hand outs. The notion of discovering is opening up.

More noticeable is the increased capacities of the farmer groups and CBOs in handling their own ARD funds through the LISF. In Ethiopia and South Africa, local CBOs are evolving out of the LISF interaction and are taking increasing control of their LISFs. In countries like Cambodia and Uganda, existing groups and CBOs were assisted in strengthening their management structures to handle LISFs and in establishing or reviving bank accounts.

As far as impact at the level of conventional ARD agencies is concerned, there are a few initial promising signs. In Southern Ethiopia, the growing confidence of the farmer groups involved in the LISF pilot is convincing the ARD agencies of the importance of collaborating with them. The government-initiated platforms for farmer-extension-research linkage called REFAC (Research, Extension and Farmer Advisory Council), are providing an avenue to enhance such collaboration. In Uganda, NARO co-hosted a workshop in which scientists were exposed to the LISF approach and its first results; this led to increased interest on their part to support LISF-initiated experimentation. The LISF pilots benefited from the fact that they are undertaken within the PROLINNOVA-Uganda Country Programme. Over the past years, this CP has called for truly farmer-led research and development approaches and is now recognised as a legitimate platform for developing PID in the country.

Monitoring of impacts is clearly a priority concern for the next phase of the FAIR project. The piloting CPs have agreed to include baseline information per applicant as far as relevant for the topic of experimentation and learning, in order to be able to assess impact at that level. In addition, focused impact studies will be carried out to be able to assess wider impact of the LISF-supported activities.

## LESSONS LEARNT

The piloting process has confirmed that the LISF approach is dramatically different from what both farmers and other ARD professionals have been exposed to before: funds directly managed by farmers for research and learning rather than for practical development activities and investments was new to them. There are no readymade models to draw from. The complexity increased with the realisation of the need to work with community-based LISFs as well as a supporting and coordinating facility at a higher level. The implication is that ample time must be set aside for people involved to make the main LISF principles their own, than try them out in practice and improve as they go along.

It was important to do a preparatory study in each country before starting the LISF piloting. These have not been “feasibility studies” in the true sense of the word but rather inventories of relevant experiences in the country and identification of possible LISF modalities for each country. The Terms of Reference for these studies need to be refocused in this light. In practice, these studies have been an important instrument to help stakeholders come to grips with and learn the LISF approach. It is therefore recommended that they not be completely contracted out, to be done by an external consultant, but rather that they allow future LISF partners (e.g. the supporting and coordinating NGOs) to take part in the learning process.

Clearly, the road to go is to decentralise to LISF functioning to the maximum extent possible: to build the system from the ground up, starting with independent community-based LISFs. To this end, it is best to work with existing, organised CBOs/groups, particularly those with some previous experience in participatory research and development, FFSs and the like. Where these do not exist, complementary activities may be needed to help create these conditions, preferably through agencies working in the pilot areas with funding channels distinct from those for the LISF grants.



Farmer group during discussion the design of the LISF in Amaro, Ethiopia  
(Photo: PROLINNOVA Ethiopia)

Direct interaction with the CBOs and farmers showed that, at the community level, practical arrangements can and must be made for farmers to contribute part of the costs of the activities to be funded through the LISF and/or pay back part or all of the grant received, with or without interest. The partners involved in the writeshop in Ghana felt that this was essential to ensure commitment from the people receiving LISF funds. The amount to be covered or

paid back depends, however, on the local situation and on the type of expenses covered by the grant received. Where the funds covered limited, local costs for farmers' own experimentation without outside support, 100% repayment was feasible in Cambodia. Such repayment levels will not be possible once costs of research or extension support staff are included in the grant received. Full repayment is also not advisable, as it suggests that the LISF grant is solely for the benefit of the applicant (i.e. to create a private good), whereas the overall LISF approach suggests that the outcome of experimentation supported by the LISF would also be relevant for a wider group of farmers and even the advancement of science as a whole (i.e. to create a public good). In this, it is clearly different from the conventional revolving funds for development purposes and should be clearly distinguished from these.

Following the analysis to date, a pattern is emerging for developing community-based LISF in two stages:

*Stage 1:* The grants provided by the CBO-managed LISFs are mostly small in size, covering local costs of farmers' own experimentation, e.g. in Uganda and Cambodia. This allows a great diversity of topics to be covered. Farmers may be willing to pay back fully the small grants received in order to replenish the CBO-managed LISF.

*Stage 2:* In addition to (or partially replacing) the above, a number of larger grants will be made to cover costs of more elaborate joint farmer-researcher-extension experimentation, where the grants also covers the costs of the support agencies.

The implication is that consensus will be needed at the community level on the top-priority topics that are to be addressed through these larger grants. In such cases, farmers would pay back only part of the total costs.

Additional ideas are being considered for mechanisms to reward financially farmers who have successfully experimented, partly at their own costs. If their innovations would spread and prove relevant (far) beyond their locality, they could perhaps qualify for one of the Innovation Awards that are common in several countries. Successful innovators who share and teach their findings may also be compensated by other farmers, although this may be a bridge too far in some rural contexts.

The decentralised LISF system that is currently emerging poses serious challenges in terms of capturing the findings of LISF-funded experimentation, including relevant data and other things that were found or discovered. This is needed in order to share these more widely. The grantee report may need more attention, particularly for the larger grants. Oral presentations to farmer meetings or fora can complement these, if documented well. Audiovisuals can be considered for innovative work with the largest dissemination potential. An increased role of formal research in the LISF-supported experiments would also provide a boost to this part of the LISF work.

Finally, the foregoing analysis reveals that the questions as to effective strategies to ensure longer-term sustainability of the LISF system and the institutional arrangements for facilitating spread of community-based LISFs have yet to be answered. This will need specific attention in the continuation of the pilots.

## THE WAY FORWARD

A first step has been taken in piloting innovative funding mechanisms that allow farmers direct access to funds for their own experimentation efforts and for joint research with support agencies according to farmers' priorities. The first indications regarding the feasibility of such mechanisms are encouraging, but major work is still needed to arrive at locally embedded sustainable structures and models that are strong enough to become the basis for LISF development elsewhere. Fortunately, support confirmed by the Rockefeller Foundation and the Netherlands Directorate General for International Cooperation (DGIS) will allow the continuation of the piloting process over the next three to four years.

In the next phase of FAIR, more attention will have to be given to the question of wider impact of the LISFs. The search for impact will need to look not only at technical innovations and their impact in livelihoods but also much more widely into social and institutional impacts, as stated in a recent study: *"an innovation support instrument may decide to support not only innovations or innovators per se, but also the promotion of a culture of innovation and learning in local communities with a view to the empowerment of resource-poor people and their communities"* (Friis-Hansen & Egelyng 2007).

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## Annex 1: The LISF M&E framework

### INTRODUCTION

In FAIR, M&E is focused at three levels: first of all and central to the action-research objective, we focus on the actual functioning of the new funding mechanisms, the LISFs. Secondly, we look at how the LISF and the activities it supports have an impact on farmers involved as well as on other stakeholders, on land management and agricultural productivity and on the livelihoods of the local people. Finally, we monitor overall project implementation and main strategies used to achieve project objectives as a basis for redesign, if necessary. Obviously, these three levels are closely interlinked.

### 1. MONITORING AND EVALUATING THE FUNCTIONING OF THE PILOT LISFS

#### The framework and indicators

The central question that the M&E of the current LISF pilots aims to answer is: To what extent is this funding mechanism feasible, effective and efficient? In other words, can it function well in supporting farmer-led local innovation processes with acceptable overhead/management costs? Initial work in the five countries currently piloting LISFs has helped subdivide this question into six subquestions or “performance areas”. For each of these, one or more practical indicators and tools or methods have been developed to determine these, as shown in Table A1.

**Table A1: Detailed M&E indicators for the LISF pilots**

| Criteria / performance area   | Possible indicators   | Relevant M&E tools / methods  |
|---|---|---|
| <b>1.</b> Adequate awareness among farmers (and other landusers) and support agencies on LISF opportunities and mechanisms to access the fund | 1. Number of applications received per round of calls for proposals   | • Register  |
|   | 2. Percentage of applications which passed first screening on LISF criteria   | • Register  |
|   | 3. Percentage of proposals reviewed that meet the selection criteria  | • Register  |
|   | 4. Percentage of proposals from women and youth   | • Register (currently for women’s participation; age characteristics still need to be included to identify youth) |
| <b>2.</b> Effective mechanisms to process applications  | 5. Number of proposals processed after screening and finally approved   | • Register  |
|   | 6. Time period between receipt of application, screening, processing and communicating final results of selection process | • Register  |
|   | 7. Time taken to improve proposals (remedial)   | • Register  |
|   | 8. Transaction costs relative to grant value – staff time involved and other resources used                               | • Time sheets for writing time worked<br>• Financial reports/accounts   |

| Criteria / performance area   | Possible indicators  | Relevant M&E tools / methods   |
|---|--|--|
| <b>3.</b> Effective disbursement mechanisms   | 9. Number of approved vs. number of disbursed grants   | <ul style="list-style-type: none"> <li>• Register</li> </ul>   |
|   | 10. Timeliness of disbursement in relation to fund needs (e.g. seasonal imperatives)   | <ul style="list-style-type: none"> <li>• Register</li> <li>• Feedback on grantees' satisfaction through internal evaluation</li> </ul>   |
|   | 11. Banking and other costs incurred in disbursement, at both country and international level  | <ul style="list-style-type: none"> <li>• Financial reports/accounts</li> </ul>   |
| <b>4.</b> Utilisation of the funds  | 12. Expenditure in line with agreed terms for use  | <ul style="list-style-type: none"> <li>• Grant reports</li> <li>• Random field inspection</li> <li>• Grantees' feedback through annual assessment meeting</li> </ul>   |
|   | 13. Necessary changes/adaptations in initial plans quickly and effectively implemented   | <ul style="list-style-type: none"> <li>• Grant reports</li> <li>• Random <i>in situ</i> inspection of research/experimentation work</li> <li>• Feedback from grantees and other stakeholders through internal evaluation</li> </ul>              |
| <b>5.</b> M&E of whether LISF grant system is in place (existing and functioning)   | 14. Financial and narrative grant reports received by agreed deadlines   | <ul style="list-style-type: none"> <li>• Register</li> </ul>   |
|   | 15. Quality of grant reports received (clarity and completeness of information); undertaken (by whom, when, costs); lessons learned; analyses of stakeholders' participation | <ul style="list-style-type: none"> <li>• Register</li> </ul>   |
|   | 16. Implementation of annual assessment meeting  | <ul style="list-style-type: none"> <li>• Reports on annual assessment meetings</li> </ul>  |
|   | 17. Information from grant reports processed and used in further LISF planning and implementation  | <ul style="list-style-type: none"> <li>• Minutes of country LISF committee meetings</li> <li>• Minutes of international FAIR meetings (checking that action points were followed up)</li> <li>• Reports on annual assessment meetings</li> </ul> |
|   | 18. Dissemination of findings from M&E   | <ul style="list-style-type: none"> <li>• Distribution or mailing list for relevant M&amp;E reports</li> </ul>  |
| <b>6.</b> LISF has a strong, farmer co-managed, sustainable institutional framework | 19. Relevant stakeholders, including small-scale farmers and other landusers (men, women) endorse and support institutional setting  | <ul style="list-style-type: none"> <li>• Minutes of LISF committee meetings</li> <li>• Annual narrative reports</li> </ul>   |
|   | 20. Institutional setting of LISF is clarified and formalised  | <ul style="list-style-type: none"> <li>• Terms of Reference for LISF institution</li> </ul>  |
|   | 21. Strong involvement of farmers and other landusers in LISF management (at least "x" farmers/ landusers participating in the LISF committee, critical incidents)           | <ul style="list-style-type: none"> <li>• Minutes of LISF committee meetings</li> <li>• Critical incidents on farmer/landuser influence in LISF noted in minutes</li> </ul>   |

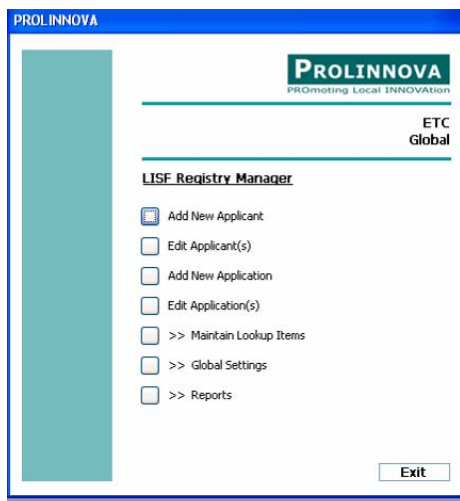
| Criteria / performance area | Possible indicators  | Relevant M&E tools / methods   |
|-----------------------------|--|--|
|                             | 22. Adequate resource mobilisation to replenish pilot capital expenditure, both at local (community) and country level; amount (and percentage) of resources mobilised for replenishing the LISF, e.g. own contributions, amount of revolving funds mobilised from selling produce, contributions from other donors, stakeholders with significant long-term research funding stream are co-driving project etc. | <ul style="list-style-type: none"> <li>• Financial report</li> <li>• Long-term operational plan for LISF</li> <li>• Secured funding commitments</li> </ul> |

## The register as central M&E tool

Table 1 shows that we are looking at 22 indicators to monitor all aspects of the functioning of the LISF, many of which are relatively simple and easily determined. It also shows that a database, referred to here as the “register”, plays a key role as means of validating a large number of the indicators. The register is the heart of the M&E system.

A first version of the register has been developed and tested by the five CPs carrying out the first LISF pilots. It is based on MsAccess software. Figure 1 shows the main opening screen.

**Figure 1: LISF register opening screen**



Generally, the data entry and analysis of applications have three main parts (see Figure 2):

- Data from the applications submitted to the LISF (Tabs 1–3 in Figure 2) 0
- Data related to the processing and screening process within the LISF (Tabs 4–5) 0
- Data to capture implementation of the grants and their follow-up/impact 0

**Figure 2: LISF register main application screen**

The report function in the opening screen allows LISF managers to analyse applications received over a certain time period, the process of screening and any follow-up information available.

## 2. M&E OF LISF IMPACT: ACCELERATED INNOVATION IN SUSTAINABLE AGRICULTURE AND NRM

Impact M&E, the second level of M&E, is concerned with assessing the relevance of the LISF and the activities it supports. It looks at four subsets of issues:

1. The extent to which LISF support has led to development of improved land-husbandry practices and systems
2. The extent to which these practices and systems have spread among farmers, and their impact on local livelihoods
3. The change in capacities of farmers and other landusers to access relevant information and to develop technical and socio-organisation innovations
4. The change in openness and interest of ARD agencies to support and work with local innovators and their groups.

The main instrument in M&E at this level will be the LISF impact studies. These are focused studies in areas where a number of grants have been disbursed to examine the above-mentioned issues. They will be ex-post evaluations. Inclusion of the "most-significant-change" tool will encourage local people to define impact in their own words.

The specific impact studies will benefit from data regularly collected as part of the learning and joint research/experimentation activities supported by the LISF. M&E at this level is the responsibility of the actors directly involved in each LISF-funded activity. The relevant data need to be included in the brief grant report forwarded to the LISF at the end of the grant period. The above-mentioned register has a space to capture these.

It is not possible to identify common indicators for actual changes in people's livelihoods that are relevant across all countries or even within one country, as the LISFs are funding and will fund a wide range of learning and research/ experimentation activities that are not pre-determined. The thematic focus, objectives and features of these activities will determine the specific indicators to be used. Below, examples of possible indicators are given along three main livelihood dimensions.

**Table 2: Possible impact indicators, depending on activity supported through LISFs**

| Dimension   | Practical impact indicators   |
|-------------|---|
| Economics   | Disease frequency in animals<br>Yield per surface area<br>Cost of production per surface area<br>Contribution to livelihood security of household |
| Environment | Volume of pesticides applied<br>Surface area of regenerated bad lands   |
| Social      | Location-specific indicators for category of farmers involved (small, medium, large)<br>Contribution to livelihood security of household          |

### 3. M&E OF OVERALL PROJECT PERFORMANCE, STRATEGIES AND OUTCOMES

M&E at this level hinges in the first place on the regular flow of half-yearly progress reports by the CPs to the international secretariat at ETC EcoCulture, as is common practice in PROLINNOVA. These will be used to assess progress of the project past its main milestones as well as its attainment of the central objectives formulated.

A number of more interactive mechanisms and tools will be used to complement this, taking note of findings of all M&E activities and reviewing and, if necessary, redesigning key programme strategies:

- Annual face to face meeting of all CP involved piggybacking on the main annual internal PROLINNOVA International Partners Meeting
- Telephone meetings three times a year to discuss progress, formulate bottlenecks and constraints, and re-strategise, if necessary
- Bilateral review by international staff of progress in specific countries during annual CP backstopping visits.



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