

PROLINNOVA

PROmoting Local INNOVAtion
in ecologically-oriented agriculture and natural resource management

Farmer Access to Innovation Resources

Findings and Lessons Learnt on Facilitating Local Innovation Support Funds


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ACRONYMS AND ABBREVIATIONS

ARD	Agricultural Research and Development
CBI	Community-based Institution
CBO	Community-based Organisation
CEDAC	Centre for Study and Development in Agriculture
CP	Country Platform
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
FMC	Fund Management Committee
FO	Farmer Organisation
FSG	Farmer Support Group
HT	Hlahlindlela Trust
IPW	International Partners Workshop
ISF	Innovation Support Fund
KZN	KwaZulu-Natal
LI-BIRD	Local Initiatives for Biodiversity, Research and Development
LISF	Local Innovation Support Fund
MoA	Ministry of Agriculture
MoFA	Ministry of Food and Agriculture
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
NIF	National Innovation Fund
NARO	National Agricultural Research Organisation
NRM	natural resource management
NSC	National Steering Committee
NWG	National Working Group
PIA	Participatory Impact Assessment

PID	Participatory Innovation Development
PROLINNOVA	Promoting Local Innovation in ecologically oriented agriculture and NRM
RELC	Research-Extension Linkages Committee
SA	South Africa
SCG	Savings and Credit Group
SOFF	Sivusimpilo Okhahlamba Farmers Forum

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Though in its final form put together by a small team based at the PROLINNOVA international secretariat at ETC, the Netherlands, this publication on Local Innovation Support Funds is the result of the joint hard work, the creativity and the willingness to share of a very large group of people. More than 1000 farmers, land-users, and their groups and organisations in eight countries actively tried out and developed the innovative LISF funding mechanism and provided critical insights on how to handle it. Extension officers, NGO staff and researchers worked with the farmers and designed and implemented a variety of pilots to test the feasibility of the LISF approach and make it work on the ground. Again, intelligent creativity was called for to graft LISF modalities to fit the socio-institutional realities in each of the countries. Senior staff of stakeholder organisations invested considerable amounts of time to oversee the piloting, provide policy guidance and make sure all involved remained focused on the key objectives of the LISFs. Country coordinators and their research allies have played a key role in documenting experiences gained and compiling and systematising these into analytical reports for each of the eight countries. Our analysis is, to a large extent, based on these country studies. Finally, during a number of international meetings, research and development professionals from various corners of the world commented on draft findings and gave critical inputs to the analysis. While it is impossible to name all of the above one by one, their efforts and experiences have created the current publication and their contribution is gratefully acknowledged.

After initial funding support by the DURAS project funded by the French Government for the first small pilots, the Rockefeller Foundation (USA) and DGIS (Netherlands) showed keen interest in this work and made funds available that allowed the systematic piloting of LISFs that is reported here. Their support is also gratefully acknowledged.

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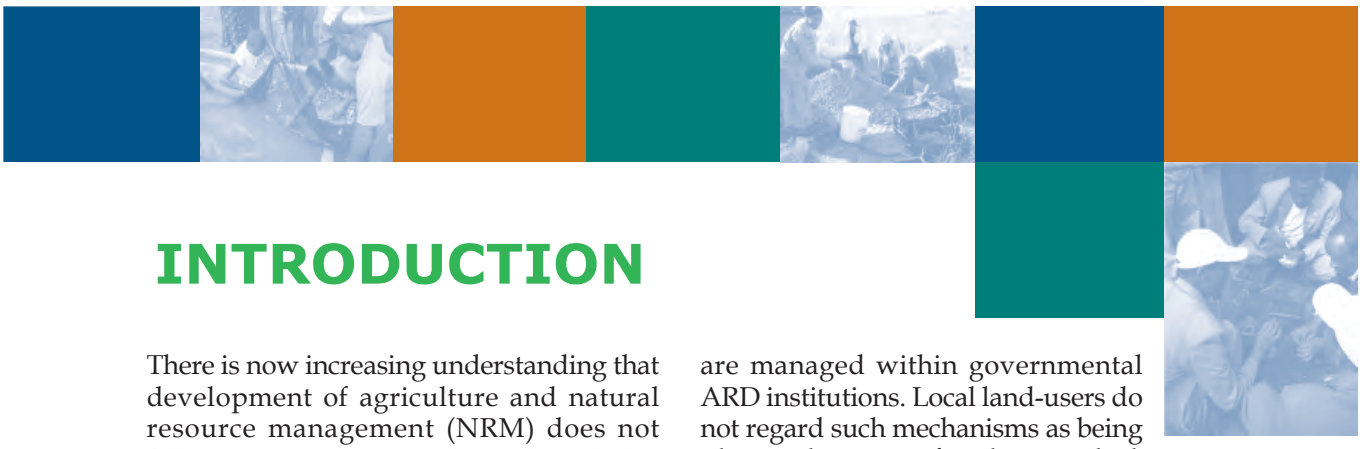


INTRODUCTION

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 land-users through a variety of extension agencies or service providers. An innovation system perspective on research for development suggests that the actual change processes are much more complex and diverse (IAS 2006). Land-users – including small farmers, both men and women – are not merely recipients of new knowledge but also sources and/or partners in its generation, i.e. they are researchers and innovators in their own right (Richards 1985, Reij & Waters-Bayer 2001). 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 land-users and outside ARD agents (Critchley et al 1999, Hocdé et al 2008, Huis et al 2007, Scheuermeier et al 2004).

Quite a few 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 land-users do not regard such mechanisms as being ultimately meant for them and, despite much talk about farmer participation, the role of farmers and other land-users 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 a/o 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). This inspired partners in PROLINNOVA, an international partnership programme promoting local innovation and PID. They believe that a fundamental change in mechanisms for allocating research funding is required if small farmers[1], their concerns and their own innovation capacities are to play a more important 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, Veldhuizen 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.

[1] "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 "land-users".

Interestingly, inspiration could also be found in experiences with alternative funding mechanisms in the Netherlands. These are found in the context of not only agricultural development (Veldhuizen et al 2005) but also broader rural and urban development, as in the case of the voucher system for urban innovation.

Box 1: Citizen-managed voucher system for urban innovation in the Netherlands

In the Netherlands, City Councils are experimenting with locally managed innovation funds to improve liveability of parts of their cities known for their socio-economic and/or cultural tensions. The system is known as "wijkwaardebonnen" ("vouchers for city improvement"). People living in such a city area are helped to organise themselves, send out calls for proposals, screen applications, and decide on funding and do monitoring and evaluation. Applications are typically for a maximum of Euro 5000. Innovation implies that the proposed activity is interesting, feasible and not directly linked to ongoing initiatives or funding windows. The approach has proved to be very successful. The single fact that citizens have the final say on what is funded and done ensures that issues and activities are addressed that are closely related to direct local priorities. This in itself creates a very positive impulse into the area. A large volume of additional resources is mobilised for implementation of activities through own time and commitment of local people. More importantly, the interaction between committee members from various segments of the population and their interaction with other people and agencies required to support proposed activities creates a lot of positive dynamics leading to a variety of new initiatives that go beyond the funded proposals

Source: Tonkens & Kroese 2009, city council Ede (pers. comm 2012)

PROLINNOVA was inspired by such examples to start action research to find practical ways to set up financing mechanisms that allow local land-user groups and communities to access funds for improving and accelerating their innovative activities in agriculture and NRM. In 2004, LI-BIRD (Local Initiatives for Biodiversity, Research and Development), the NGO coordinating the PROLINNOVA platform in Nepal, experimented with a first, very basic Farmer Innovation Support Fund, from which seven farmers received support. From late 2006 to early 2008, funding support from the DURAS (Promoting Sustainable Development in Agricultural Research Systems) project financed by the French Government allowed more systematic piloting of "Local Innovation Support Funds" (LISFs) under the banner of "Farmer Access to Innovation Resources" (FAIR) in four countries: Cambodia, Ethiopia, South Africa and Uganda. The results of these first pilots were reported in four country studies and a synthesis document (FAIR, 2008).

This work concluded that first indications regarding the feasibility of LISFs and their potential to accelerate local innovation were encouraging, but also that major work was still to be done to arrive at locally embedded sustainable structures and models that are strong enough to become the basis for LISF development elsewhere.

Following up on this conclusion, PROLINNOVA designed a longer-term action-research programme for developing, testing and ultimately up-scaling the LISF approach. Significant funding provided by the Rockefeller Foundation and co-funding by the Netherlands Directorate General for International Cooperation (DGIS), Ford Foundation (South Africa) and own contributions from partner organisations allowed this programme to take off by mid-2008, covering the initial four countries plus Ghana, Kenya, Nepal and Tanzania. In each of these eight countries teams were formed to implement the programme involving selected PROLINNOVA partner organizations. They operated under the supervision of the multi-stakeholder PROLINNOVA Country Platform (CP) and its National Steering Committee. This report presents the findings of the 2008–11 action research though, where relevant, it draws in insights and data generated during the initial piloting.

THE CENTRAL RESEARCH QUESTIONS

Can the LISF be an effective farmer-led funding mechanism?

The action research reported here is essentially a search for new institutional mechanisms and arrangements in the area of funding ARD. It focused on the question whether it is possible to develop and put into practice LISFs that are feasible, effective and efficient in funding local innovation. In consultation with partner organisations and building on experiences from the initial pilots, this broad question was detailed for action-research purposes into six sub-questions or "performance areas":

1. Can adequate awareness be raised among farmers (and other land-users) and support agencies on the opportunities the LISFs offer and ways to access these funds? The challenges would be: i) to convey to farmers and support agents that the specific focus of this funding mechanism is quite different from the usual farm-input or micro-credit schemes and ii) to reach potential grantees in such a way that they feel encouraged to apply.

2. Can mechanisms be developed to process applications effectively? What kind of application forms would work at the local level? Who would do the screening and make decisions? How can smallholder farmers – men and women – have an important say in the process?

3. Can effective mechanisms be found to disburse funds? This question is important for LISFs where grants involving relatively small amounts of money need to be disbursed to very dispersed grantees who are often not well organised in term of financial management (such as having bank accounts).

4. Will funds granted be used for the agreed purposes? The main challenge would be whether grantees of LISFs would have the discipline to use the funds according to what was agreed in the application process and whether funds were used indeed for innovation rather than investment activities.

5. Can an effective monitoring and evaluation (M&E) system be made part of the LISF? How can an M&E system be developed to monitor widely dispersed grantees? How can this be done cost efficiently, given the relatively small grant amounts? To what extent can farmers or farmer representatives play a role in M&E? What reporting requirements would be realistic for farmer grantees?

6. Does the LISF have a strong, farmer co-managed, and sustainable institutional framework? The most crucial area of concern: Can an LISF system that works well in the five above-mentioned performance areas

continue to perform its role after project funds end? In which institutional setting would it need to be positioned to continue to function, be recognised and attract funds from regular in-country ARD budgets? And how can the important influence of farmers in fund management be continued under these conditions?

For internal reflection and analysis among programme partners, the questions above were often summarised as:

- Does the LISF work effectively? Does the system generate applications, process them well, disburse money and monitor its use?
- Is the LISF cost efficient? Does it perform all of the above tasks with acceptable costs for handling and overhead/management?
- Is the LISF sustainable? Has it found a farmer co-managed institutional setting and related arrangements that allows it to continue to function beyond project funding?

What kind of impact does the LISF have?

Funding mechanisms to support local innovation are not an end in themselves; they should have positive impact for the local people and lead to accelerated innovation in sustainable agriculture and NRM. For action-research purposes, four sub-questions were formulated to assess the impact of the LISF and the activities it supports:

1. To what extent has LISF support led to development of improved land-husbandry practices and systems?
2. To what extent have these practices and systems spread among farmers and affected their livelihoods?
3. What changes have come about in terms of capacities of farmers and other land-users to access relevant information and to develop technical and socio-organisational innovations?
4. What changes have come about in terms of openness and interest of ARD agencies to support and work with local innovators and their groups?

The chapter on LISF impact provides more information on the focus of the impact studies and how these were implemented.

The six sets of operational questions on the functioning of the LIFSs and the LISF impact questions together created the agreed common focus for the piloting and action research in all eight countries.



THE ACTION-RESEARCH PROCESS

To find answers to the above questions, an LISF action-research process was designed and implemented. In a number of cases, new M&E tools and methods had to be developed and applied to support this process.

Decentralised LISF pilot design with common basic principles

The FAIR initiative was designed to allow maximum flexibility to partners in each country to develop, test and assess models for LISF implementation that would fit local political and institutional realities. This implied a major decentralisation of decision making on pilot design. To be able to create an appropriate, country-specific LISF design, an inception study was done at the initial stage that reviewed the feasibility of an LISF approach in the country and identified best entry points and/or most feasible implementation modalities.

The PROLINNOVA partners felt that allowing a diversity of models to emerge and be tested would increase the richness of analysis at the international (programme) level and could allow the sharing of useful lessons between the countries. The eight case studies presented in the next chapter show how a diversity of models indeed emerged.

This decentralised approach to LISF design nevertheless followed some broad common guidelines at the programme level. First and foremost, all LISF pilots and models were to operationalise the jointly defined key principles and features of LISFs:

- Funds would be made accessible directly to farmers or their groups, not through development agencies
- Funds granted would be used for innovation, experimentation and learning by and with farmers
- Farmers and/or their organisations would play a strong role in decision making on allocation of funds, criteria used and management.

Secondly, the findings of the initial pilots as reported in the 2008 synthesis report (Fair, 2008) formed a basic reference for pilot design in the main action-research phase. The teams formed in the countries joining the initiative in this phase reviewed the 2008 synthesis findings in their inception workshops, discussed implementation modalities tried out in the other countries in the first pilots and used these as a source of ideas for designing their own modalities.

Monitoring and evaluation framework and approach

The decentralised design of the LISF pilots and the diversity of LISF forms and mechanisms being tested present a challenge for the 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 research questions. To this end, an M&E framework was developed for the pilots that would help capture such information systematically.

The first and main part of the M&E framework focused on the functioning of LISFs as funding mechanisms. For each of the six performance areas, indicators were identified for which data needed to be collected, as well as tools for collecting these to be able to arrive at well-founded conclusions. This led to a list of 22 indicators in total. Annex 1 presents the detailed M&E framework that thus emerged.

Many of the 22 indicators to monitor the functioning of the LISFs are relatively simple and can be determined easily. To capture data and information across the diversity of pilots, a simple MsAccess based database was developed and given to all country teams. This register is the heart of the M&E system. A considerable part of the data reported below is based on a compilation of information from the registers from the eight case studies. Figures 1 and 2 show two main screens of this database.

In one country, the staff involved had difficulties in handling the MsAccess software and developed its own database using Excel. This did serve many of the register purposes but missed some of the easy reporting functions and did not allow capturing all non-quantified information.

Figure 1: LISF register opening screen (case of Uganda)

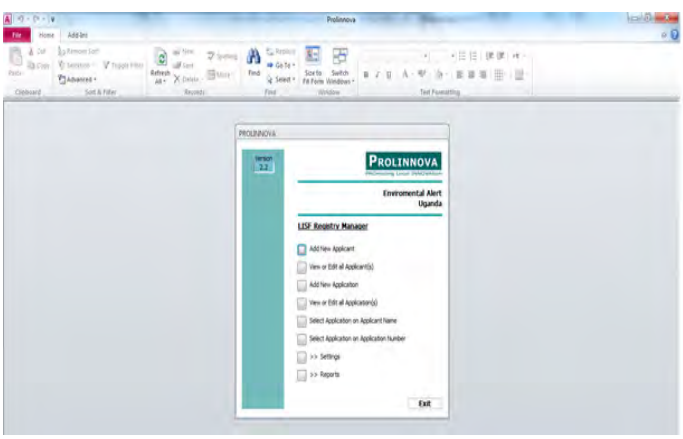
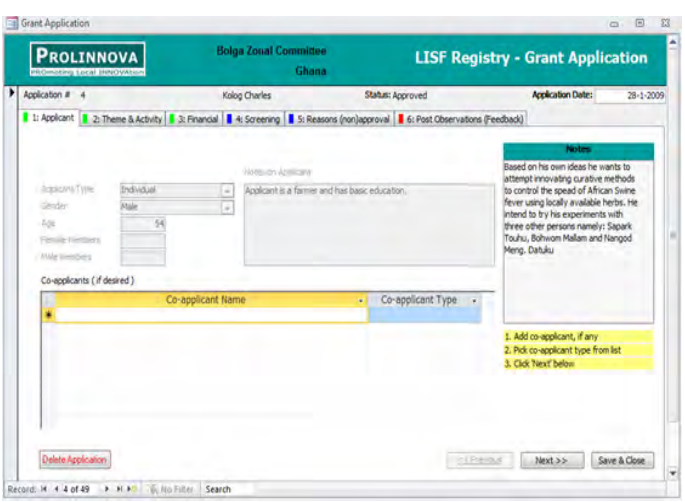


Figure 2: LISF register main add and edit application screen (case of Ghana)



Organisation of the action research and M&E

To be able to balance the action with the research dynamics of the programme, at least two organisations were involved in the piloting at the country level: a national NGO responsible for coordination and most of the field piloting, often in cooperation with other NGOs, and a research-oriented organisation – often part of a national agricultural research organisation – responsible for coordinating and backstopping the M&E, research and data collection. In some cases, the Research or M&E Department of the coordinating NGO played this role. The research-oriented organisation looked at the overall M&E framework, ensured that information was collected, supervised the use of the register, provided training in M&E to other staff involved and contributed to writing the country final analysis and synthesis reports on which this publication is based.

Participatory Impact Assessments

To start answering the question of impact of LISF and its funding, a scientist from CIRAD (Agricultural Research Centre for International Development, France) assisted the programme and developed guidelines for participatory assessment of impact at community and higher institutional level (Triomphe et al 2010, 2012). The guidelines, which were structured around the four impact questions identified above, were tested in Cambodia and Ethiopia and slightly simplified again mid-2010 during an M&E workshop involving all key programme partners. In the annexes, detailed suggestions were added to guide implementation of key assessment activities. Box 2 presents an overview of these guidelines.

Box 2: Impact assessment detailed guidelines

1. Guidelines for developing case stories
2. Guidelines for interviews and focus group discussions
   - with LISF grantees
   - with non-LISF grantees
   - with local authorities and official agricultural officers
   - with support institutions directly involved in FAIR / PROLINNOVA
   - with the Fund Management Committee
3. Points to consider in conducting interviews
4. Preparation of the multi-stakeholder workshops

The impact assessments were carried out in seven of the eight countries in late 2010 and early 2011 and the findings of these formed the basis for the impact discussion later in this report (see their references at the end of this report). The Nepal impact assessment was completed just before the end of 2011.

The findings of the impact assessments need to be contextualised in two ways. First of all, the assessments were done often relatively soon after LISF grants had been given and used; this short timeframe meant it was too early to assess, e.g., wider spread of innovations beyond the communities directly involved. Secondly, the assessment encountered some methodological challenges, particularly in distinguishing impact of LISF support from among other work that contributed to the impact reported. Systematic review of the Participatory Impact Assessment (PIA) reports, however, did allow formulating important conclusions on impact as reported in one of the next chapters. The PIAs have also given the country teams both the methodology for and the awareness of the importance of regular impact assessments, which will benefit the LISF work in the long run.

Learning through action-reflection cycles

Following the usual action-research mode, M&E information and findings fed into regular review and reflection on LISF designs and implementation, allowing modifications where needed. This happened at three levels, thus creating three interlinked action-research cycles:

LISF implementation level: Through learning-by-doing, training events, joint and own reflection meetings and M&E, farmer groups and staff of local extension and (sometimes) research agencies and local administrations were able to adjust and streamline practical procedures for assessing the relevance of proposed innovation activities, for management of the funds and for initiating joint innovation activities. In Kenya, e.g., the farmer group involved in one of the pilots proposed transfer of funds directly to its account rather than through partner organisations. The farmer group then arranged to set up its own account. Intensive interaction with farmer innovators and grantees encouraged the FAIR team in Ghana to substantially increase the role of farmers in decision-making on fund allocation.

LISF country strategic level: Through workshops analysing implementation information, M&E and impact-assessment findings, the country-level multi-stakeholder platforms reviewed the feasibility and effectiveness of the country strategies to implement LISF and developed alternative strategies where needed. These platforms played a key role in finding ways to mainstream the LISF approach as a complement to conventional ARD approaches. The Cambodia partners, e.g., thus modified the open call for proposals approach, in view of the considerable problems with management and M&E, to a semi-open approach focusing on farmer groups with an existing or potential link to partner organisations.

Developing main lessons on LISF implementation with partners during the international FAIR meeting in Tanzania, 2011 (*Laurens van Veldhuizen*)

International reflection and learning: ETC set up a number of mechanisms for country teams to interact with each other and with international resource persons, thus creating further opportunity for reflection and possibly re-planning. These included:

- Three international meetings with programme partners, always linked to an annual PROLINNOVA International Partners Workshop (IPW): in Nepal in June 2009, in the Netherlands in March 2010 and in Tanzania in March 2011;
- Regular telephone conferences (average two per year) to present and discuss progress;
- Exchange of formats, lists of selection criteria etc. To this end, a Yahoo discussion group was set up, but partners preferred direct emailing rather than using the yahoo group;
- Support by and interaction with international resource persons through email communication;
- Annual backstopping visits by resource persons to each of the eight countries, almost always linked to such visits for PROLINNOVA in general or other projects.

The 2011 international partners meeting in Tanzania was given the character of a "writeshop". Representatives from all eight country teams brought their current findings on the LISF pilots and presented main results and lessons learnt. Feedback received from their peers was used to draft their final country action-research reports.

Learning among FAIR countries during the international FAIR meeting in Mali, 2012 (*Laurens van Veldhuizen*)

After also including final data from 2011, these were finalised by the end of 2011 and formed the main source of information for drafting this synthesis report (list of country reports included under References). The writeshop also provided a platform for jointly distilling main lessons learnt across all countries, which provided another major input into the relevant chapters below.

Before discussing findings and lessons, however, the next chapter first introduces the eight country cases and their main features.

THE EIGHT CASE STUDIES

Cambodia

Cambodia was among the four countries involved in the initial LISF pilots. The FAIR work is fully integrated into the work of PROLINNOVA-Cambodia. Its five-member National Steering Committee (NSC) coordinates FAIR and acts as highest-level screening authority. PROLINNOVA-Cambodia has a strong partnership model, in which more than 20 organisations take active part. The NGO Centre for Study and Development in Agriculture (CEDAC) coordinates all LISF piloting in the country and directly supports LISF piloting in some of its own areas of operation.

Initially, the LISF was piloted in three provinces. In the main pilot province (Takeo), the LISF was run through an informal network of existing farmer groups and associations linked to the national farmer organisation Farmer Nature Net, which grew out of work of CEDAC. This created very open and farmer-led dynamics but proved to be too demanding for CEDAC in terms of capacity building, management and M&E. In the two other provinces, government extension worked with "its" farmer groups in handling LISF. In the current model, all LISFs operate through one of the PROLINNOVA-Cambodia member organisations, NGO, farmer organisation (FO) or government extension or research. It is thus able to reach ten provinces involving 2-3 farmer groups "under" each partner annually.

In Cambodia, the partner organisations that have expressed interest in LISF operation in a given year are responsible for linking up with farmer groups potentially interested in LISF grants in their area of operation. Occasionally, groups that learnt of LISF activities elsewhere approach a partner organisation with a request to join a next round. The farmer groups interested are responsible for mobilising (individual) applications from among the members. Simple guidelines are made available for this (Annex 2). Once these have been improved with support from the partner organisation, the latter sends the set of applications, their combined budget plus the partner's budget for support and M&E to the NSC for final screening and approval. After approval, the money is sent to the partner's account, from which the farmer group leader collects it for disbursement to group members.

The LISF funds are given to the farmer groups as a "loan", on the condition that the amount received by each applicant is paid back to the group to create a revolving fund managed by the group to allow continuation of farmer experimentation in following years. The revolving fund may be kept in the account of the group, if it has one, or in the account of the partner organisation. In some cases, the fund is shared among members for use during the off-season to be paid back at the start of the next experimenting season. The revolving-fund approach creates a possibility for rapid expansion of farmer experimentation beyond the resources provided from outside. Stronger farmer groups may agree to apply for and pay interest on the loan of, e.g., 1% per month.

The above system has led to mobilisation and processing of relatively larger amounts of applications, 270 in the period 2006-10, of which 213 were approved with good representation of women. The high approval rate can be understood from the considerable interaction between groups of applicants and their support organisations before applications are sent to the national level for approval. Farmers use the grants mostly for "joint experimentation", for systematically comparing two or three options, with the support of the partner organisation. These options are not necessarily linked to farmers' own innovations. Money is used for purchasing inputs for the options to be tested (seeds, fertilizer, animals, feed).

Ethiopia

PROLINNOVA-Ethiopia is likewise among the initial PROLINNOVA Country Platforms (CPs) that piloted LISFs. The guidelines that the CP developed for this in 2006 are still in use. The pilot process within Ethiopia has been decentralised: LISFs have been developed and tested in three regions: in the north (Tigray Region) in Axum, in the central part (Oromia Region) in Ambo, and in the Southern Region in Amaro. In each region, an experienced NGO has taken responsibility for introducing and supporting the LISF approach: the Institute for Sustainable Development (ISD) in the North, Ethiopian Rural Self-Help Association (ERSHA) in the central part and AgriService Ethiopia (ASE) in the South. At the national level, the PROLINNOVA-Ethiopia NSC oversees the activities in the three pilot areas The PROLINNOVA-Ethiopia national coordinator, based at ASE, handles day-to-day management of the programme and supports the three NGOs in the regions.

In all three regions, the LISF is being managed by Fund Management Committees (FMCs) of community-based organizations. Ethiopia has chosen for an LISF model in which decision-making on grants and management is fully in the hands of farmers, with external agencies playing a support role only. In the ***Axum*** area, the LISF is being piloted by a volunteer group of farmer innovators living in seven *kebeles* (subdistricts) in two districts. The group has emerged from participatory interaction with the coordinating NGO in general and from the LISF piloting in particular. In each *kebele*, a subgroup with at least five members handles the applications. The FMC progressed from being an informal group handling grants for group members only to becoming a coordinating committee handling applications from seven parts of the district, and now has formal legal status as a farmer cooperative. In the ***Amaro*** area, the LISF is being piloted through three Farmer Field Schools (FFSs), which form part of formalised Community-Based Institutions (CBIs), organised earlier with support from ASE at *kebele* and district level. The district-level CBI hosts the FMC, and the CBI chairperson is the signatory for the bank account. The FMC uses the office of the district-level CBI. In the ***Ambo*** area, the LISF is being piloted by farmer innovators in five *kebeles*, who have organised themselves in a similar way as in ***Axum***. The FMC has five members: one farmer representative from each *kebele*.

After being trained, the FMCs handle the screening and approval process with only facilitation support from the NGO and local staff of the government agricultural bureau. Money is disbursed to the accounts of the NGO where – based on the approved proposals – the FMC chair collects it and disburses it to the successful applicants. In Axum, LISF support was given to farmers in the form of materials, as the farmers thought this would minimise the possibility that the money is stolen or used for other purposes. It would also allow more efficient experimentation by reducing the time and frequent travel needed by farmers to purchase the materials. The approach is

currently being revisited, because the FMC finds it too time-consuming to make the purchases. A major constraint is that, in Ethiopia, legally registered farmer organisations are allowed to handle funds only for commercial farming activities (as cooperatives). Otherwise, they have to be registered and operate according to Ethiopian regulations for NGOs.

In the Amaro District, the farmer groups involved agreed from the start to focus the LISF applications and funded activities on a number of key problem issues in their area. This followed from participatory appraisals coordinated by the district CBI to identify the key problems needing solutions: bacterial wilt in the main staple crop (enset) and trypanosomiasis in cattle. The FMC does accept proposals on other topics but gives preference to experimentation on crop and animal protection. This focus allowed farmers to share and compare their findings from different experiments on similar topics.

The above approach led to 142 applications in 2008-10, of which 106 (75%) were approved. Farmers used the LISF funds mostly for own experimentation, sometimes informal and sometime more systematic, often comparing the effectiveness of different treatments. All funds were given as grants. Farmers made "own contributions" by giving their time to show and explain their experiments to farmers and other visitors and to guide other farmers in trying out the innovative techniques.

Ghana

Ghana joined the LISF piloting in 2007. The FAIR work is implemented though the PROLINNOVA platform coordinated by the Tamale-based NGO ACDEP. The platform in Northern Ghana builds on a partnership among key stakeholders known as the Northern Ghana LEISA[3] Working Group, which had been in existence for many years before the piloting began. For managing the FAIR activities and supervising the application-screening process, the group formed a PROLINNOVA / LISF Management Team from among the NGLWG members, with representatives from the University of Development Studies, two research organisations, the Ministry of Food and Agriculture (MoFA) and two NGOs. The Animal Research Institute in Tamale was given responsibility to coordinate the data collection and M&E as part of the action-research process.

In Ghana, the LISFs are decentralised to four so-called zones, each with a multi-stakeholder committee to coordinate, screen proposals and manage the fund on behalf of ACDEP. The zones cover one or several districts, taking into account pragmatically areas of operation of relevant key organisations: the Bolgatanga zone made up of the Bolgatanga Municipality, Talensi-Nabdam District, Bongo District and the Bawku West District in the Upper East Region; the Walewale zone made up of East and West Mamprusi Districts; the Tamale zone made up of Central Gonja, East Gonja, Tolon-Kumbungu Districts and Tamale municipality; and Yendi zone made up of Yendi, Chereponi and Saboba Districts. These last three zones are in the Northern Region. The zonal committees consist primarily of staff of MoFA and the local NGO(s) with occasional presence of research staff and farmer innovators. Participation of farmer innovators in these committees has increased over the years from 15% to 33%.

The zonal committees have expanded the number of villages covered by the LISF each year. They visit new communities to sensitise them on local innovations and how

[3] LEISA: Low-External-Input and Sustainable Agriculture

to apply for the fund. Around 1000 farmers are covered annually through these sensitisation sessions. The zonal committee members, extension officers of partner organisations and farmer leaders actively scout for interesting innovations and innovators in their area of operation. Farmers fill in the application forms (in English), sometimes with assistance of committee members or extension staff. The applications are collated at the zonal level. The approved applications with their budgets are sent to Tamale for final review by the Management Team before the funds are released to the zonal committees for onward disbursement to the innovators. The funds for successful applications together with funds to meet LISF running/ transaction costs at the zonal level are lodged in the bank account of one partner organisation in the zone, and the zonal committees receive their funds from this organisation for disbursement to successful applicants and for other activities.

Ghanaian partners have looked for ways to increase farmers' role in the LISF process by further decentralising its operation and management to local community-based organisations (CBOs). Unlike other countries, Ghana does not have a large variety of strong local CBOs; this process therefore needs more time and specific planning, now that the basic LISF approach is known to the partner organisations and farmer leaders.

Use of the Ghana LISF model has led to a total of 144 applications received over the four zones in the period 2009-11, 50% of which could be approved. The majority of approved applications focused on animal husbandry, possibly influenced by interest of some support organisations in ethnoveterinary practices. Funds are received as full grants and were used initially mostly to support informal experimentation with farmers' own innovations. Tools for improving how innovations were made or implemented were often bought with the money received. Two of the best-performing zones (Bolga and Yendi) gradually expanded the range of activities and innovation areas open for LISF support to include e.g. training by farmer innovators, experimentation with ideas from elsewhere and farmer-led documentation.

Ghana zonal multi-stakeholder committee meets to screen applications (*Frank Adongo*)

Kenya

The FAIR-LISF initiative in Kenya began in 2008 under the purview of PROLINNOVA-Kenya. An NSC, consisting of eight partners, provides oversight to the initiative. World Neighbors (WN) coordinates the LISF initiative nationally and takes care of implementation in Western Kenya; Kenya National Dissemination of Agricultural Technologies (KENDAT) and Institut Africain pour le Développement Économique et Social (INADES) Formation are together responsible for implementation in Eastern Kenya. The Kenya Agricultural Research Institute (KARI) is responsible for coordinating M&E.

LISFs are being piloted at four sites: in Machakos and Mwingi Districts in Eastern Region and in Busia and Nyando Districts in Western Region. Starting with two LISF Steering Committees (LSCs), i.e. one per region, implementation challenges necessitated the establishment of four LSCs, i.e. one per district. The LSCs consist of representatives of farmer groups from the area, a local NGO and – in two of the districts (Mwingi and Busia) – an extension worker from the Ministry of Agriculture. They are responsible for soliciting proposals, screening and approval and forwarding the approved proposals to the NSC for entry into the register and release of funds. The LSCs are registered under the Ministry of Culture and Social Services and all except one have their own bank accounts into which they receive funds from the NSC. The committees are also involved in local-level monitoring.

The LSCs are responsible for announcing calls for proposals in their respective areas. Members of the LSCs use various methods for this purpose including chiefs' barazas (public meetings), church services, informal community gatherings and personal communication in the committee members' networks. The LSC organises screening of applications using a checklist developed with support from the NSC (Annex 3). The screening process involves several steps: i) determining if the proposal involves an innovation or not; ii) identifying whether the proposal is in line with the set criteria; and iii) making comments on whether it is approved or not. The outcome of the process is communicated to those who submitted the proposals. The approved proposals are forwarded to the NSC for release of funds. Once the LSC receives the funds, it makes contractual agreements with the grantees and disburses the funds directly to them. Copies of these contracts are submitted to the NSC.

This form of decentralised LISF resulted in a total of 123 proposals being submitted in the period 2008-10 at all four sites, with 37 (30%) being approved. Proposals were submitted both by individuals (men and women) as well as by groups. Two of the farmer innovator grantees were cited by the Kenya National Council of Science and Technology after their LISF supported innovations emerged among the top 14 out of 40 innovations in the annual National Innovations Exhibition held in Nairobi in 2011.

Nepal

Nepal joined the FAIR initiative in its second phase in 2008 as a subprogramme of PROLINNOVA-Nepal. A national-level LISF committee was set up for coordinating the initiative. Chaired by the Deputy Director General (Department of Agriculture), the committee includes representatives of all the PROLINNOVA-Nepal members and an official from the National Agricultural Research Council. The centralised model chosen by PROLINNOVA-Nepal for the FAIR work meant that this national LISF committee was tasked with screening of all applications received by the PROLINNOVA-Nepal Secretariat within LI-BIRD, at least

initially. A document with guidelines and for disbursement of LISFs - including a standard application form (Annex 2) – was prepared by PROLINNOVA-Nepal members and approved by the national LISF committee and the NSC. Practical Action Nepal was tasked with supporting M&E.

Lead organisations were selected to coordinate the pilots in three districts within a given region. The ambitious plans of implementing LISF pilots in 15 districts within five regions across the country were scaled down to four districts in three regions where PROLINNOVA-Nepal member organisations (LI-BIRD, Ecoscenter, Tuki-Sunkoshi and District Agricultural Development Office in Mustang) are active. They set up district-level multi-stakeholder LISF committees to coordinate implementation of the pilots in the respective districts. The composition of these committees differed according to district, but had representation from the DADOs (District Agricultural Development Officers) and farmer groups in the district.

In an attempt to reach innovators throughout the country, a wider call for proposals was announced through the national newspapers and LI-BIRD's FM radio programmes broadcast to 42 districts in Nepal. Interested innovators could send in their applications directly to the PROLINNOVA-Nepal Secretariat (at LI-BIRD) or to a partner organisation in the region/ district. In addition, the lead organisations and NWG members publicised the call through their own channels. Applications sent directly to the Secretariat were forwarded to the national LISF committee for screening and selection. Funds were disbursed to the grantees through a partner organisation, based on a contract made with the PROLINNOVA-Nepal Secretariat. The applications submitted at district level were screened and selected by the district LISF committees. In cases where the requested grant was less than NPR (Nepalese rupees) 25,000 (approx. € 250), the district-level LISF committee approved the grant and the funds were disbursed to the innovator by the lead organisation. For requests above NPR 25,000, the applications were forwarded to the national LISF committee for approval, after which the funds were disbursed through the lead organisation. In both cases, the Secretariat at LI-BIRD was responsible for transfer of funds to the lead organisation, based on the proposals approved.

So far, 91 applications have been submitted, of which 80 (88%) have been approved and funded. These applications have been from individual innovators (men and women) as well as from groups. The funds granted to farmer groups are called community-owned innovation funds and are for supporting one or more experiments by group members. Learning from experiences in Cambodia, the idea is that funds received will be paid back to the group so as to form an own fund that allows other group members to access innovation funds in subsequent years.

South Africa

The FAIR work under the umbrella of PROLINNOVA-South Africa has been led by the Farmer Support Group (FSG) in partnership with SaveAct (an NGO engaged in community empowerment through savings and credit groups) and the Department of Agriculture, Environmental Affairs and Rural Development (DAEARD) of KwaZulu-Natal Province (KZN), specifically the Extension and Farming System Research Division. Representatives from these three organisations form the Local Innovation Support Team, which provides support and advice to the FAIR project. The Agricultural Research Council has provided some support in the area of M&E.

In the period 2008-11, LISFs were piloted in eight communities in KZN: Busingatha, Obonjaneni, New Reserve, Okhombe and Newstand under the Amazizi Traditional Authority; and Potshini, Nokopela Reserve B and Mlimeleni under the Amangwane Traditional Authority. All eight communities are within the Okhahlamba Local Municipality under the Uthukela District Municipality. The participating communities comprise both farmers and members of savings groups. In order to decentralise the operation and management of the LISF, FSG helped to set up two closely related community structures in the pilot area. The Sivusimpilo Okhahlamba Farmers Forum (SOFF), set up in 2007, is a loose association of community members from the areas in which FSG operates. It allows communities to come together, learn and share experiences in different thematic areas of farming, water-harvesting, livestock-keeping, savings and credit, marketing and joint experimentation. The Hlahlindlela Trust (HT), registered in 2009, is the organisation responsible for managing and operating the LISF. A Voluntary Association (VA) formed by FSG was an interim measure for managing the LISF until the Trust was established.

Eleven community members are the trustees of HT, with an executive committee of five persons. The HT holds meetings once in two months for reviewing progress in piloting the LISF and for final screening of applications. Members of the Local Innovation Support Team participate in these meetings to assist the Trust and its executive committee. They also provide guidance to the HT in developing its annual workplan, which is used as a basis for steering the Trust's activities. FSG transfers funds into the account of the HT every quarter year. HT holds and administers the LISF and is responsible for allocation of funds to grantees based on the screened and approved proposals.

Community members who wish to apply to the LISF are encouraged to share their ideas at SOFF meetings. HT members who take part in SOFF meetings then facilitate discussions regarding compliance with criteria for receiving LISF funding and, if the HT finds the idea to be satisfactory, request the innovator to fill in and submit an application form to the HT screening subcommittee (see Annex 2 for the standard application form used). This subcommittee consists of eight HT members, one each from the eight communities participating in the pilot, with three individuals from the support organisations. It screens all applications. The coordinator of the screening subcommittee is in regular contact with the other members to check on new applications and to organise screening meetings when necessary. At meetings called by the HT chair, the Trust looks at the recommendations made by the screening subcommittee about the applications and then makes LISF resources available. An M&E subcommittee within the Trust is responsible for providing follow-up to the grantees and for reporting on progress at the HT meetings. Innovation markets organised twice a year by the SOFF with support from the HT have created space for LISF grantees to share their experiences more widely.

A total of 75 applications were received during the period 2006-11, of which 25 (33%) were awarded a grant. Nearly two thirds of these applications were from groups and the rest were from individual innovators (more women than men).

Tanzania

In Tanzania, the FAIR work is considered an integral part of the activities of PROLINNOVA-Tanzania. Thus, it is coordinated at national level by PELUM Tanzania, the coordinator of the CP, with overall guidance provided by the

Tanzanian farmers and LISF grantees monitoring fish growth in their joint experiment (*Laurens van Veldhuizen*)

PROLINNOVA NSC. Two zones were selected for field implementation of the pilots: the Southern Highlands Zone and the Central Zone, with two civil society organisations (CSOs) – Ileje Rural Development Organisation and INADES Formation – taking the lead in the respective zones. Pilots were undertaken in three districts in each zone: Ileje, Mbozi and Mbeya Rural Districts in the Southern Highlands Zone and Kongwa, Kondoa and Chamwino in the Central Zone. In each zone, a multi-stakeholder facilitation team made up of eight members was set up to monitor the FAIR implementation process and to provide advice to the zonal lead organisations on areas for improvement. Each zonal facilitation team includes stakeholders from the Zonal Crop/Livestock Research Centres, local government agencies, NGOs, MVIWATA (national farmer organisation) and local farmer groups. These teams are also responsible for screening and approving (group) applications for funding through the LISF. The Agricultural Research Institute Uyole in Mbeya coordinates the M&E of the action research.

Decision-making on LISF grants is decentralised to the two zones. The CSOs leading the zonal work present their zonal plans and budgets for LISF piloting to PELUM Tanzania, based on the overall workplans for FAIR and PROLINNOVA-Tanzania developed at the annual

stakeholders meeting. PELUM has signed Memoranda of Understanding (MoUs) with them and disburses funds to their bank accounts for disbursement to farmers and partners in the zones.

Submission and approval of applications are thus done at zonal level, while members of the facilitation team actively seek out farmer groups who could qualify for receiving LISF grants. The coordinating CSO has a standard application format in Kiswahili, which is made available to innovators/groups for submitting their proposals. Applications that are submitted to the coordinating CSO are given an initial check by the contact officer and, if required, improved together with the farmer group. These improved applications are discussed at the zonal screening meetings by the zonal facilitation team, based on a list of criteria agreed upon by the team. Findings of the village-level survey of innovation/innovators and verification analysis - undertaken by the zonal facilitation team ahead of the LISF pilots – are used in the screening exercise. The coordinating CSO signs an MoU with innovators/groups whose applications are approved and the funds are transferred directly to their bank accounts. Grantees report on their activities to the coordinating CSO every six months.

Of a total of 24 applications submitted during the period 2009-11, 22 (92%) were approved and funded. All but one of these applications were from farmer innovator groups. They focused on systematic joint experimentation with involvement of research or other support organisations. This explains the lower number of applications as compared with the other CPs.

Uganda

PROLINNOVA-Uganda began with piloting LISFs in 2006 and continued in the second phase of FAIR starting in 2008. The PROLINNOVA NSC, consisting of 11 members of diverse institutional affiliation, provides overall policy guidance to the initiative, whilst a smaller Core Team is engaged more closely in development and implementation of the LISF initiative. Five NGOs and the National Agricultural Research Organisation (NARO) are involved in identifying and building the capacities of the CBOs that are given direct responsibility for piloting the LISFs with their members. NARO also has responsibility for overall M&E of the action research. FAIR funds are managed by the PROLINNOVA-Uganda Secretariat at Environmental Alert (EA), also responsible overall for the implementation of the FAIR work.

From 2008 onwards, LISF pilots were undertaken by 12 CBOs in eight districts: Wakiso, Nakasongola, Mukono, Mityana, Masaka, Mubende, Rakai and Kayunga. Four of the 12 CBOs had been involved in LISF pilots since 2006. Four of the CBOs – not the same ones – were dropped in 2011 due to poor performance. Management of the LISFs is decentralised to the CBOs. Each CBO formed a Fund Management Committee consisting of 5-7 members, with at least two of them being women. The CBOs sign an MoU with the PROLINNOVA-Uganda Secretariat and funds are directly transferred to them. Each CBO received the same amount of money per year, as the Core Team had agreed when developing the annual workplan. 10% of the funds were set aside for management tasks. The CBOs and the FMCs call for and screen applications,

give feedback to applicants, disburse funds to successful applicants and monitor their activities. They met regularly for screening applications and some also had monthly meetings to discuss the progress. Quarterly progress reports are submitted to the PROLINNOVA-Uganda Secretariat. These reports are shared with the NSC and Core Team.

The funds were disbursed to grantees in the form of grants. Some CBOs attempted to create a revolving fund mechanism by having the grantees return 50% of the sum received after nine months, but this attempt did not work out, as the innovators could not raise enough money through the experiments that were supported through the LISF. The innovations were successful but not yet commercialised, so the innovators did not have substantive earnings from them.

This model that harnessed CBOs at the local level for managing the LISFs resulted in 279 applications in the period 2008-11. The majority of the applications were from individual innovators – both men and women. In fact, women featured nearly as prominently as men among the applicants. A few applications were submitted by groups. Of all applications, 180 (65%) were approved. In addition to supporting direct experimentation, three CBOs decided to use part of their LISF grants for cross/exchange visits, training and documentation (13% of the total grants of these CBOs).

Summary of key features of the eight case studies

The above presentation of the pilots in the eight countries allows a comparison of key features of LISF designs across the countries as induced by differences in local conditions and capacities (Table 1).

Summary of key features of the eight case studies

The above presentation of the pilots in the eight countries allows a comparison of key features of LISF designs across the countries as induced by differences in local conditions and capacities (Table 1).

Table 1: Design features of LISF pilots per country

Country	Application logic	Application approval	Type of funding	Scale
Cambodia	Farmer groups apply through partner organisations to national screening committee	National multi-stakeholder committee	Loan, zero or low interest; pay back to revolving fund of group	Ten provinces
Ethiopia	Farmer applies to CBO and its screening committee composed of farmers	PROLINNOVA CP Farmer Screening Committee of CBO National multi-stakeholder committee	Grant; 20% equity contribution	Five districts (*woreda*) in three regions
Ghana	Farmer applies to zonal multi-stakeholder committee to national screening committee	PROLINNOVA CP after zonal committee approval	Grant	Four "zones" in two Northern regions
Kenya	Farmer applies to district multi-stakeholder committee chaired by farmers to national screening committee	National multi-stakeholder committee PROLINNOVA CP after district committee approval	Grant, equity contribution encouraged	Four districts in two regions
Nepal	Farmer applies to district multi-stakeholder committee	District multi-stakeholder committee; larger grants reviewed by national committee PROLINNOVA CP	Grant	Four districts in three regions
South Africa	Farmer applies to CBO	CBO board based on recommendation of multi-stakeholder screening committee	Grant; equity contribution 5-10%, discontinued in final year	Eight communities in one district
Tanzania	Farmer groups apply through NGO to regional multi-stakeholder committee	Regional multi-stakeholder committee	Grant	Six districts in two regions
Uganda	Farmer applies to CBO and its Farmer Screening Committee	CBO management	Mostly grant; some initiatives to partially pay back to CBO	Eight districts in one region

THE PRACTICE OF LISF GRANTS

The design chosen has implications for the number, type of applications received and processed, grant volumes as well as time needed for one LISF application cycle. This is shown by the data on what actually happened in terms of grant processing in the various countries.

Generating and screening applications

Table 2 presents a first comparison of realisation of LISF grants across the participating countries. It shows the great variation in number of applications received and approved. Comparing these data with the design parameters per country from Table 1 suggests that, where a CBO or farmer group played a central role in the grant process, the number of applications received and approved is generally higher. A later analysis will show, however, that in these cases the amounts per grant are relatively small.

In total, the LISFs generated more than 1200 applications from small farmers or their groups over a period of 3-5 years, which is equal to 35 applications received per country per year. On average, almost 20% of applications were sent in by groups and the rest by individuals.

The relatively large number of applications in Uganda is due to the full decentralisation of LISF management to eight larger CBOs, which is possible in Uganda because it has a considerable number of relatively strong CBOs at the local level. The downside of this model is the weaker quality of the applications, including those approved, and their relatively narrow focus – at least initially – on very informal own experimentation. PROLINNOVA-Cambodia achieved a high number of applications by working through a larger group of partner organisations and by encouraging the farmer groups involved to mobilise applications from many if not all members.

Table 2: Realisation of LISF grants per country

Country	Period	Applications	Approved	% approved
Cambodia	2006-11	271[1)]	213[1)]	79%
Ethiopia	2008-10	142	106	75%
Ghana	2008-11	188	97	52%
Kenya	2008-11	125	37	30%
Nepal	2005-11	119	104	87%
South Africa	2006-11	77	25	32%
Tanzania	2009-11	24	22	92%
Uganda	2007-11	279	180	65%
TOTAL		**1224**	**784**	**64%**

[1)] Data exclude applications done and processed from own revolving funds managed by farmer groups

The partner organisations approved LISF grant applications for experimentation with all kinds of practices and ideas, whereas experimentation with farmers' own innovations was prioritised in other countries. The Cambodia approach of mobilising applications through partner organisations thus created less space for work on farmers' own innovations and limited the openness of the process to the wider farmer community, to those not in contact with a partner organization. The number of applications was also low in South Africa (SA). The SA model included building up from scratch a new farmer organisation to handle the LISF in a socio-political environment that had not encouraged self-help initiatives in the past. The time needed for this process and the somewhat smaller geographical reach of this CBO prevented mobilisation of a large number of applications. The limited involvement of other organisations in the piloting further reduced the possibilities to reach large numbers of farmers.

On average, more than 60% of applications received could be approved. Some countries scored lower than this but that was often because they also included in their analysis the very first batch of applications which included very few good proposals. In countries with high approval rates (Tanzania, Cambodia), extension or research staff played an active role in pre-screening and improving grant applications before formal application. The results in most countries show that approval rates increase over the years when partners are better able to communicate the focus of the LISF and when farmers and communities start to realise that the LISF is not to support regular agricultural production activities and thus differs from funding opportunities they were used to.

The grants further analysed

A further analysis of the grants can be made by looking at grant volumes and the use of the funds across the case studies (Table 3).

Clearly, LISF innovation grants typically involve relatively small amounts of money, just under 100 Euro on average. In the hands of small farmers in most of the countries, however, this amount is significant. Table 3 shows a wide range in grant volumes. The smallest grants are only 5-15 Euro, with the largest being 1670 Euro in South Africa. The smaller grants are mostly used to buy tools and equipment to improve (prepare) a farmer innovation and to try it out, or to buy inputs including seeds for a simple experiment (e.g. Ghana, Uganda, Cambodia). The grants become larger if costs of external services start to be included, such as costs of laboratory analysis of innovative products or soil samples as well as the costs of involving research or extension staff in the activity (South Africa, Tanzania).

The final column of Table 3 lists the main type of activities that LISFs funded in each country:

- *Improvements to farmer innovations*: These are mostly very small grants, less than 50 Euro, given to farmers to improve interesting new things they are working on. In this case, some form of designed experimentation and/or data collection is not foreseen. The small LISF grant increases status and recognition of the farmer innovator and her/his exposure when requested to share experiences with others;
- *Farmers' own experimentation*: These are also often but not necessarily relatively small grants allowing farmers to do some form of small-scale but systematic experimentation and/or data collection on their own or in coordination with a few other farmers in a group. These grants can easily become larger when farmers have developed confidence and expand the type of experiments involving, e.g., larger animals or more complex technologies;

Table 3: LISF grant volumes and use of funds across the case studies

Country	Period	Average size of grant (Euro)	Range of size of grant (Euro)	Funds used *mostly* for
Cambodia	2006-11	61	7-125	Joint experimentation with extension and university staff
Ethiopia [1)]	2007-10	33	13-108	Farmers' own experimentation
Ghana	2008-11	122	10-410	Improving farmer innovations
Kenya	2008-11	248	85-550	Improving farmer innovations, payment for external support
Nepal	2008-11	103	5-500	Farmers' own experimentation
South Africa	2006-11	956	51-1670	Joint experimentation and learning visits
Tanzania	2009-11	533	294-1300	Joint experimentation in groups with research and extension staff
Uganda	2007-11	48	11-295	Improving farmer innovations
TOTAL	**2007-11**	**76**	**5-1670**	

[1)] Data are for 2010

- *Joint experimentation*: In these cases, farmers work with support agents to set up and implement systematic experimentation and data collection and the budget may include the costs of involving the support agents in the grant application. In the most systematic form of this approach, the organisations agreeing to support the farmers in their experimentation show their agreement by co-signing the application form. In the LISF approach, the joint experimentation is farmer-led, initiated and "controlled" by farmers. In some cases, research and extension staff interact with (often previously known to them) farmers or farmer groups to apply for an LISF grant for a joint experimentation activity and play a stronger role in the design and implementation of the experimentation.

There is no reason why a well-functioning LISF would not include all of the above three funding formats, if consciously managed for these purposes. It is clear that the role of non-farmer stakeholders increases from the first to the third option. This would go hand in hand generally with an increase in the grant volume per application, in the strictness of selection criteria used as well as in the reporting requirements.

It is important to note that LISF grants have also been applied for and approved to support innovation-related activities that do not focus on experimentation, such as

training by and with farmers, farmer-led documentation and learning visits by farmer groups to study innovative experiences elsewhere.

Farmer-led joint experimentation touches the very core of the LISF approach and its basic principles: channelling funds directly to innovating farmers to catalyse farmer-led partnerships with other development and research actors. The experiences from the eight LISF pilots show that, initially, farmers very often choose to use the grants for their own innovation and experimentation activities. They may not have easy access to interested support agents, they may lack trust and confidence in them or they may simply feel confident about their own skills. In cases where the farmers do have good relations with other actors (Tanzania, Cambodia), applying for joint experimentation work becomes a good option. In most cases, the level of complexity and stakeholder involvement increases after a few rounds of grant-making (e.g. Kenya, Ghana).

In practice, actual payment by farmers for support given by extension or research partners meets with its own challenges. In many countries, staff of these organisations has a regular government or NGO salary and paying them for their time on top of that is not supposed to be done. Even when payment is limited to cover travel, related operational costs or "per diems", farmers are not always comfortable (yet) to actual pay the outsiders and have them sign receipts. In such cases, the LISF budget component for costs of support staff may go directly from the LISF handling organisation to the staff involved (Tanzania, South Africa). In the model used in Cambodia, the support organisation applies separately for and receives directly funds to support LISF grant-receiving farmer groups that have applied through its staff. But examples from other countries (Ghana, Kenya) show that some farmers have started to pay costs / per diems of government staff directly to them for providing technical advice.

Tanzania innovators and researcher jointly develop the experimental design (*Donati Alex Senzia*)

ASSESSING LISF PERFORMANCE

The experiences of the eight pilots allow assessment of the extent to which the pilots have led to feasible LISF implementation modalities, taking into account the six central performance areas of the action research and answering the three summarising research questions: Does the LISF approach work effectively? Is it cost efficient? And is it sustainable, has it found a farmer co-managed sustainable institutional arrangement?

Can the LISF be an effective farmer-led funding mechanism?

Adequate creation of awareness and demand

The data on the LISF grants made over the past years (Table 2) suggest that the LISF modalities chosen in the eight case studies do lead to a regular flow of applications, of which a considerable part (64%) was good enough to be approved. This is quite an achievement. Awareness creation and calls for proposals were done in most countries primarily through face-to-face interaction working through field staff of both governmental and NGO partner organisations as well as farmer leaders. Staff often shared information on LISFs with farmers as part of their regular field activities and interaction with farmer groups; this system needs interest and formal support from the relevant organisations' leadership to be sustainable. Farmer leaders and members of LISF committees used local chief meetings (barazas in Kenya), church services and community gatherings to announce LISF calls.

Written/visual tools were used to a much lesser extent. South Africa prepared a simple brochure on LISF, its focus and operation whereas, in Ethiopia, information sheets on the wall of local government buildings served to spread the news. Only one country, Nepal, used mass media and announced the LISF funding option through an NGO-based radio station. This in itself did not lead directly to applications for LISF support.

The question is whether the LISFs have succeeded in reaching out to women as much as to men. Table 4 has data that help answer that question.

Table 4: LISF applications analysed by gender

Country	Number of *individual* applications received	Percentage of *individual* applications by women
Cambodia	270	39%
Ethiopia	Not available	Not available
Ghana	150	28%
Kenya	63	49%
Nepal	106	57%
South Africa	29	54%
Tanzania	Not applicable[1)]	51%[1)]
Uganda	271	47%
TOTAL	**889**	45%

[1)] In Tanzania almost all applications were by groups; percentage of women is across all farmers

Generally, the LISFs have managed to involve women to a considerable extent: 40-50% of individual applications have been submitted by women. A similar level of women involvement is noted for the group applications in Tanzania. A strong decentralisation of LISF operation to CBO level tends to generate a good percentage of fundable proposals by women (Uganda, South Africa and Kenya). The lower figures for Ghana may be caused o/a by the local context and limited involvement of women not only in LISF management but also in ARD organisations (including NGOs) in general.

All case studies report the major initial challenge to bring across to farmers and communities the main focus of the LISF and what could be funded through it. Its focus on experimentation and innovation, on generating and spreading ideas, knowledge and practices, is so different from the usual micro-credit and other production-oriented funding schemes that it takes time for farmers to internalise it. This is also true for the NGO staff involved. The usual farmer-funding schemes are oriented to farm investments and these generate "private goods": the successful use of such funds benefits the individual farmer and his/her family. LISF funding oriented to innovation and learning generates private but also "public goods", as the knowledge and new practices generated will also benefit other farmers and indeed may influence the larger ARD agenda. The case studies call for adequate attention to clarifying the LISF focus to potential target groups and to partner staff involved, particularly when there are frequent staff changes.

Looking at all case evidence, adequate mobilisation of good applications is encouraged by:

- *Decentralising LISF management to CBOs*. This allows rapid spread of information among farmers and creates a support capacity for the application process at the very local level. To remain effective in mobilising applications, the CBOs should cover a large enough geographical area and be capable of moving beyond support to farmers' own innovation efforts and address a wider range of experimentation and learning activities;

- *Accepting very informal farmer "experimentation" with own innovations for LISF support*. Such informal work often lacks any systematic approach to experimentation, but the LISF grant serves more as a "reward", a recognition of the farmers' innovative work and an incentive for them and others to continue;

- *Actively involving larger numbers of partner organisations as shown a/o in the case of Ghana and Cambodia*. These need to be organisations with mandates related to participatory agricultural development and a capacity to link LISF work to, or integrate it into, their own work programmes and routines;

- *Allowing from the start LISF applications that do not directly link to farmers' own innovation* but involve farmer experimentation with any new idea of practice, including those from elsewhere.

Winner of the national women innovators award 2009 in Nepal, Tulsi Gyawali, is one of many women innovators who accessed an LISF grant (*Chesha Wettasinha*)

Effective mechanisms to process applications

The data provided in Tables 2 and 3 suggest that working mechanisms have been found to process the often small funding requests/ applications from farmers. Three models for processing of applications and decision-making have emerged from the pilots, each with sub-variations caused by specific conditions or capacities of those involved. Several case studies combined elements of more than one model.

- *Centralised multi-stakeholder model*: Applications for LISF funding are sent to a national or sub-national FMC that meets and approves or rejects them. In one variation, applications can be sent directly to the committee (one of the models tested in Nepal) whereas, in another variation, farmer applications are reviewed by a partner organisation operational in one area and then combined and sent to the committee for final screening (Cambodia, Tanzania). The main advantage of this approach is the strong quality control possible at the central level. The Cambodia variation allows spreading of the LISF approach to many corners of the country without establishing multi-stakeholder collaboration at the lower levels. The role of the partner organisation leads to higher numbers of joint experiments. The disadvantages of this model are the time needed for communicating and decision making between partners and the national committee (meeting only once or twice a year), the lack of capacity building at the lower levels and the relatively limited influence of farmers in mobilising and setting direction for applications at the grassroots level.

- *Semi-decentralised multi-stakeholder approach*: Farmers' applications are sent to a multi-stakeholder committee at the district or "zonal" level through one or more of the member organisations. This committee approves or rejects them. It consists of agricultural development and research staff working in the area and farmer representatives. In the Kenya variation, farmer leaders from various CBOs hold the main positions in these committees (chair, treasurer) while, in other countries, farmers play a less central role. Decentralised committees can make their own management arrangements. Given their common area of operation, the committee becomes more of an operational team. The main advantages of this approach are: i) learning takes place between farmers and the support agencies on what should be funded; ii) the quality of the screening is still relatively strong though less than with the first approach; and iii) support agencies are more easily drawn into joint experimental work. Its disadvantages are: i) reduced accessibility for small-scale farmers as compared to the third approach, leading to a lower number of applications; and ii) relatively high costs (transport, allowances for attending meetings, time/salaries of agency staff involved).

- *A decentralised, farmer-managed approach*: Farmers apply to local CBOs, which form their own screening committees. A support agency often assists the CBO in setting criteria and organising the screening process, e.g. by providing forms. In one variation (South Africa), a support agency staff member is in the screening committee. In the farmer-managed approach, accessibility for small-scale farmers is high and the costs involved in the screening are low (Uganda, Ethiopia). 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, informal experimentation, as there are very few in-built mechanisms for other stakeholders to interact with farmers in the screening process. Costs of capacity-building, coaching and M&E of the CBOs in the initial years can be expected to be high, which is one of the reasons why PROLINNOVA-Cambodia decided not to continue LISF implementation along these lines.

Although the models for LISF implementation that emerge from the piloting differ from country to country and even show variations within countries, there is great coherency in terms of the main criteria used in screening proposals (Box 3).

Generally, applicants must be willing to monitor and record progress and report to a PROLINNOVA partner or the CBO and to share his/her results with others (visitors, training to others). Other provisions sometimes refer to willingness to provide a percentage own contribution and/or to pay back funds received, with or without interest.

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

a) The idea is driven by the farmer applicants, locally evolved (not proposed by advisors or scientists).
b) If a technique is being developed, it must be technically, economically, environmentally and socially sound.
c) The idea is replicable amongst the poor and vulnerable (it needs mostly inputs that are easily available locally and are relatively low-cost).
d) Value addition appears achievable through LISF support.
e) The proposal is for innovation, local experimentation and learning, not for farm investment.

The actual use of these criteria in practice, however, is influenced by the LISF implementation model and the understanding of those directly involved. This refers particularly to the first and last criteria:

Criterion a) "driven by farmers" is translated in some cases as relating to farmers' *own innovations* and then sometimes operationalised as referring to indigenous practices or knowledge such as ethnoveterinary practices. This happens particularly, but not only, when farmers manage the LISF. In other cases, the understanding is that the LISF grant is for any experimental activity proposed and managed by farmers themselves, regardless of whether it refers to their own innovation or to trying out things from elsewhere, including options from extension agencies.

Criterion e) is understood by some as the need for some form of systematic, often joint, experimentation. This happens more easily in models where research and other support agencies have a strong role in the process. In other cases, anything that helps a farmer innovator to do or improve his or her own innovation qualifies.

A critical factor in assessing the efficiency of the LISF mechanism is the average time needed to process applications from receipt by the screening body to final decision-making (approval or rejection of the proposal). The M&E system was able to capture this; Table 5 provides the relevant data.

Table 5: Average application processing

Country	Processing time (days)
Cambodia	46
Ethiopia	46[1)]
Ghana	44
Kenya	89
Nepal	37
South Africa	49
Tanzania	157
Uganda	97
TOTAL	**71**

[1)] Based on data for 2010 only

This analysis shows that the average processing time across all case studies has been 71 days, with 40-50 days for most countries, a higher 89 and 97 days for Kenya and Uganda, with a maximum of 157 days for Tanzania, respectively. The last figure is influenced considerably by organisational complications in one pilot location without which the processing time would also be below 100 days. Generally, processing periods of 40-50 days indicate that effective processes for screening are in place. Even 90-100 days are acceptable from an efficiency point of view in the case of larger grant proposals but perhaps long for farmers applying for small grants directly linked to their seasonal work. A study by the World Bank suggests that, for competitive research grants targeting formal organisations, processing times of up to a year are the norm (World Bank 2010).

South Africa: Decentralisation of screening to CBOs reduces processing time and empowers farmers (*Goodness Ngobese*)

These data on processing of applications may, however, be on the optimistic side. They do not include the time for preparing the application in its final form and for improving draft proposals based on feedback received from field staff or others. The counter starts "ticking" only when the application is finalised and formally submitted. The analysis also does not consider the time needed for actual disbursement of funds, which is what counts most for farmers. In some cases, applications that have been approved (and registered as such) need formal endorsement at a central coordination level before funds can be disbursed, which delays the process. During impact assessment studies, farmers did complain about the long process (see e.g. PIA reports from Ghana and Cambodia). Further decentralisation of decision-making after capacities have been built at the lower levels can go a long way to address this concern.

Mechanisms for disbursing funds to applicants

Generally, disbursement of the funds did not pose a major problem. In most cases, the funds for the approved LISF grants were transferred, at least in the initial stages, from the coordinating organisation to the bank account of a partner organisation working in the same geographical area as the grantee. The grantee (individual farmer or farmer group), having been informed that the money had arrived, needed to visit the office, receive the approved amount and sign a simple agreement. Groups or CBOs with own bank accounts received the LISF grants directly into these accounts. In Tanzania, farmer groups were asked to open such accounts if they wanted to receive funds from the LISF, implying an own initial investment by the farmers, while in other countries (South Africa, Kenya) opening of such accounts became a logical step in the LISF development process.

The CBO-based LISF model of South Africa and Uganda goes one step further and empowers the CBOs to receive larger volumes of LISF funds and disburse these to farmers or groups in their area based on applications received and processed at their level. While this is also the ambition in Ethiopia, existing government policy does not allow CBOs to handle funds beyond their accepted commercially oriented mandate. Partner organisations therefore continue to play a role technically hosting the funds, although actual decision-making is already with the CBOs.

In all countries "contracts" need to be signed formally as basis for fund disbursement. These contracts are either between the partner organisations disbursing the funds and the farmer grantees or between the coordinating NGO and the CBOs handling the LISF. In the latter case, the CBO would sign again own agreements with farmer grantees (see Annex 4 for examples of grantee contracts).

Contracts may have special items. Some LISF pilots added the agreement for farmer grantees to return part of the grant at the end of the season. Others stipulated an own contribution expected from the grantees, often set at 15 or 20% (Uganda, South Africa). When part of the funds had to be repaid, the grant became a (partial) loan. Given the fact that the grantee her/himself is expected to benefit directly from the experimentation funded by the grant, a partial repayment can make sense. Looking at the aim of the LISF funds to generate public goods in the form of new practices or knowledge for use by many other farmers, full repayment by individual grantees may not be justified. In practice, only the Cambodia case study has used the revolving fund principle to its fullest extent and, in 2010 alone, more than 6000 Euro worth of experimentation was granted from farmer-managed own revolving funds established from money paid back by grantees!

To understand the Cambodian "success", one needs to consider the following factors:

- The revolving fund principle has been made central to the LISF approach from the beginning and a clear known condition for all grantees.
- All LISF applications, though developed by individual farmers, are always processed through a group or CBO; repayment is thus possible directly to and coordinated by this group/CBO.
- Both groups and agencies have used revolving fund principles in other work. Many groups are in fact also saving and credit groups (SCGs). Also in South Africa, LISF operation is systematically linked to existing or new SCGs. Farmers do not receive LISF grants unless they have also saved with the group in the past. To help build successful SCGs, however, a supporting NGO needs relevant expertise.
- Typical LISF grants in Cambodia are used by farmers to do a simple comparative experiment and mostly pay for the inputs needed for this (seeds, farm inputs, animals and animal feed). These costs can be recovered relatively easily from sales at the end of the experiment. It would be much more difficult to use such sales to pay back for other costs such as of research or extension support received as part of the experimentation.
- Most if not all CBOs involved have a longer-term good working relation with one of the Cambodia partner organisations.

Utilisation of funds

When launching the LISFs and discussing their potential strength and weaknesses, the issue of potential misuse of the funds by grantees was a concern frequently expressed. Would grantees who received money for innovation activities be tempted to use the money for other pressing needs such as school fees, doctor's costs or simply investments in their farm? In Ethiopia, this concern became one of the reasons for farmers and support agencies to decide to give the LISF grants "in kind", so that the support organisation or the FMC ended up purchasing all required items to distribute to the grantees. However, this practice is currently being revisited.

In practice, the impact assessments revealed very few cases of misuse of funds received by farmers or their groups. In Uganda, however, there was significant use of LISF funds beyond the mandate of LISF for a period of time. According to the country report, this was caused by a combination of factors. The decentralised LISF model gives individual CBOs full authority in grant approval and subsequent M&E. Problems may arise in this model if the initial support to CBOs handling the LISFs is not adequate, particularly after they have received the first transfer of funds. Inadequate selection/screening of CBOs for handling LISFs added to the problems in a few cases. These developments in Uganda took place during a period of staff changes within the coordinating organisation and a related lack of clarity in the task division with partner organisations.

In some cases, farmers received the funds too late in the season for the funds to be used for the planned purpose (e.g. Tanzania, Cambodia). The stronger groups then decided to lend out the money to members during the off-season to be paid back with some interest at the beginning of the next season for use in the planned experimentation. Though technically not fully in line with the LISF agreement, this practice can also be seen as a sign of initiative and ownership by the farmers involved that comes from full decentralisation.

M&E of the grants as part of LISF operation

In the context of FAIR, M&E covers two closely related yet very distinctly different sets of activities. On the one hand, M&E refers to the activities that are part of the action-research dynamics: collecting and processing data and other information to help determine whether the LISF approach works. The M&E framework and key questions have been outlined above when discussing the action-research approach. The results of this M&E component inspire the analysis in this report.

On the other hand, a functioning LISF needs to have regular M&E activities on the grant-giving system and its results without being too costly. The reports of the eight case studies give good insight in how this LISF "internal" M&E can be shaped[4]. A main tool is the end-of-grant report that the grantee agrees to prepare when receiving the grant. This consists of a narrative and a financial part, often two separate reports. When literacy levels are low, an oral report to some form of community or farmer group meeting may take the place of a written report. Alternatively, an extension officer may jot down notes from a final M&E meeting with the grantee and include these in his/her report to the LISF committee. Simple statements on the use of the funds by the grantee, what was bought as compared to plan and budget, is an absolute

[4] Note that the collection of data on the actual experimentation funded by the LISF grant presents another level of M&E and a major challenge. This is planned and organised *within* each grant application, where appropriate, and does not relate directly to the functioning of the grant system itself.

minimum requirement for reporting and one that farmers can meet easily, even if they need to call in help from a family member.

Where CBOs play a major role in LISF management, M&E visits to grantees to monitor grant use is the responsibility of their leaders and/or a specially formed farmer M&E team. These do complain sometimes about the lack of or limited amount of funds available for this work, e.g. to pay for (public) transport. CBO-level M&E may therefore not always happen as systematically as hoped for but, because of the relative short distances, technically and socially, CBO monitoring generally seems to be adequate to realise proper use of funds. In most other cases, regular monitoring of grantees is done by members of the multi-stakeholder committee handling the LISF at the district or zonal level, or by one of the LISF partner organisations in the area, in case there is no such committee. This incurs higher M&E costs because of the longer distances travelled, unless these M&E activities are linked to field visits as part of the committee members' regular work. A few countries specifically mention the use of digital photo cameras for M&E purposes.

It proved to be good practice to set up an M&E team at the coordinating level, often consisting of the national coordinator and an appointed national M&E person. They visited all LISF "sites" twice a year for both M&E and technical support purposes. This made it easier for M&E and feedback information from the field to reach the coordinating committee at the national level.

Monitoring and technical support visit to Uganda CBO handling LISF by FAIR country coordinator (*Laurens van Veldhuizen*)

The LISF register – the MsAccess-based database developed for supporting data analysis as part of the action research – is increasingly also used for day-to-day LISF handling, administration and M&E. It quickly generates overviews of, for example, applications still in need of processing or number of grantee reports that have not yet come in. Like all database systems, the register is demanding in terms of data that need and/or can be entered and, when the database is kept far away from where decisions are being made on applications (e.g. in the case in Nepal and Tanzania), the flow of data to the organisation updating the register becomes an issue that complicates its use on a regular basis. Partners in Ghana have shown how the use of the register can be decentralised effectively to the level of the district or zonal teams actually handling the LISF process. This addresses the communication concern to a large extent.

The action-research design included the organisation of quite intensive participatory impact assessments, the results of which are discussed in the next chapter. While such comprehensive studies may not be part of regular LISF operation, more limited and focused impact studies could and should be part of it. The methodological guidelines for LISF impact assessment described are very useful in this context, too. This implies that the overall LISF budget includes a budget item for such smaller-scale impact assessments, even after the action research has come to an end.

Table 6: Transaction costs analysis

Country	Key implementation features	% of budget to farmers	% of budget for capacity building	% of budget for partners[1]) involved in LISF handling	% of budget coordination, policy work and action research
Cambodia 2010	Strong role of individual partners	35%	11%	15%	39%
Ghana 2009 – 10	Strong role of partners through committee	29%	18%	11%	43%
Uganda 2010	LISF directly handled by CBOs	40%	4%	11%	45%
South Africa 2009-10	One CBO established for LISF and one coordinating NGO	15%	12%		63%

[1]) Partners are organisations involved in the LISF handling other than the NGO coordinating the FAIR activities.

Is LISF a cost-efficient funding mechanism?

Given the relatively small amounts of money involved in each LISF grant, a major challenge for the LISF pilots was to find cost-efficient ways to manage the LISF process. Monitoring of expenses at the various levels allowed determining transaction costs as percentage of total budgets, allowing formulation of conclusions on the extent to which this challenge has been addressed. Table 6 shows funds being disbursed to farmers and other cost items as percentage of the total amount of funds involved in handling the LISF for four of the eight LISF pilots, chosen for their different implementation modalities.

The above data suggest that, under the action-research modalities, generally 30-40% of the total budget could be disbursed to farmers, with South Africa being the exception. A detailed look at the use of the remaining funds shows that around 15% was used for capacity building of farmers and staff in the new and innovative approach, whereas around 55% covered actual transaction costs at the level of partner organisations supporting the LISF application and screening process and at the level of project coordination, policy dialogue, action research, M&E and dissemination of lessons learnt. It is fair to note that the current situation has room for improvement and that, for upscaling the approach, the disbursement percentages need to increase (see below). The South Africa pilot's relatively lower performance in terms of disbursements to farmers is explained by the need in this country to develop and build a fully new CBO to handle the LISF where there were no existing credible and strong local CBOs.

The impact assessments showed that, where partner organisations played an important role in the application, mobilisation and screening process, they struggled to play their role within the limitations of budgets available at their level (see e.g. Ghana, Cambodia and Kenya country papers). Their involvement often implied use of own infrastructure and resources. The incentive for this could be the possibility to get involved in joint work (proposals) with LISF grantees that would cover their further costs or the direct relevance of the LISF work for own programmes.

There are a number of good options to further improve the cost efficiency of the LISF process:

1. First, the size of the coordination and action-research budget component can be reduced in future. These costs partly relate to activities that are unique for the piloting stage and will not come back during regular implementation of LISF. This refers e.g. to the detailed M&E of LISF pilots and the policy dialogue and experience-sharing activities. Reducing the costs of partner organisations (NGOs, extension and research organisations with regular programmes in agricultural development) involved in handling LISFs below 15-20% seems difficult. Current figures are realised already with own contributions in terms of time and use of their infrastructure.

2. A reduction in the relative size of the coordination and action-research budget component will be achieved once the volume of LISF grants processed through the system increases and economies of scale are achieved. This will happen not just by expanding geographical coverage of the LISF, thus increasing total numbers of grants, but also through increasing the volumes per grant, after farmers and their organisations have developed confidence in the

LISF funding mechanism and in the innovation activities and start using LISF for more comprehensive proposals, larger-scale experimentation or higher investment/commercial activities.

3. Increasing the role in LISF management of farmers and CBOs can contribute to reducing transaction costs. This is indicated by the data on Uganda of Table 6, where the whole LISF system is decentralised to a series of local CBOs. A more detailed analysis of the Uganda pilot, however, shows that the Uganda model suffered to a certain extent from lack of involvement and coaching by partner organisations and that, at least in the first two years, a stronger role and budget for partner organisations would have been needed.

4. In the case of Cambodia, disbursement percentage increased from 35% to an estimated 45%, when taking into account the money given as innovation grants to farmers from their own revolving funds established by participating farmer groups who paid back the first grant at the end of the season. This is an important spinoff and increases LISF cost efficiency.

5. A further increase in efficiency can be reached by a further streamlining and standardisation of procedures and formats. Most pilots have done this in terms of application forms, assessment forms and agreements/ MOUs signed upon receipt of money. Gains can be realised e.g. by systematising the LISF process timewise in the year so that all involved know the regular deadlines for each step. Ghana has worked towards such an annual rhythm for LISF implementation, as in Table 7 (Ghana country paper).

6. Finally, costs could be reduced potentially once an LISF is well established by focusing more costly multi-stakeholder screening activities on the larger applications and simplifying the screening of small applications by involving only 1 or 2 key actors. The Nepal case study indicates that, for this purpose, small applications should be considered as those that are below 500 Euro but, in other countries, the threshold may be lower.

The above data and analysis suggest that, under regular operating conditions, transaction costs in LISFs could be limited to 30%, with slightly higher levels up to 50% during the initial phases. That is somewhat higher as compared to competitive innovation funds under regular ARD programmes, where "overhead" costs are designed often at 10% of total budget but in practice often amount to 25% or more (World Bank 2010). These funds, though, have volumes per grant that are much higher. One should also note that the "transaction" costs related to LISFs include important capacity-building activities at farmer and support staff level, the benefits of which go beyond the LISF granting process. And they cover costs of ARD partner-farmer interaction that impacts beyond the LISF work. The impact studies discussed below confirm this.

Table 7: Ghana recommended LISF process throughout the year

What	When	How	Who
1. Announcement and call for proposals	Oct-Dec	Radio, farmers fora, announcement	MoFA, NGO, farmer-community leaders
2. Sending applications & administration	Jan-Feb	Farmers bring form to MoFA and NGO	Farmers, NGO, MoFA staff
3. Screening & selection of applications	March	Vetting using the agreed criteria	Committee members/ vetting committee
4. Disbursement of funds to farmers	March- May	Farmers are informed to collect grants	Committee members/ coordinators
5. Implementation including testing & validation with researchers	Jan-Dec	Participatory evaluation, farmer-farmer learning	Innovators, field staff, researchers
6. Monitoring and providing technical support	Jan-Dec	Regular visits, interviews	Committee, MoFA, NGO, M&E focal person
7. Reporting and sharing of results	Quarterly	Workshops, exchange visits, publications	Innovators, coordinators, committee, M&E Focal Person

Sustainable institutional arrangements with farmer co-management?

Looking finally at the issue of sustainable institutional arrangements for farmer co-managed LISFs, the case studies present a diverse picture, partly mirroring social and political realities in the different countries. No doubt, the CBO-based LISF model shows the greatest control of farmers over the use of the funds and a strong role in actually handling the whole application process. The semi-decentralised multi-stakeholder model, in which teams at the local/district or zone level – including farmers – take most decisions and handle the LISF process, offer good opportunities for farmer co-management depending on how the multi-stakeholder committees are designed and operate. In Kenya, for example, the chair and other key positions in the committee are, by design, held by farmer leaders. In Ghana and Nepal, the district government agricultural officer chairs the committee, limiting farmer influence but greatly enhancing coordination of LISF work with government extension activities. Farmer influence and co-management in the more centralised model is more problematic, even when farmer leaders are member of the national LISF committee.

All of these arrangements, however, are currently project-based, designed to make the LISF work under a short-term action-research activity. If the LISF approach is to become a "longer-term' funding mechanism, as part of the range of innovation funding available in a country capable of reaching out to other corners of the country and attracting regular inflow of funds from country ARD funds, the LISF system needs to find a more permanent status and arrangement. In the current action-research cycle, the eight case studies have not been able to fully identify, test and assess best ways to arrive at a more permanent institutional arrangement and to scale up and out from the currently limited number of pilot sites.

In their search for answers, the country teams have indicated several directions or potential strategies to arrive at effective farmer co-managed institutional arrangements. These need to be reviewed with the other institutions concerned before being put into practice:

- *Establishment of an (local) innovation fund/unit under a credible national farmer organisation*: Given the fact that the LISF is meant to catalyse farmer-led innovation development, bringing it under a farmer organisation (FO) seems a logical step. The multi-stakeholder teams/ committees at the national and lower levels would need to continue their current role to keep the LISF spirit alive and technically advise and support the FO national management or district leadership in running the LISF. The current LISF coordinating NGO would lose the coordinating role it had in the pilot phase but would be tasked with technical support and organising capacity-building events. A strong position of the multi-stakeholder committees is probably also required to receive formal recognition of the innovation fund under the FO, allowing government research and development funding to be fed into it. By and large, this is the approach that FAIR partners in Cambodia are working towards. It is a serious option only where strong, independent FOs exist with interest in smallholder development and innovation development.

- *Integration into local government structures*: A number of case studies (Ghana, Kenya, Tanzania) refer to the increased role of local governments as part of the decentralisation process within the government and suggest that local LISFs could be successfully implemented under or at least co-funded by the local government. In Tanzania, one district government has already provided co-funding for LISF work. Two sets of questions need to be looked into in further exploring this option: i) questions related to the institutional arrangements at local level so that LISF continuity is created, moving beyond a one-off local government funding to an NGO-led LISF activity; and ii) questions related to the organisation of the support functions at the higher level that would assist local governments in new districts to set up their own LISFs.

- *Integration into Ministries of Agriculture*: Integration of the LISF system into the regular operations of the Ministry of Agriculture (MoA) would allow scaling out the work to all parts of the country and would create direct possibilities to mobilise government resources for handling LISFs, at least in the form of human

resources. Given the important role that the MoA district and higher-level staff already plays in LISF operations (Ghana, Nepal and Cambodia), integration into the Ministry may be a relatively small step. However, extension departments of MoAs often have also limited resources. And it is a challenge to find the best, most appropriate, part or unit of the ministry that could host the LISF. This needs to be assessed on a country-per-country basis. Partners in Ghana feel that the existing RELCs (Research-Extension Linkages Committees) may be the best bet, given their mandate to build bridges between agricultural development actors at both district and regional level. Other options are being explored elsewhere. A more fundamental set of questions on the influence and role of farmers in operation and management of the LISF once it is under the MoA also needs to be looked into.

- *Establishment of a National Innovation Fund (NIF)*: This is probably the most ambitious option to institutionalise the LISF system and may be one way to address the issue of farmer influence. It implies setting up a new entity, following the legal requirements of the country, with the specific mandate and tasks to promote and support farmer-led innovation development and to handle the LISF. Key stakeholders would be represented in its governance. This option finds inspiration in the example of the existing National Innovation Foundation in India, which is currently receiving most of its funding from the Indian Government. Apart from questions on how to organise and operationalise this new entity, important questions also present themselves on how it will link with and support LISF functioning at the lower levels. Should it be decentralised or remain a national-level platform supporting LISFs operating in various models at the lower levels?

- *Integration into multiple agricultural development and research organisations*: Quite a few case studies (see e.g. Uganda, Ghana) have encouraged all partner organisations – both governmental and NGO – to incorporate LISF principles and mechanisms into their regular programmes and budgets and suggest this as way forward to ensure sustainability of LISF beyond the current project. In quite a few cases, this can be done relatively easily, if the partner organisation is interested and committed. This strategy makes the sustainability of LISF also much less dependent on a single organisation. Whether the key features and practices of LISF as an accessible funding mechanism can continue effectively under each individual partner organisation is a question yet to be answered. At the same time, this option does not provide for a capacity to continue to promote LISFs with other organisations or in other parts of the country.

- *Self-managed and self-resourced CBO-based LISFs*: In this option, LISF funding to CBOs under current project funding acts as a catalyst to establish CBOs' own LISFs in the form of revolving funds that will ensure longer-term LISF continuation. Farmers receiving LISF

grants pay back the funds received to the CBO/group at the end of the season to create a fund that can be used to give LISF grants in subsequent seasons. As mentioned above, Cambodian partners have used the revolving fund principle and the case study gives evidence of considerable farmer experimentation funded directly from funds kept in revolving funds by the CBOs or groups. One needs to study in more detail how and under which conditions the option of farmer-managed revolving funds for farmer innovation can become a longer-term option for the LISF. Again, it leaves unanswered the question of the capacity to continue catalysing LISFs in other parts of the country and with other CBOs.

IMPACT OF LISF AND SUPPORTED ACTIVITIES

Introduction

Grant making from public funds for farmer-led innovation development should have an impact beyond the individual grantees. To find out to what extent this is being realised, each CP involved in the piloting made a participatory impact assessment (PIA) of the LISF mechanism in its final year of the action-research phase. Impact was assessed in terms of:

- Extent to which LISF support has led to development of improved agricultural practices and systems
- Extent to which these practices and systems have spread among other farmers and affected livelihoods
- Change in capacities of farmers and other land-users to access relevant information and develop technical and socio-organisational innovations
- Change in openness and interest of ARD agencies to support and work with local innovators and groups.

A senior researcher from CIRAD (Centre for International Cooperation in Agricultural Research for Development, France) worked with FAIR partners in Cambodia to develop a user-friendly PIA approach and shared this during the PROLINNOVA International Partners Workshop in Nepal in June 2009. With his support, FAIR partners in Ethiopia also tested and adapted the approach. In 2010, a final review and modification of the PIA guidelines and tools was made during an international training in M&E organised under the umbrella of the global PROLINNOVA network. This also allowed partners from all countries to be trained in using the relevant tools.

The proposed PIA approach suggests two forms of assessment: a short one taking not more than 1-2 days that can be combined with regular field visits and a more comprehensive PIA to be undertaken less frequently. In all eight countries where the LISF was piloted, assessment teams were formed to carry out a more comprehensive PIA using the proposed methodology. Looking at the reports on how these PIAs were implemented, it appears that several teams could have done more to add quantitative data to their analysis. Addressing the issue of attribution also presented a challenge: it was difficult to assess to what extent the perceived impact was due or at least linked to the innovative work undertaken by farmers with funding support received from the LISF. This issue needs greater attention in future studies.

Most LISFs are still in an early stage; more years will be needed to be able to determine the wider impact. Nevertheless, the PIA studies did lead to a number of interesting findings summarised below and also helped to focus attention of partners on impact issues while allowing partner staff to familiarise themselves with the methodology

Development of improved land-husbandry practices and systems

The PIAs showed that LISF funding support has led to (further) development of locally relevant, improved agriculture

and NRM practices and systems and this, in turn, led to livelihood improvements for the farmer innovators directly involved. The example in Box 4 illustrates typical processes involved.

Box 4: LISF funding to improve a finger millet nursery innovation

Simon Masila from the Machakos District of Kenya has tried to develop a system for planting finger millet through seedlings grown in a nursery to handle the problem of small seeds and to make maximum use of the limited and unreliable rainfall. His initial success, a good harvest where other farmers failed, encouraged him to further develop the system and apply for LISF funding for more systematic data collection and analysis together with other farmers. As a result of this work and increased exposure through the LISF grant, the practice has spread to neighbouring divisions and this is increasing the income levels of farmers. Various other innovations are emerging from this initial innovation, where some farmers have started establishing the nurseries in small containers while others have used old mosquito nets to protect the nurseries from pests.

Source: Kamau GM et al 2012

Given the diversity of practices and innovations addressed by the farmer innovators, it is quite difficult to present crosscutting data. Topics and typical examples of innovations developed, improved or validated with LISF support included:

- *Alternative livestock feeds*: A local innovation in poultry feeding was compared with commercially available feed mixtures; the former was found to be equally effective but with reduced input costs (SA); the composition of locally developed 'sokoro' dairy feed was tested with LISF support by a research centre in Naivasha and the feed was found to be almost at par with the commercial dairy feed in the market, boosting its market potential (Kenya).

- *New (cash) crops*: Small-scale farmers explored the feasibility of growing chilli pepper as a new cash crop, looking at performance and survival under local management, collective marketing and modes of collaboration with the neighbouring large-scale farmer; the social-technical experiment was successful and the area planted with the new crop and number of farmers involved is expanding (SA).

- *Soil fertility management*: Liquid organic manure is prepared by an innovative smallholder and sold locally to farmers and agencies alike; LISF funds allowed modification and streamlining of production and dissemination of the innovation; the innovator experienced increased recognition by different actors in the community and beyond. CIAT (an international research organisation) carried out soil tests and confirmed that the manure was effective (Uganda).

- *Crop protection*: Smallholders who had developed ideas for combating bacterial wilt in enset (a staple food crop in their area) tested and compared the effectiveness; the results increased the confidence of other farmers to apply these local innovations (Ethiopia); a system of storing seed onions using the wild plant 'barakuk' was expanded, tested and shared; as the results showed improvement in germinability of onion seeds after storage and led to higher yields, the practice spread rapidly to other onion growers (Ghana)

- *Animal housing*: A trial was carried out using a wooden frame as floor in a goat shed combined with sacks

LISF supported experiment of growing and marketing cherry peppers as new cash crop covers both technical and socio-organisational aspects (*Bawinile Mtolo*)

placed two feet below the frame to collect goat dung and urine separately; this made it easier to carry the dung to the field, reduced the cost of labour and allowed urine to be used separately as liquid manure (Nepal).

- *Subsurface drainage of waterlogged fields*: To drain excess water from waterlogged fields in the rainy season, a smallholder made underground canals connected to water-collection ponds where water was saved for irrigation in the dry season; with LISF support, the initial idea was improved and applied on neighbouring farms, and led to increased harvest of fruits and vegetables from the irrigated plots (Ethiopia);
- *Improved beehive construction*: A bee farmer combined ideas from beehives available in the market to develop his own improved yet cheaper model; with LISF support, he further tested and improved his prototype and increased his exposure, allowing him to start selling his design (Kenya).

Spread of practices among farmers and affected livelihoods

The extent of spread of innovations and findings of joint experimentation to other farmers could not be analysed in detail in most PIAs at this stage. Several countries reported spread of the innovations within the communities of the farmer innovators supported through the LISF and included some case studies. Box 5 presents examples from Ethiopia.

Box 5: Case studies of spread of LISF experimentation in Ethiopia

Propagation of indigenous trees: After a local farmer's LISF-supported experiment on breaking the dormancy of the seed of an indigenous trees, collecting seed from selected "mother" trees and planting trees from cuttings, many farmers in the ***Ambo*** area expanded the planting of indigenous trees around their homestead. Farmers have become less inclined to cultivate marginal land, as they see the economic and ecological benefits of growing trees on this land. The farmer who innovated in breaking seed dormancy is now raising seedlings of indigenous trees on contract with investors, and a youth group is doing likewise. A group of seven farmers has begun grafting of orange trees to diversify production on homestead land.

Local water-lifting device: A farmer's experimentation with a locally developed water-lifting device, supported through the LISF, inspired also non-grantees to adopt or adapt his technology to deal with shortage of water for drinking and for irrigating crops. Now, over 600 farmers in the area have had their own well dug and use water-lifting devices similar to those developed by the original innovator. Some farmers, including women, also developed local drip-irrigation methods and ways to minimise water use in irrigating trees, such as by mulching with grass and stones.

Source: Yohannes G. et al 2011

In Cambodia, an average of 15% of other farmers in the relevant villages was found to have started to use practices developed by innovative farmers who had received LISF support. The assessments were carried out soon after LISF grants had been used, which meant that there had not yet been much time for spreading the practices.

Funding support to farmer innovators helped create interest and awareness among community members. Quite a few activities funded through LISFs were shared and discussed during farmer-group or community meetings, thus contributing to spread. The PIAs show the positive assessment by farmers of dissemination activities on various innovations through the public meetings, exchange visits (sometimes supported by LISF grants) and informal farmer-to-farmer communication. This is certainly the case in South Africa, where the local farmers' forum that grew out of LISF work has become a sharing and planning event covering many issues beyond agricultural innovation.

A few country studies (Ethiopia, South Africa, Uganda) note that intellectual property right issues prevented some farmer grantees from sharing detailed information on their innovations with other farmers. This seems particularly the case where the innovative work involves ethnoveterinary practices or use of locally prepared pesticides. In such cases, farmer innovators expect to generate income from direct sales of their products to other farmers. As noted in the Ethiopia study, there is a need to clarify to what extent the acceptance of public funds through the LISF obliges the farmer innovators to make public and share the results of the work that was funded.

A few countries managed to carry out a more detailed assessment of impact at farmer and community level. Table 8 summarises the livelihood impact data from the Tanzania PIA report.

As already mentioned, it is often difficult to single out which part of observed impact is directly linked to the LISF support. Innovators involved in some of the innovations supported in Tanzania, such as the cultivation of tomatoes in trenches, have been interacting with neighbours and others in the past. LISF-supported joint work with researchers has added at least credibility to the work and thus encouraged spread.

Horizontal sharing among farmers on innovations as in Ghana is always appreciated highly (*Laurens van Veldhuizen*)

The impacts on livelihoods tended to be framed by grantees and others in qualitative terms as follows:

- **Greater food security and buying power**. The interaction between farmers allowed them to identify locally suitable crop varieties. Farmers used the ideas they gained to enhance their food production at household level. More people in the pilot area now have household gardens that cover part of the family's consumption needs and also provide some income from the sale of produce. Applying ideas that were shared as part of LISF-supported activities, some farmers increased their area under cultivation, thus reducing the area of land left fallow, a common practice in many parts of South Africa. A few grantees claimed that, through savings on food purchases and income from sales, they managed to buy some livestock and household appliances that they could not afford before (SA).

- **Increased household income and income sources**. In Cambodia, 60% of the farmer experimenters interviewed in the PIA claimed that the innovations they had tested led to higher household income. In Kenya, this percentage was reported to be 80%. In Uganda, some innovators and LISF grantees have been able to commercialise their innovations through LISF support, thus adding a source of income for the household.

- **Increased investment in farming**. Farmers that were involved in the groups piloting the LISF reported that, in some cases, they were able to collect back funds granted to be used for experimentation the following year. In South Africa, LISF-supported farmers were able to save more and re-invest some of their savings into farming, e.g. using annual share-outs of savings groups to buy farm inputs in bulk. In other words, they are now regarding agriculture as a viable investment option. In Nepal, farmers reported that involvement in LISF has given them the understanding, capacity and confidence to start interacting with the bank for other purposes such as savings and credit.

- **Local organisation and its credibility strengthened**. Through handling the LISF and the various meetings and activities related to it, trust has reportedly been built among farmers to discuss issues of common concern that go beyond farming. Because the community recognises the leadership of the farmer groups handling the LISF, community members are more motivated to attend meetings, to identify their production problems and to do experiments seeking solutions (South Africa).

- **Strengthened position of women**: Although there were difficulties in some countries to mobilise good applications from women, the PIA reports indicate that, where this was done successfully it strengthened the emancipation of women. Staff of district-level Women Affairs Offices in Ethiopia emphasised that more than the innovations the process has assured the competence of women to innovate and solve their own problems; the staff therefore requested further expansion of the LISF to other districts. In Cambodia, it was noted that there was more discussion and joint decision-making by husbands and wives who cooperated in the experimentation.

Environmental effects were not addressed during the PIA. However, it was noted that, in Cambodia, the experimentation supported by the LISF led to a reduction in the use of chemical fertilizer and greater use of compost and manure in rice and vegetable production. This not only improved soil structure and fertility but was also better for the environment. In SA, technologies developed and shared with LISF support, such as green manuring, making feed supplements from local materials and growing potatoes under mulch, were environmentally friendly, as one of the criteria for their being accepted for funding was that they would not harm the environment. Uganda grantees referred to improvement in health because of use of LISF-supported innovations: "Use of my local concoction to address crop pests has greatly improved my health. Previously, I used to cough a lot as a result of use of inorganic pesticide. However, the situation has changed from the time I started using my own developed pesticide made out of local materials which are not harmful" (female farmer innovator, Uganda).

Table 8: Livelihood impact from LISF funding in Tanzania

Pilot zone	Innovation	Spread	Livelihood impacts
Southern higland	Local maize seed	60% in the village	• Increased mean yield from 1.4t/ha when under mineral fertilizers to 2.1t/ha with manures. • Food and income in unreliable rainfall seasons.
	Diverse vegetable species	Village depends on this group for vegetable supply	• Increased food and income security of the group members • Increased access of villagers to vegetables in dry seasons.
	Improved chicken management practices	25% of farmers	• Reduced chicken mortality from 80% to 20%. • Increased in income security of the group members. • Investments in better housing and small piggery projects.
	Integrated soil fertility management	350 households in the ward, including a prison	• Increased maize yield from 0.82t/ha to 7.34t/ha. • Increased in household food and income security • Build up soil productivity.
Central zone	Poultry manure as fish feed	49 people have fish ponds learnt from the innovators	• Food and income. • Triggered indoor poultry farming, which resulted into additional income. • Triggered healthy vegetable production using water from chicken and manure fish ponds.
	Trench cultivation for tomato production	101 people have started practicing	• Increased income from Tshs 150,000 to 440,000. • Increased economic in access to food security.
	Pitting practice for trees seedling survival		• Increased tree seedlings survival from 50%-100% in semi-arid climate.
	Mapambano compost	700 people use the compost	• Increased maize yield from 0.8t/ha to 4.5t.ha. • Increase food and income. • Promoted sustainable land productivity.
	Compost made of Mkuyu leaves		• Increased tomato yield by 85%. • Increased income and food security.

Source: Malley, 2011

Increased capacities of farmers to innovate

The findings on the impact of the LISFs in terms of change in capacities of farmers/ land-users to access relevant information and to innovate were generally very positive. Farmers who were interviewed reported increased self-confidence, recognition in the community as well as by external agencies, increased sharing on their innovative work within the village, improved links with other stakeholders, and better capacities in thinking about innovation and management of innovation funding. Four competence areas showed systematic impact:

First of all, the experimentation supported through the LISF stimulated and *strengthened farmers' capacity in experimentation* to address their problems. Farmers were exposed to different production options and learned how to compare different options in a systematic way. The recognition given to farmer innovators through the LISF and the successes that were reported by grantees increased eagerness among farmers to test new farming methods. Also some non-grantees started to carry out their own experiments without external financial support (SA). Nepalese farmers mentioned several times that LISF funding increased their capacity to experiment, as it took away part of the risk inherent in trying out new things. However, many farmers still had difficulties in recording and analysing data (Cambodia).

Farmers involved in managing the LISF referred to *increased organisational capacity*. They felt they were better able to handle finances on their own than they could before the LISF piloting began. In addition to financial management, the farmer members in Fund Management Committees felt their capacities had been improved in organisational management (committee skills), leadership skills, planning, record-keeping and M&E. In one case, the supporting NGO acknowledged to have acquired greater understanding of how to set up community-level legal organisations when it helped transform a voluntary association into a Trust to manage the LISF. It can now apply this know-how in other locations where it works (South Africa).

According to grantees, they are also now better able to *critically assess external programmes*, especially coming from government, and to make informed decisions on whether to participate or not. Most farmers in the LISF pilot area in South Africa rejected a government programme to provide free tillage and sow fields for selected households, as they regarded such support as undermining their own plans to improve their farming system. This shows that the farmers are becoming more self-reliant. Likewise in Cambodia, most of the farmer experimenters said they were better able to choose techniques appropriate for their farms and, as a result, they could produce and sell more agricultural products and generate more income. This allowed them to buy other foodstuffs for the family as well as to join collective savings groups for investment in agriculture and small enterprises.

A fourth capacity area in which important progress was made was in *horizontal information sharing*. In South Africa, piloting of LISFs went hand-in-hand with the formation of a farmers' forum. In this country, where the culture of farming had previously been weakened, the learning and sharing space created through this forum allowed farmers to open up to new ideas, to share experiences and even seeds, and to seek information from each other. In perhaps less organised ways, sharing of results of work supported by LISF grants has been part and parcel of LISF activities in most other countries, too, and increased horizontal learning is an important impact

noted in the PIA reports that continues after the end of the grants. "People continue asking now for knowledge everyday", said one innovator and LISF grantee in Ghana. The fund has elevated his status as source of relevant knowledge.

Confident innovator Jifara Workneh discusses his findings on breaking seed dormancy with senior Ethiopian MoA officials (*Ann Waters-Bayer*)

Openness and interest of ARD agencies to support and work with innovators

In Cambodia, 68% of the partners (Provincial Departments of Agriculture, NGOs and universities) felt that they had significantly improved their knowledge and capacities to access information and to collaborate with each other and with farmers. Key activities such as encouraging farmers to experiment and to write proposals to secure funds and documenting and sharing farmers' experimental findings and good practices have reportedly been integrated into the action plan of the Provincial Departments. The NGO and government staff members involved in the FAIR activities were encouraging farmers to continue experimenting with new ideas. However, they also felt that their capacity to facilitate farmers' experimentation and to monitor and evaluate the process and results was still insufficient.

According to the PIAs in most countries (Ghana, South Africa, Ethiopia, Uganda, Tanzania, Kenya), the FAIR project established new links between farmers, extension agents and researchers. Researchers visited and advised experimenting farmers and replicated their experiments on the research station (Tanzania, Kenya). Extension staff organised field days with farmer experimenters and other farmers to discuss local innovations. A few experimenting farmers have gained enough confidence to express themselves in public fora where government research and extension staff are present; this is bringing them into a better position to engage with and challenge these public services. For example, South African farmers approached the head of the district-level extension service in a Forum meeting to seek clarity on some issues that farmers were not happy about. Previously, they would not have dared raise questions, according to the supporting NGO.

According to most impact studies, staff of agencies involved showed more interest in and recognition of the value of local knowledge, e.g. in animal healthcare. Farmers interviewed acknowledged and confirmed this. The LISF process gave staff and farmers alike a chance to share their knowledge with others. In some cases, agencies also learned to appreciate their respective areas of expertise and initiated multi-stakeholder collaboration activities outside the LISF work (South Africa).

Thus far, only a small number of staff in advisory services has been directly involved in supporting communities to manage LISFs. They have seen how advisory services can draw on local creativity and build on the dynamics of local initiatives. They need to link their learning into higher levels of their organisation. In Ethiopia, for example, the involvement of government field agents in the piloting of LISFs led to their increased awareness of local innovation processes and closer partnership between them and farmers on an equal basis, thus providing an example of real change and contributing to institutionalisation of farmer-led joint research from the field level up to higher levels within the government services (Fanos et al 2011).

In conclusion, the impact assessments revealed important changes at community level in terms of strengthened farmer organisation, improved capacities of farmers to access relevant information and to innovate, and – in some cases – improved delivery and effectiveness of advisory services. Involvement of different actors in piloting LISFs contributed to:

- Increased interest in local innovation initiatives and sharing of new ideas among farmers and with outsiders;
- Strengthened farmer self-organisation around locally relevant research and development issues and increased capacities of these farmer groups to handle their own innovation and learning funds;
- Increased capacity of smallholders to access relevant agriculture and NRM information;
- Increased capacity of smallholders to formulate their own research and advisory needs;
- Greater confidence of farmers to interact with "outsiders" (from government and private sector) in joint investigation of new possibilities to improve their farming and livelihoods;
- Enhanced community capacities to critically examine external interventions and make informed decisions as to whether to participate or not;
- Increased interest of development agents and researchers to support farmer-led innovation and, sometimes, in collaboration with each other.

Community members greatly appreciated the fact that the LISFs provided them with the means to design, implement and evaluate their own processes of exploration and development. In Ethiopia and Ghana, both farmers and government staff stated that participatory approaches to extension have become more widespread in the areas where the LISFs operate.

LESSONS LEARNT

The piloting of LISFs in eight countries has come a long way in answering the central research questions it set out to address. In the process, a number of important general lessons have been learnt:

There is no single one best model: The case studies have shown a great diversity of workable forms and LISF implementation modalities. The central LISF principles of direct fund accessibility for farmers, funding of farmer-led innovation and farmer co-management of funding have been put into operation in different contexts. The previous chapters have discussed the strengths and weaknesses of LISF models and of choices made in their implementation. When making final decisions on actual implementation modalities, it was crucial to take into consideration the local realities in terms of the availability and capacity of local farmer- or community-based organisations; the capacity of agricultural development organisations to internalise the participatory LISF approach and provide good-quality support; the strength of existing patterns of collaboration between farmers, CBOs, NGOs, research and extension organisations at the national and local level; as well as possibilities and constraints presented by the legal and policy frameworks. These realities influence the shape and modalities of the LISF in practice. Starting up an LISF in a new country or even in a new region or district within a country will have to be a creative process of seeking the locally best ways to make it work in that specific context.

The model changes over time: In several places in this report, it is emphasised that time is needed to build capacities at partner and farmer level in order to allow them to play their role and arrive at a system that is decentralised to the fullest possible extent. This implies that the LISF modalities in the initial years may be different from those when they reach a more mature form. Establishing an LISF in a new geographical area thus becomes a process of stepwise introduction and development of the fund. In the initial stage, a temporarily stronger role for higher-level, experienced actors can be foreseen in the proposal approval process. After a few years, decision-making on grant applications can be fully decentralised to lower levels with only marginal screening at higher levels. Each phase will have its specific implementation, management and fund disbursement mechanisms. The change from one phase to the next cannot be made automatically after a given time period but will depend on the extent to which criteria related to capacity and efficiency of implementation modalities at the lower levels have been met.

Farmers are interested in funds for innovation: In many of the case studies, the initial response of farmers to calls for LISF proposals focused on farm investments rather than innovation development. This gave the impression that innovation funding was not one of the farmers' first priorities. A deeper analysis suggests that this is caused partly by misunderstanding that grew out of the long tradition in most countries of subsidised input programmes and/or micro-credit credit schemes. After applications for the first round were unsuccessful and further awareness raising was done on the focus and logic of the LISF, applications became much more focused on

innovation development in subsequent years. In several countries, farmers confirmed their interest in innovation activities and their funding through their creativity in gradually expanding the type of activities proposed, e.g. by adding proposals for training activities to colleague farmers, experimentation with a new practice heard somewhere else and specific research support for their own innovative work. The initial experience does underline, though, the importance of focused awareness-raising on purpose and function of the LISF at the level of farmers, CBOs and farmer groups. Simple brochures would support these. The heart of these could be concrete examples of what the LISF could fund – or has funded in the past – and what it does not fund, in each case with the reasons why.

LISF grants create both private and public goods: Funding farmers for innovation, experimentation, learning and research confronted PROLINNOVA partners with the question whether such funding is meant to generate private or public goods. Piloting LISFs had been started with the assumption that the LISF would be just another way to channel public funds for agricultural research and development in order to generate new practices that would potentially benefit many farmers, with the major difference that the funds are channelled directly to farmers. When farmers started discussing implementation modalities, some groups agreed to pay back the LISF grants, either partially or fully. This is something that research and extension staff is never expected to do. When considering this question, PROLINNOVA partners realised that LISF funding creates both private goods (direct improvements in the livelihoods of the farmer grantees) and public goods (new knowledge and practices that can be used by many farmers). In each case, a specific analysis needs to be made along this axis to determine whether partial repayment of funds makes sense and for which part of the grant this would apply. Repayment of grant components that cover direct farm inputs and direct costs made by the farmers makes more sense than repayment of grant components used to cover costs of support agents.

LISF links with and strengthens existing participatory programmes and organisations: It is the ambition of PROLINNOVA to establish LISFs as recognised funding mechanisms in each country that can stand on their own, that do not depend on external donor funding and that become part of the research and development funding system in the country. The case studies show that this does not require the setting up of a new, independent, institution covering national, sub-national and local levels. They suggest that LISFs can be implemented effectively and relatively cost-efficiently if they mobilise and function through other organisations – community-based, nongovernmental and governmental – working in agricultural development. Such an approach also allows the LISF work to link up, where needed, with relevant programmes and activities of these organisations. They need, however, to have a basic interest and experience in participatory agricultural development to be able to pick up the logic and purpose of the innovative LISF approach relatively quickly. Preferably, they should have current programmes that the LISF approach can enrich to create a win-win situation. In all cases, agreement needs to be sought from the management of these organisations to create room for staff to build LISF support activities into their regular work. Even where a new legal entity is created at the national level to strengthen visibility and management, e.g. in the form of a national innovation foundation, this could work through existing organisations in making LISFs work at lower levels.

Decentralised approaches allow stronger farmer involvement: Achieving strong farmer involvement in managing the LISFs and cost-effective functioning of the LISFs requires decentralisation of tasks and responsibilities. If farmers and their leaders play a major role in mobilising applications, screening, decision-making and M&E, then transaction costs are reduced. Such a role can best be realised and institutionalised by involving existing farmer organisations and CBOs at the local level and, if possible, at the national level. The case of Ghana shows the struggle to keep costs down in the absence of (linkages with) strong CBOs. The FAIR team in South Africa saw little history of community-based organisational development in that country and decided to make considerable investments in helping build a strong local CBO to handle the LISF. In Northern Ethiopia, a similar situation led to a similar response. The cases of Kenya, Uganda and Cambodia to a certain extent show the potential of drawing in CBOs systematically. A challenge in these countries is to strengthen the link with national farmer organisations as a way to position the LISF institutionally in the future.

Systematisation of data from multiple, localised experimentation is a challenge: The LISFs are able to support large numbers of smaller experimental activities by farmers, sometimes supported by extension and/or research. Generally, the information and data generated are used mostly to help the farmer(s) involved to further improve their practice and to create a basis to inform others locally through village meetings or farm visits. But it may be of interest to collect, compile and systematise data and information across grants, particularly those that address similar issues or practices. This would allow analysis and sharing of findings across grants more widely and create a set of data/information that could feed into formal research or extension. Partners are struggling with the question whether this is the task of the LISF itself. The alternative would be to create effective links with organisations with mandates to do this. In Ghana, the university partner in FAIR suggested that, at the appropriate time of the year (May), a list of LISF-supported actions and the related farmer innovations be sent to the university to be displayed for students ready to plan their final thesis work. In several countries, links to research (and extension) organisations are made through their involvement in LISF committees or M&E and researchers have linked up with LISF grantees for follow-up studies as part of their own programme (Box 6).

Box 6: Linking research analysis to LISF-supported innovation

Researchers in two research centres of the Kenyan Agricultural Research Institute have shown interest in two of the farmer-led innovations supported by the LISF and have submitted proposals for government adaptive research funds. The researcher in Katumani is interested to test different millet and sorghum varieties using the nursery and transplanting innovation developed by a LISF grantee. In Naivasha, a researcher is following up on the dairy feeds developed by another LISF grantee. The researchers are currently conducting on-station trials and, as soon as they accumulate some data that can guide the areas to work on with the LISF innovators, will start working with them in their fields.

Source: Kamau GM et al 2012

Farmers paying for support by extension and research staff: It is one of the central ideas of FAIR to have funds in the hands of farmers so that they can pay for costs of extension or research support as they think needed. This is part of a global trend to increase accountability of research and extension actors by rechanneling their funding (partly) through the clients they are supposed to serve. In practice, this proved

less straightforward than initially assumed. Farmers often have very few links with such agencies, do not know them or, if they do, are not fully confident that they can provide effective services. And if the farmers do see the need and have access, payment for time of extension and research staff involved is often not supposed to be done in many countries where the staff involved is paid government or NGO salaries. A country needs to have widely accepted arrangements for this to make it work within LISFs. In quite a few countries, farmers have included budgets for support agents in their application to cover their operational and travel costs or per diem. In such cases, farmers may still prefer that this money goes directly from the LISF account to the support officers or organisations and not through the farmers' hands. In Cambodia, a research or extension organisation can apply directly for funds to support LISF grantees in its area of operation; the amount granted depends on the number of grantees supported. The relevant budget covers both handling and M&E of the LISF system and providing technical advice on LISF-funded activities. Where direct payments by farmers to support agents have become accepted practice, this often refers to well-connected farmers. It takes time, practice and confidence for other farmers to follow these examples.

CONCLUSION

The piloting of LISFs over the past years has shown that the creation of a decentralised farmer co-managed LISF funding mechanism opens the road to a truly participatory research and development process. Staff of the agencies involved in the pilots confirms the potential of the LISFs to catalyse truly participatory research and extension processes, as evident from farmers' confidence when they talk about their innovative work to researchers and extension officers, and the co-learning role played by the latter.

The good news is that innovation funds can be handled locally. Contrary to the commonly held belief that funds should be managed by a higher-level office, the experiences reported here show that a decentralised grant mechanism is feasible and that funds can be held and managed at the grassroots. This is possible when the minimum requirements for capacities and conditions at the local level are met and when the LISF mechanism is introduced and locally adapted and made to work following processes as described in this report. Focused capacity building and learning activities need to be part of these.

Two challenges remain for the future. First of all, a further streamlining of the LISF process following from repeated implementation cycles should lead to a further reduction in the handling cost percentage. Moving from pilot to scale will support this development through realisation of economies of scale. But effective up-scaling scenarios and related institutional arrangements still need to be put in place in each country, and this is the second remaining challenge. With this addressed, the LISFs will become an established mechanism that countries can use to channel ARD funds to realise effective innovation on the ground. The initial impact studies have shown the power of the relatively small grants distributed through the LISFs to catalyse local innovation processes and the potential they have to impact positively on food security, livelihoods and NRM.

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Annexes

Annex 1: Framework for monitoring and evaluating the functioning of LISFs

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 an LISF function well in supporting farmer-led local innovation processes with acceptable overhead/ management costs? For M&E purposes, this question has been further detailed into six sub-questions or "performance areas". For each of these, one or more practical indicators and tools or methods have been developed to determine these, as follows:

Detailed M&E indicators for the LISF pilots

Criteria/ performance area	Possible indicators	Relevant M&E tools / methods
1. Adequate awareness among farmers (and other land-users) 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)
2. 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 • Financial reports/accounts
3. Effective disbursement mechanisms	9. Number of approved vs. number of disbursed grants	• Register
	10. Timeliness of disbursement in relation to fund needs (e.g. seasonal imperatives)	• Register • Feedback on grantees' satisfaction through internal evaluation

Criteria/ performance area	Possible indicators	Relevant M&E tools /
	11. Banking and other costs incurred in disbursement, at both country and international level	• Financial reports/accounts
4. Utilisation of the funds	12. Expenditure in line with agreed terms for use	• Grant reports • Random field inspection • Grantees' feedback through annual assessment meeting
	13. Necessary changes/ adaptations in initial plans quickly and effectively implemented	• Grant reports • Random in situ inspection of research/ experimentation work • Feedback from grantees and other stakeholders through internal evaluation
5. M&E of whether LISF grant system is in place (existing and functioning	14. Financial and narrative grant reports received by agreed deadlines	• Register
	15. Quality of grant reports received (clarity and completeness of information); undertaken (by whom, when, costs); lessons learned; analyses of stakeholders' participation	• Register
	16. Implementation of annual assessment meeting	• Reports on annual assessment meetings
	17. Information from grant reports processed and used in further LISF planning and implementation	• Minutes of country LISF committee meetings • Minutes of international FAIR meetings(checking that action points were followed up) • Reports on annual assessment meetings
6. ISF has a strong, farmer co-managed, sustainable institutional framework	18. Dissemination of findings from M&E	• Distribution or mailing list for relevant M&E reports
	19. Relevant stakeholders, including small-scale farmers and other land-users (men, women) endorse and support institutional setting	• Minutes of LISF committee meetings • Annual narrative reports
	20. Institutional setting of LISF is clarified and formalised	• Terms of Reference for LISF institution

Criteria/ performance area	Possible indicators	Relevant M&E tools / methods
	21. Strong involvement of farmers and other land-users in LISF management (at least "x" farmers/ land-users participating in the LISF committee, critical incidents)	• Minutes of LISF committee meetings • Critical incidents on farmer/land-user influence in LISF noted in minutes
	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.	• Financial report • Long-term operational plan for LISF • Secured funding commitments

Annex 2: Grant application forms

South Africa

1. Group/Individual applicant name:

2. Gender: Male Female Mixed Group

If group:
Formally registered? Yes No

3. Who is giving you support? Please specify:

4. Type of support required in innovation (please tick where appropriate): -
   1. Experimentation
   2. Institutional Building
   3. Learning & Action Events

5. Detail description of type of support required including duration:

6. Motivate why you need this type of support?

7. Total costs (give breakdown of cost):

TOTAL **R**

8. How did you get to know about the **Local Innovation Support Facility**?

……

9. Place and date Applicant's signature

……../……../…… ……

Nepal

LISF Application form

A. SUMMARY SHEET

Applicant's Details		
Name of organisation/Farmer innovator		
Gender:		Age:
Education level		Ethnic Group:
Contact Details:	Address	
	Phone:	
	Fax:	
	Email:	

Innovation Details

Title of the Innovation:
Implementation duration:
Projected Total Costs:

B. FULL PROPOSAL

Problem statement

What is the context of the Innovation? Describe the situation where innovation is innovated.

What was the problem you faced before this innovation? (The problem(s) issue(s) the innovation is addressing?)

What is the goal and objectives of the innovation?

How innovation will address the problem(s) at the local level?

Methods/methodology

Describe the activities/ steps the innovation will undertake to achieve its objective(s)?

Description of Activities

How it will sustain in future what will be the role of implementer?

List of activities	Expected results	Begin	End	Location	Responsible person

C. COSTS PROPOSAL

Total estimated cost		
a. Materials and equipment 1. 2. 3. 4.		
b. Contribution from innovator 1. Own labour 2. Own materials 3. Land resource		
c. Expert/technical input cost (if required)		
d. Others		
(For simple innovation, there is no need of external expert/technical inputs)		

Cambodia: Guideline for LISF proposal writing

Topic: (please specify the topic on which you want to do experimentation)

1. Name of farmer experimenter: Sex: Age:
Name of spouse:

2. Address:
Village: Commune: District: Province:

3. Rationale: *(please specify the rationale, e.g. you want to find out the way to grow vegetables on the flooded area)*

4. Objective of the experimentation: *(What exactly is the objective you want to find out? e.g. comparison of feeding efficiency with chickens or pigs). The objective of the experimentation should be clear and specified. What is the result that you want to see at the end of the experimentation?*

5. Process of experimentation

- *Preparation phase (review with your objective, preparing the recording document, e.g. template for recording)*
- *Activities: What is your first activity e.g. soil preparation, chicken cage preparation etc. and other activities for experimentation?*
- *Finalisation: (is the final process for comparing the result of experimentation especially to draw out lessons learnt for yourselves as well as other farmers)*

6. Duration of experimentation
List the activities in the template below and tick on the duration and person responsible e.g. Father, mother, son, daughter…

No	Activities	Duration (months)						Responsibility
		Jul	Aug	Sep	Oct	Nov	Dec	

7. Budget plan

No.	Items	Unit	Quantity	Price/unit	Total
	Total				

Date …… Date ……..

Seen and Approved Signature

Chief of the Association Farmer Innovator

Annex 3: Application screening form Kenya

Ref: LISF/1/VET2010

Local Innovation Support Fund
Proposal Vetting Form

Group/Farmer Name: …….

Proposal title
…….

Proposal Register Number ……..…….

Is there an innovation in the proposal? Yes …… No …….

If yes, describe the innovation: ……

Criteria	**Rating (*1-low,5-high*)**	**Remarks**
Originality		
Relevance		
Technical viability (Ease of upscaling)		
New application method		
Environment viability		
Economic viability		
Social acceptability		
Budget items		
Total rating		

Evaluation of proposal:

Screened by 1 …. ……. 2 …….

LSC Western …… … …
Date ……... ..

LSC Eastern …….
Date ……....

Comments:

Annex 4: Grant recipient agreements

Kenya

LOCAL INNOVATION SUPPORT FUND

DECLARATION:

We/I understand that-

1. The grant made to us/me by PROLINNOVA/LISF of KES……..(……..) will be for the innovation for which it was applied for, which is ……
……

2. We/I will be cooperative as a group/individual to implement and to finalise the project/innovation ensuring the proper use of the funds allocated to us/me.

3. We/I will cooperate with the Nyando district LISF steering committee and the PROLINNOVA–Kenya officials/contact persons, and will provide any information as required.

Signed by:

Group:

1. Chairperson …… ID No …….. Sign ……..Date……

2. Secretary …… ID No. …….. Sign…… Date……

3. Treasurer …… ID No. …… Sign…..…. Date…….

Individual:

Name……ID No. ……Sign……Date……

Witnessed by:

1……ID No. ……Sign……Date……

2……ID No. ……Sign……Date……

3……ID No. ……Sign……Date……

On behalf of the Nyando District LISF Steering Committee:

Tanzania

ILEJE RURAL DEVELOPMENT ORGANISATION
P.O BOX 160 ITUMBA, ILEJE – MBEYA, TANZANIA
Email: miico_cons@yahoo.com
ilejerdo@yahoo.com
Tel. (+255) 025 2510352

MKATABA KATI YA VIKUNDI VYA WABUNIFU WANAOFADHILIWA NA LISF NA IRDO

Mkataba huu umefanywa kati ya Shirika la Maendeleo Vijijini Ileje (IRDO) likiwakilishwa na ……..(Mkurugenzi Mtendaji) na Kikundi cha ……kikiwakilishwa na ……..(Mwenyekiti wa kikundi).

Kwamba pande zote zimekubaliana kuwa;-

A. IRDO itafanya yafuatayo;

1. Itatoa fedha za kuendeleza ubunifu asilia kwa kuwezesha majaribio ya pamoja katika eneo la ……
2. Itafuatilia matumizi ya fedha zilizotolewa ili kuhakikisha kwamba zimefanya shughuli zilizokusudiwa.
3. Itafuatilia utekelezaji wa shughuli zilizopangwa.

B. Kikundi cha ……kitafanya yafuatayo;-

1. Kitafungua akaunti benki ikiwa hakina akaunt.
2. Kitatumia fedha zilizowekwa kwenye akaunti ya kikundi na IRDO kwa malengo yaliyokusudiwa.
3. Matumizi ya fedha za LISF lazima yaidhinishwe katika kikao cha wanakikundi wote.
4. Kitatoa taarifa ya matumizi ya fedha (ikiwa pamoja na stakabadhi ya manunuzi) na ya utekelezaji wa shughuli.

SAHIHI…… **SAHIHI ……**
JINA …….. **JINA……**
MWENYEKETI WA KIKUNDI **MKURUGENZI IRDO**

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