

Rural Territorial Dynamics Program



2008 Annual Report

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Rural Territorial Dynamics: A positive outcome in 2008



In order to systematically develop an idea, one must engage in creative thought, the expansion of knowledge and, above all else, sensible observation. One of the necessary steps of this process is addressing the errors of action and omission that are part of any new undertaking so that one can move forward on a firm foundation. The Rural Territorial Dynamics Program Annual Report, which Rimisp is submitting to its collaborators and partners, is designed to form part of this effort. After 18 months of work, the program has achieved innovative and methodologically robust results that

show high levels of involvement of people and rural organizations from areas characterized by conditions of poverty.

This program is meant to address aspects such as the dynamics of rural areas, the forces that allow some and not others to express their capacity for development, the circumstances under which conditions that are favorable or limiting for growth are detected, and contexts that promote or limit social inclusion. The goal is to contribute to the design and implementation of more comprehensive, transversal and effective public policies that add to economic growth with greater social equity and environmental sustainability. One hundred very different organizations in a dozen countries around the region have made a commitment to this effort, and that emerging social network is in itself a result of which we are very proud.

For Rimisp, this program represents a challenge in several senses. The first is the task of ensuring that the conceptual framework of rural territorial development leads to concrete alternatives for action. We must honor the tremendous commitment that our donors have made by placing their trust in us and investing very important resources in these initiatives. We also have a moral obligation to the organizations and people who are taking these ideas as their own and working in different ways to make contributions. Finally, and most importantly, this program has to make a difference. It has to affect approaches, strategies and policies; it has to lead to the development of new networks and collaborations; it has to build the capacities of social actors. In other words, it has to do its part to transform rural societies so that they can move towards greater economic growth, more social inclusion and higher levels of environmental sustainability.

I am therefore very pleased to present the progress that has been made by this program during 2008. We look forward to receiving reactions and suggestions from our readers, partners and collaborators, as they will undoubtedly help make the work that we do in 2009 and beyond even more fruitful.

German Escobar
Executive Director
Rimisp

We have laid the foundations for being an instrument of change



The Rural Territorial Dynamics program has been made possible by the collaboration of over 100 organizations from Latin America and around the world. The 2008 Annual Report is a rendering of accounts for our partners and collaborators.

We also hope that this document helps establish a dialogue with many agents of change who are searching for allies in their efforts to transform Latin American rural societies. We invite them to consider this program as a possible source of ideas, practical experiences, analysis or new relationships with partners who can complement their own capacities.

At the beginning of the year, the program's Advisory Council approved a plan that instructed us to dedicate most of our attention during this initial period to the development of solid foundations for future work. Specifically, the goals that were established involve finding key partners in 10 countries and developing strategies and methods, pilot research and capacity building experiences, communications platforms and a coordination team.

We also wanted to begin to build a unique work culture that would help us to address the following issue: We believe that each program partner should have more space in which to explore new paths that have the potential to profoundly renew the way of thinking of doing rural development. We also feel that the partners should come together to answer the questions that inform the program. These include:

¿Which factors determine territorial development dynamics that are characterized by a virtuous, localized cycle of economic growth, social inclusion and environmental sustainability?

What type of concerted public action –including but not limited to public policy- can be effective in the encouragement or promotion of this type of rural territorial development?

In the pages that follow, we describe the degree to which we have met our commitments. I believe that last year we laid a solid foundation that will allow the program to achieve high quality, important results, effects and impacts. Furthermore, I believe that that work will make it possible for the program to serve as an instrument that encourages and supports changes in rural Latin American societies.

We have selected a sample of the results and effects achieved by this program in order to provide an overview of the type of contributions that are beginning to emerge from the work of our partners and collaborators. We cannot include everything that has been done and produced in this type of summary. Readers who would like more information are cordially invited to visit our website, www.rimisp.org/dtr

This program is a platform that is available to all who wish to use it to implement actions designed to help revitalize rural Latin America with a sense of social justice. We invite you to join us in this effort.

Julio A. Berdegue
Program Coordinator

1

In search of economic growth with social inclusion and environmental sustainability



- Growth - with or without social inclusion?
- Territorial dynamics in Chile: The strength of extra-territorial coalitions
- Surveys of policies and programs with a territorial focus
- Climate change and territorial development
- Cultural identity as a driver of territorial development
- Ethnic polarization in income distribution and social conflict in Southern Chile

Growth - with or without social inclusion?

The Nicaraguan municipalities of Tisma, Nandasmo, Catarina, Granada, Potosí, Buenos Aires, Rivas and El Tortuguero, which are home to 4% of the country's population, have one thing in common. Of the nation's 153 municipalities, they are the only ones that have increased per capita consumption and decreased poverty and inequalities in the distribution of consumption in recent years. In contrast, another 48 municipalities that house 31% of the population present negative results in these three areas (See Table 1).

"The Rural Territorial Dynamics program in Ecuador is analyzing areas of the Tungurahua province where interesting dynamics have met with a great deal of success in satisfying a local market with small scale production. We know that there are many highly valued processes with citizen participation in Tungurahua that have been promoted by various social actors. One interesting aspect is that Tungurahua is the only province in Ecuador in which the three most important indigenous organizations are working together to implement a process of association with the participation of local actors in order to improve the region's productive process to benefit the entire population."

Pablo Ospina, Coordinator of the Research Project in Ecuador.

The first four studies were implemented in Chile, Ecuador, Nicaragua and Peru. They record changes in per capita income (in Chile) and consumption or per capita spending (in the other three countries) as well as variations in income distribution (or spending) and the incidence of poverty. In each case, the analyses cover two moments in time: 1992 and 2002 in Chile; 1998 and 2005 in Nicaragua; 1993 and 2005 in Peru; and 1995 and 2006 in Ecuador. Similar studies are at an advanced stage of development in Mexico, Guatemala, El Salvador, Honduras, Colombia, Bolivia and Brazil.

Maps of territorial dynamics in Chile, Ecuador, Nicaragua and Peru offer a qualitative vision of growth. The studies, which integrate data from national standards of life surveys and censuses, examine each country at a territorial level in order to observe the changes that have taken place in terms of growth, poverty and inequality. The result is a varied panorama that speaks of important sub-national differences.

The study applies the Small Area Estimates method, which has been broadly utilized to build poverty maps. This method allows researchers to combine data from standard of living surveys and population censuses in order to obtain indicators of wellbeing with high levels of spatial disaggregation.

This allows us to go beyond national averages to consider the territorial aspect of development in Latin America. For example, even though their respective economies have shown very different rates of growth, less than 10% of the population in Chile, Nicaragua and Ecuador live in administrative units characterized by dynamics of growth with social inclusion. Peru has more even patterns, with 38% of the provinces (home to one fifth of the population) having undergone positive changes in the three indicators analyzed. The results are also shown on maps that indicate the different types of territorial dynamics, as illustrated in Figure 1.

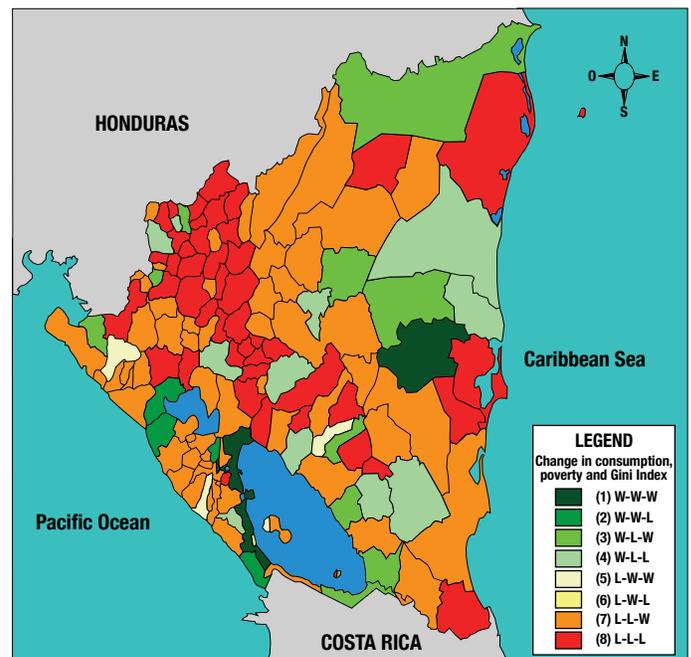


Figure 1. Nicaraguan Municipalities: Change in per capita consumption, incidence of poverty and income distribution, 1998 – 2005

Our researchers also looked at areas in which there have been positive changes in per capita income or spending and one of the two social inclusion indicators (incidence of poverty or income distribution). Eighteen percent of Chile's municipalities, which house 25% of the country's population, present such results. This is also true of 29% of the provinces in Peru (home to a little over half of the population); 9% of the municipalities in Nicaragua (with 6% of the population); and 6% of the parishes in Ecuador (with over one third of the population).

Most of the population in Chile, Nicaragua and Ecuador (66%, 83% and 55%, respectively) lives in municipalities/parishes that have not experienced positive changes in per capita income (Chile) or per capita spending (Nicaragua and Ecuador). Over 70% of the municipalities in Chile and Nicaragua and over 90% of the parishes in Ecuador are in this category.

“One of the main results of the research was that only 38% of Peru's provinces demonstrate dynamics of economic growth with a reduction in poverty and inequality. There are many factors that could explain these dynamics, such as differentiated access to goods and public services and the strength of local institutions.”

Javier Escobal, Coordinator of the Research Project in Peru

in their poverty rates. In Nicaragua and Ecuador, 86% of the administrative units have failed to reduce poverty. Those areas are home to 90% and about half of the nations' populations, respectively. The situation in Peru is somewhat better given that “only” half the provinces, which are home to one third of the population, have not reduced poverty.

In Chile, 44% of the population lives in the 45% of the municipalities that have not improved income distribution. In

Nicaragua, 45% of the municipalities, which house 33% of the population, are in this situation. In Peru, 44% of the provinces have not improved in this area, which is concerning if one considers that they are home to three quarters of the country's inhabitants. In Ecuador, most parishes do not present progress in terms of income distribution, and this situation involves 90% of the population.

In Peru, 28% of the provinces, which house about one fifth of the population, do not present positive changes in per capita spending.

Nearly one third of Chile's municipalities, which are home to 29% of the population, did not show significant decreases

The worst situation is that of the territories in which the indicators are stagnating or moving in the wrong direction. According to the study, nearly 80% of Ecuador's parishes and 50% of its population present dynamics of non-growth and an absence of improved social conditions. In Peru and Nicaragua, nearly one fourth of the provinces or municipalities, with about one fifth of the population, are in this situation.

In Chile, only 11 municipalities, which have 6% of the population, are in that situation.

Table 1 summarizes the results in all of the categories for the administrative units in the four countries.

“The most interesting thing was how stagnated territorial dynamics are in Nicaragua. Territories that saw improvements between 1998 and 2005 are the exceptions to the rule. Economic growth dynamics with a reduction in poverty and inequality are very concentrated geographically in Nicaragua. There have been improvements in places in which new activities like tourism have been generated or in which the price of products like milk have increased. This does not mean that there are processes that are inclusive for the poor, but at least small scale producers have had better milk prices, and in some areas of the Pacific region new employment opportunities that are not linked to agriculture and livestock have emerged.”

Ligia Gomez, Coordinator of the Research Project in Nicaragua

Table 1. Changes at the sub-national level in per capita income and spending, poverty and distribution of per capita income or spending

Type	Chile		Peru		Nicaragua		Ecuador	
	Municipalities	%	Provinces	%	Municipalities	%	Parishes	%
I. Greater per capita income or spending, less poverty, greater distribution of income or spending	16	5.0	74	38	8	5	8	1
II. Greater per capita income or spending, less poverty, no improvement in distribution of income or spending	57	17.5	20	10	9	6	65	6
III. Greater per capita income or spending, no improvement in regard to less poverty, better distribution of income or spending	1	0.3	36	18	5	3	0	0
IV. Greater per capita income or spending, no improvement in poverty incidence, no improvement in income or spending distribution	11	3.4	10	5	12	8	3	0.3
V. No improvement in per capita income or spending, less poverty, better distribution of income or spending	113	35.0	0	0	4	3	4	0.4
VI. No improvement in per capita income or spending, less poverty, no improvement in distribution of income or spending	42	13.0	6	3	0	0	70	6
VII. No improvement in per capita income or spending, no improvement in poverty, better distribution of income or spending	47	14.6	0	0	67	44	59	5
VIII. No improvement in any aspect	36	11.1	49	25	48	31	879	81
Total	323	100	195	100	153	100	1088	100



Territorial dynamics maps to be produced for 11 countries

Last year, we produced territorial dynamics maps for four countries: Nicaragua (by researchers from Nitlapan Institute of the Central American University and the Danish Institute for International Studies), Ecuador (Simon Bolivar Andean University), Peru (Analysis for Development Group) and Chile (Rimisp-Latin American Center for Rural Development and the Ministry of Planning).

Reports for seven other countries will be made available during the first quarter of 2009:

- Mexico (by researchers from the Mexico School)
- Guatemala (Rafael Landivar University)
- Honduras (Sustainable Development Network)
- El Salvador (Economic Commission for Latin America and the Caribbean)
- Colombia (University of Los Andes)
- Bolivia (Tierra Foundation and the Institute for Development Policy and Management of the University of Manchester)
- Brasil (University of São Paulo)

Data from nearly 200 million households in 11 countries will have been analyzed for this effort.

All of the reports will be published in the Documents section of the Program's website: www.rimisp.org/dtr/documentos



Pro-Poor Growth The Role of Institutions

Geography, trade and economic activity do not generate development on their own. We know that institutions play a key role in determining who takes advantage of the opportunities derived from factors like natural resources, geographic location or the insertion of the territory in certain commercial circuits or value chains and how they do so.

The challenge is moving from this general statement to a better understanding of the role of specific institutions. This includes legal or normative frameworks as well as entities that are linked to the power structure that determine how surpluses and opportunities are distributed.

In order to get at this complex issue, the program has established an alliance with the project “Improving Institutions for Pro-Poor Growth” (IPPG). This global project has research activities in Europe, Africa, Asia and Latin America. It is coordinated by Professor Kunal Sen of the University of Manchester’s Department of Economics and Policy. In Latin America, IPPG implements activities in Ecuador and Bolivia under the general coordination of Alexander Schejtman, one of Rimisp’s lead researchers.

Territorial dynamics in Chiloe: The strength of extra-territorial coalitions

The social and economic development experience of Chile over the past 20 years is commonly cited as an example of success. The resulting economic growth and decrease in poverty indicators support this appreciation. However, it is also evident that the impact has not been the same in all of the country's territories and localities. Some areas and sectors are "winners" and others are "losers."

There is therefore a need to explore the dynamics of economic development, social inclusion and natural resources at the local or territorial level in greater detail. Modrego et al (2008) analyze changes at the municipal level between 1992 and 2002. Based on this work, a team of Rimisp researchers selected the Island of Chiloe in southern Chile as a locale that is of interest for identifying the factors that explain the territorial changes which have been observed.

Chiloe is an interesting case because its economic development dynamics are a reflection of the country's general strategy. First, there is a process of accelerated industrialization of salmon farming on the island. This new industry is based on the territory's natural

advantages and is oriented towards dynamic export markets. Changing rules regarding the allocation and use of private capital have expanded access to natural resources.

The result is very strong economic expansion at the national level that has led to a significant influx of income. At the local level, the new salmon industry generates a strong demand for labor, including female labor.

In this context of vertiginous growth, the most traditional local strategies

fall behind. Tourism, which began in the 1980s as a strategy for local development that made use of the region's natural and cultural characteristics, is impacted negatively by the salmon industry. There is competition for labor and territorial disputes due to the different needs of each sector. For example, the tourist who arrives in Chiloe in search of a beautiful natural environment and cultural heritage is unaware of the impact that salmon production and processing plants have had on the environment and the landscape.

There are processes of environmental deterioration in Chiloe. The salmon industry has been able to develop thanks to the unique characteristics of the ecosystems in this archipelago. But over time the industry's environmental impacts have accumulated to the point where they are eroding the ecosystems' capacity to continue to sustain salmon production. During the last months of 2008, a salmon disease spread because of unsustainable levels of intensification. This led to the closure of numerous farms and resulted in the firing of thousands of workers.

Researchers have been able to verify the effects of accelerated economic expansion processes promoted by extra-territorial social coalitions in Chiloe.

In late 2008, they conducted interviews and formed a focus group of small scale and agricultural producers, wood and wool artisans, businesspeople, entrepreneurs from the tourism and salmon industries, independent professionals, environmental specialists, public officials, mayors, artists and intellectuals.

The conceptual framework of the project takes the territory as a social field in which different social actors hold different forms of capital: economic, political, cultural identity and natural. The territorial dynamics can change the position of these actors in relation to each of the capitals, which can be exchanged by modifying the system of formal or informal rules and norms (institutions). These changes can be supported by coalitions of actors from the area or from elsewhere.

Although this research is still ongoing, early results have shown that important changes have taken place in the area. There has been a substantive improvement in the quality of life of families

"The research shows that there is conflict between industry growth and local development. An interesting factor is that the actors who establish industry investments in Chiloe are extra-territorial or outsiders. On the other hand, local Chiloe actors promote other elements, such as the cultural identity of the island, for example the production of art crafts. The objective of this research project is to support the capacity building efforts of local people based on their own needs and priorities, so they can guide their own territory towards a more inclusive economic growth."

Eduardo Ramirez, Coordinator of Research Project in Chiloe, Chile



as the result of the creation of employment opportunities in the salmon industry. In particular, the women of Chiloe have benefited from the expansion of the labor market. This has led to improved quality of life, greater investment in child education and a shift from rural residences to urban ones within the same territory, which facilitates access to numerous public services.

There is another side to this coin, however. First, there are problems of environmental degradation. The initial hypothesis

of Rimisp researchers is that the environmental degradation is the result of institutional failures that encouraged or allowed for productive practices that are not only unsustainable but possibly even suicidal for the salmon industry. The interesting thing is that these institutional failures seem to have been caused by the action of social coalitions linked to the salmon industry, which promoted an institutional framework that was very favorable for accelerated expansion in the short term but that has turned out to be enormously costly in the medium and long terms because of its environmental impact and the related economic and social effects.

Another result that merits attention is the level of inequality observed in terms of access to opportunities and to the results of economic growth in the territory. While poverty rates have decreased significantly due to the increase in employment, the level of income distribution inequality is very high. There are differences between urban and rural areas and within each of them. Rimisp researchers are exploring the hypothesis that this is due to unequal access to productive assets and the scarcity of development alternatives that are not linked to the salmon industry. It seems that the alternative cost of labor in the territory is very low, which allows for the expansion of salmon to move forward based on very inexpensive labor and free access to natural resources.

Finally, the research team has found an important space of institutional analysis as an explanatory factor of local territorial dynamics. The researchers suggest that local adaptation of general norms, and not the creation of institutions that do not exist in other territories, has contributed to the current situation. In this process of local adaptation, any social actor or coalition of social actors that can mobilize resources in order to impose its strategies has the upper hand.

External investors, who are familiar with norms, laws and regulations and can commission technical studies and legal services in order to promote their interpretation of the institutional framework, obtain access to natural resources and establish resource use guidelines that are favorable to them. This has been detrimental to local agents, who have lower levels of the various types of capital involved, including economic and political capital.

Surveys of policies and programs with a territorial focus

One of the main characteristics of rural development policies in Latin America over the past decade has been the emergence of a territorial approach. However, when the consistency of this approach to ongoing policies is analyzed, the result is not always satisfactory. There is a need to identify and recognize the experiences that have been implemented in rural territorial development. The recognition of these practices is one of the first steps that must be taken to move from rhetorical innovation to true institutional change oriented towards rural development in Latin America¹.

types of topical objectives (economic, institutional, environmental, social development, etc.).

The survey covered a total of 235 programs and policies (see Table 2). Though many of these projects are in the early stages of development, they show the current panorama of the presence of the rural territorial development approach in development policies. It is important to note that a significant number of these initiatives depends on decisions made by each government administration, which could affect not only the program name but also its focus or objectives in cases in which new governments are introduced.

Table 2. Programs and policies with a territorial approach surveyed in Bolivia, Brazil, Chile, Honduras, Mexico and Nicaragua

	Bolivia	Brazil	Chile	Honduras	Mexico	Nicaragua
Programs/ policies (number)	23 (74)*	59	19	5	70	8
Responsible agencies (number)						
National	7	32	3	5	29	6
Foreign	15	2	3	4	6	11
Programs with foreign funding	19	3	5	4	14	5
Budget (in millions of dollars)**	186	-	-	94	9,013	30

* A total of 74 programs/policies were surveyed, but more detailed information on agencies and funding is available for 23.

** Information is missing for four programs in Bolivia, one in Honduras, 12 in Mexico and two in Nicaragua. Limited data is available on programs in Brazil and Chile.

To this end, a Latin American survey of public policies and programs with rural coverage and a territorial focus is being implemented in every country involved in the project. To date, information is available on Brazil, Bolivia, Chile, Honduras, Mexico and Nicaragua. In 2009 we expect to complete work in the five remaining countries: Colombia, Ecuador, El Salvador, Guatemala and Peru.

In order to implement these surveys, we identified policies that explicitly stated that they use a territorial focus, pursue such objectives or have a territorial development component. The sample included policies or programs that were financed using international or national resources; actions designed and managed by government agencies (at the national, provincial, state, departmental or municipal levels); and those that had all

The results of the initial efforts already show some trends. First, rural policies and programs with a territorial focus are mainly being promoted by national governments at different levels (national, federal, state and regional). The rural development approach adopted by the programs is increasingly regional in origin, avoiding the importing of territorial development implementation models generated in a more generic manner by development agencies. Only 12% of the territorial policies and programs surveyed are managed by cooperation agencies or non-governmental organizations (most of them in Bolivia).

- Of the 125 programs for which data is available on the origin of the funding, 78 received support from sources within the same country². However, this varies by country.

¹ Favareto, A. 2008. *Retrato das políticas de desenvolvimento territorial no Brasil. Relatório (Final report on territorial development policies in Brazil developed for Rimisp)*.

² Information on funding is lacking for 51 of the 74 programs surveyed in Bolivia. This data is not available in the surveys of Brazil.



For example, 20% and 26% of the programs in Mexico and Chile receive funding from abroad. In Bolivia and Honduras, 80% of programs have foreign funding.

- Of the 123 agencies directly responsible for these programs and policies, 66% are national agencies.
- The funding amounts for the territorial policies vary broadly, ranging from US\$30 million in Nicaragua and US\$9 billion in Mexico. Nicaragua and Mexico have, respectively, the highest and lowest per capita budgets for territorial policies.

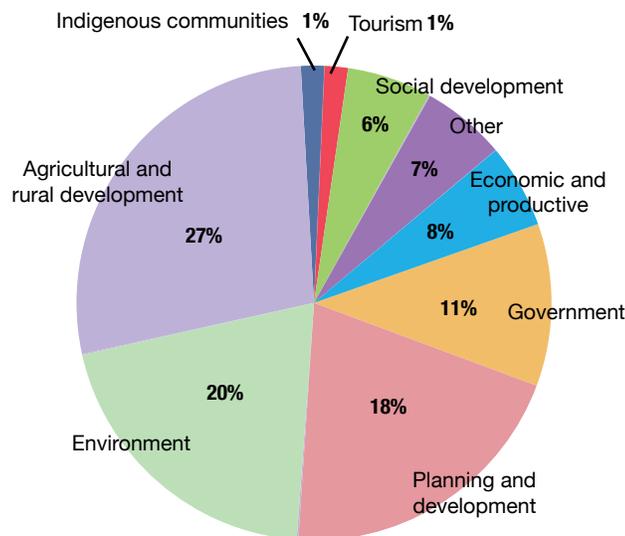
Second, it is important to note that this process goes well beyond Ministries of Agriculture. While agencies linked to this sector are still the main executors and institutions responsible for the territorial approach, a large number of other agencies support these policies, allowing for the incorporation of different sectors (Figure 2). In effect, of the government policies and programs surveyed in the seven countries, 27% are directly part of the Ministries of Agriculture and Rural Development and related services. Twenty

percent are part of the ministries and agencies in the environmental sector, 18% are part of the planning and development sector and 11% are linked to Interior Ministries.

In countries like Brazil, this is a particularly favorable time for taking a new qualitative step in the direction of the territorial approach. Programs like Territories of Citizenship are recognizing the need for broader policies for the rural sector and real instances of inter-sectoral coordination for the first time. The Brazil survey reveals a question regarding which social forces will be capable of completing the transition from the sectoral approach to the territorial one considering that it is necessarily multi-sectoral and multidimensional.

Once the survey of territorial policies and programs is complete for the 11 countries, we will have an important tool for identifying opportunities for collaboration and increasing the political incidence of the RTD program. The results also will establish the need to conduct a deeper analysis of the large amount of data gathered.

Figure 2. Sectoral distribution of territorial policies and programs (Agency directly responsible)



Climate change and territorial development

Rimisp signed a two-year contract (2009-2010) with the World Bank to coordinate a project on climate change and territorial development in Mexico (with the Rural Development Secretariat of the Michoacan State Government), Peru (with the Analysis for Development Group) and the Dominican Republic (with independent consultants).

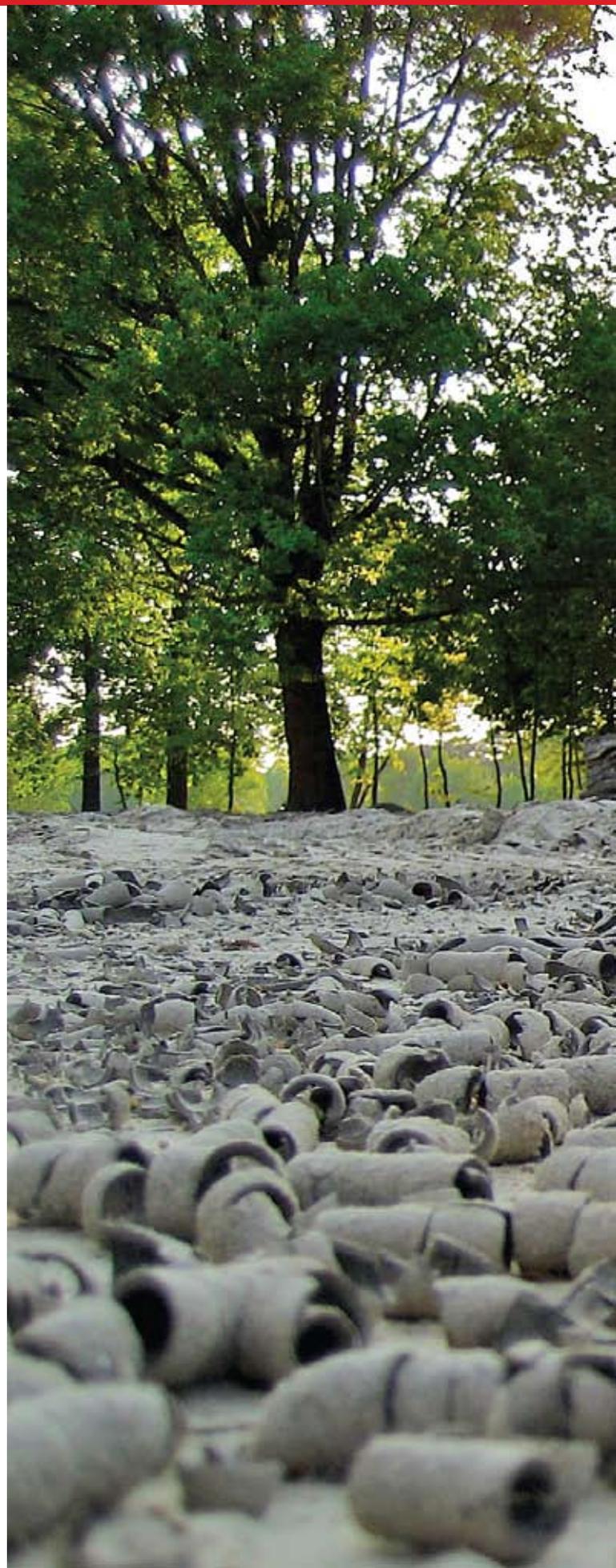
The basic objective of the project is to understand how territorial development initiatives can improve the adaptive capacity and resilience of local actors and communities in the face of climate change. Local institutions, their contribution to improved governance, and the services that they provide to at-risk groups are seen in this project as key mechanisms for improving resilience and capacity for adaptation on a territorial scale.

The project will focus on four issues of interest:

- The nature and impact of important climate risks in different territorial units in the three countries;
- The assets, capacities and weaknesses of the territory, placing special emphasis on marginalized social groups and their relationships with institutions, external and internal to the territory;
- The role of local institutions in supporting the capacity for adaptation;
- The political economy of the broader contexts of governance and policy within which institutions facilitate local development and adaptation to climate change.

The project will be implemented in close contact with the Rural Territorial Dynamics program activities in Mexico and Peru. Technical teams and work areas (the Mantaro Valley in Peru and the State of Michoacan in Mexico) will be shared as will many fieldwork, data analysis and communication, capacity building and incidence activities.

The Latin America project is part of a larger initiative through which the same type of work is being conducted in the African nations of Senegal, Niger and Burkina Faso.





Cultural identity as a driver of territorial development

The Rural Territorial Dynamics Program also builds synergies with other Rimisp projects; a good example being the close collaborative relationship maintained with the Rural Territorial Development with Cultural Identity (RTD-CI) project, which is sponsored by the Ford Foundation.

The main purpose of the RTD-CI project is to contribute to the design and development of policies, strategies and methods that stimulate the valorization of rural territories based on their cultural assets, contributing to sustainable territorial dynamics and positioning the issue of rural territorial dynamics with cultural identity at the regional level.

The RTD-IC project contributes a specific perspective –the perspective that comes from valuing cultural assets- on types of territorial dynamics. The key question is how cultural identities can constitute a driver of development for some poor rural areas. This inquiry applies to both, typical local products as well as processes of placing value on cultural heritage (either tangible or intangible).

Other initiatives are being shared with the Rural Territorial Dynamics program in the sphere of the design and implementation of strategies that RTD-IC promotes. The RTD-IC project is designing a referential method that looks to systematically

Table 3. Components and expected results for phase 2 of the RTD-IC project

Component	Expected
Applied research in territorial dynamics and cultural identity.	Analytical knowledge acquired on RTD-IC processes is situated in the scientific community and in national and sub-national decision-making spheres, contributing to efforts to generate conditions for promoting sustainable territorial dynamics in Latin America and the Caribbean (LAC).
Development of RTD-IC strategies and methods	Validated RTD-IC strategies and methods are made available to territorial coalitions and other key stakeholders in function of the promotion of processes of change aimed at economic growth, social inclusion and environmental sustainability in rural territories in LAC.
Construction of a specialized RTD-IC regional platform	Regional spaces are created around stakeholders with similar interests and functions in relation to diverse RTD-IC initiatives.

The program co-financed three research projects in 2008:

1. “The Territorial Dynamic of Central Chile: Between Identity and Salmon,” Rimisp research team led by Eduardo Ramirez.
2. “Rural Territorial Development with Cultural Identity in the Vilcanota River Valley,” Peruvian Studies Institute research team led by Carolina Trivelli.
3. “Sustainable Territorial Development in the Coastal Area of the State of Santa Catarina: Integrated Strategies Based on the Valorization of the Cultural Identity of Traditional Fishing Communities,” the French Agricultural Research Center for International Development (CIRAD) and the Federal University of Santa Catarina (UFSC, Brazil) research team led by Claire Cerdan.





–but in a manner that is flexible enough to adjust to the reality of each territory- coordinate activities designed to promote the circulation and valorization of local knowledge such as mapping of cultural assets, cultural tours, territorial laboratories, Learning Routes³, traveling schools of art and trades or creative workshops, with systematization and analysis from more academic spaces. The goal is to promote proximity and a fruitful “contamination” of both systems of knowledge.

One of the elements that should be further developed in the future is the sustained promotion of public-private alliances designed to increase the scale and critical mass of the potential for development with identity.

These issues are being discussed at various workshops with the Rural Territorial Dynamics program as part of an effort to develop a proposal for strengthening local capacities in relation to the issues of productive and institutional transformation of rural territorial development in general.

Finally, the initiatives are sharing the publication of the journal *Equitierra* and are collaborating on policy scenarios and public investments such as those made by the Undersecretary of Regional and Administrative Development in Chile, the Andean Community of Nations and Latin American projects financed by the International Fund for Agricultural Development (IFAD).

³ The Routes were developed by Corporación Regional PROCASUR (www.procasur.org), one of the strategic allies of the RTD-IC Project.

Ethnic polarization in income distribution and social conflict in Southern Chile



The exclusion and marginality that members of Latin America's indigenous communities face are evidence that ethnicity is a characteristic that segregates the population. A project conducted by Rimisp researchers Ximena Celis, Felix Modrego and Julio Berdegue produced a spatial analysis of the ethnic polarization of rural income in southern Chile.

The concept of economic polarization allows us to analyze the degree to which income distribution is structured around homogenous groups that are in conflict. While it is closely related to inequality, polarization is a different phenomenon that can provide a complementary perspective on the study of income distribution that is useful for understanding exclusion and the emergence of disputes among social groups.

Researchers used Small Area Estimates methodology to analyze polarization from a geographic perspective. They were able to

obtain fairly precise municipal estimates of ethnic polarization of the income of the rural population.

The results showed that, spatially, ethnic polarization of rural income is a highly variable phenomenon and that it is expressed very differently to inequality (Figure 3). In this study, many municipalities presented high polarization and low inequality and vice versa. Utilizing spatial statistical tools, researchers showed that the polarization manifests itself as a relatively localized phenomenon in areas of the southern Bio Bio region and the central-northern part of Araucania which are areas in which large forestry industry have been in conflict with local Mapuche communities (see Figure 4).

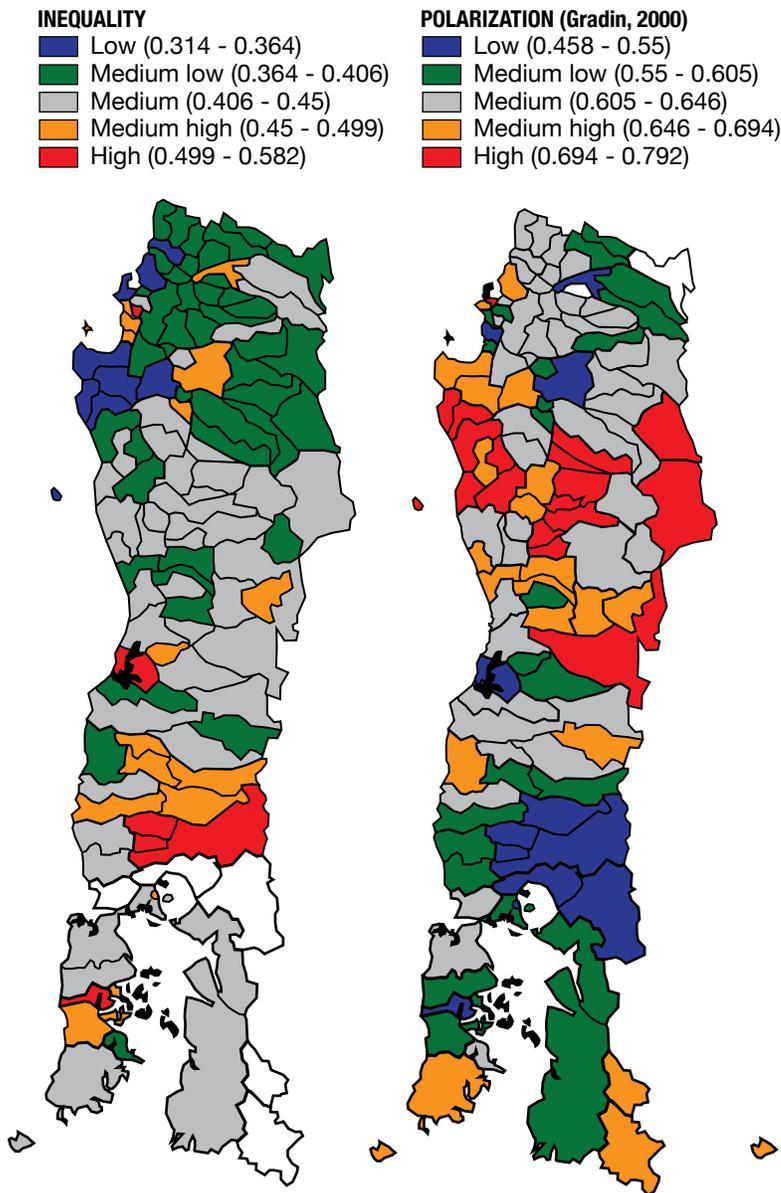
The analysis also allowed researchers to determine that polarization occurs mainly in poor municipalities with a high Mapuche population, where incomes of indigenous homes tend to be concentrated in the lower part of the relatively homogenous distribution of poverty. In areas of greater income, in contrast, there is less polarization as there is greater dispersion of income within both social groups (indigenous and non-indigenous).

Ethnic polarization of income seems to be the result of social, political and economic processes that distance indigenous groups from the development opportunities that are generated by the growth of local economies. The results suggest that economies based on the large forestry industry in rural southern Chile are particularly excluding of this social group.

Public policies geared towards improving the wellbeing of indigenous households face the double challenge of closing socio-economic gaps with the non-indigenous population and reducing stratification among indigenous peoples.

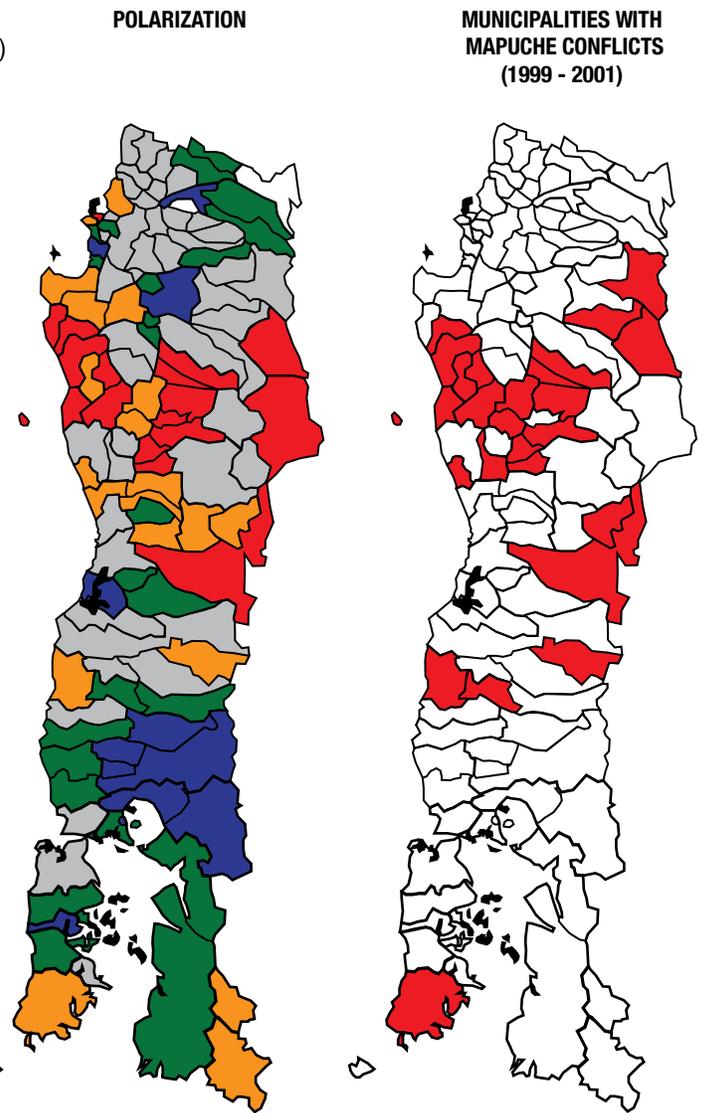
In order to achieve greater social equity, there is a need to recognize the different aspects of exclusion and their unique expression in the territories of rural Chile. Differentiated strategies with a territorial emphasis could make a substantive contribution to complementing the policies directed at indigenous communities that are currently being implemented in the country.

Figure 3. Geographic distribution of inequality and ethnic polarization of rural income in municipalities in southern Chile.



Note: Inequality measured using the Gini coefficient of per capita income (indigenous and non-indigenous). Ethnic polarization measured using the Gradin group polarization index. Rural income only, 2002.

Figure 4. Spatial distribution of ethnic polarization of income and areas of indigenous conflict



Note: Levels of polarization to scale in Figure 4. Areas of ethnic conflict determined by reviewing news articles documenting violent occurrences that took place between 1999 and 2001.



2

Working in networks



- A program rich in social capital
- Network of sub-national governments works to revitalize rural areas
- The Ibero-American Rural Dialogue: a new space for high-level political exchanges
- Journalists' network: creating a space in public opinion

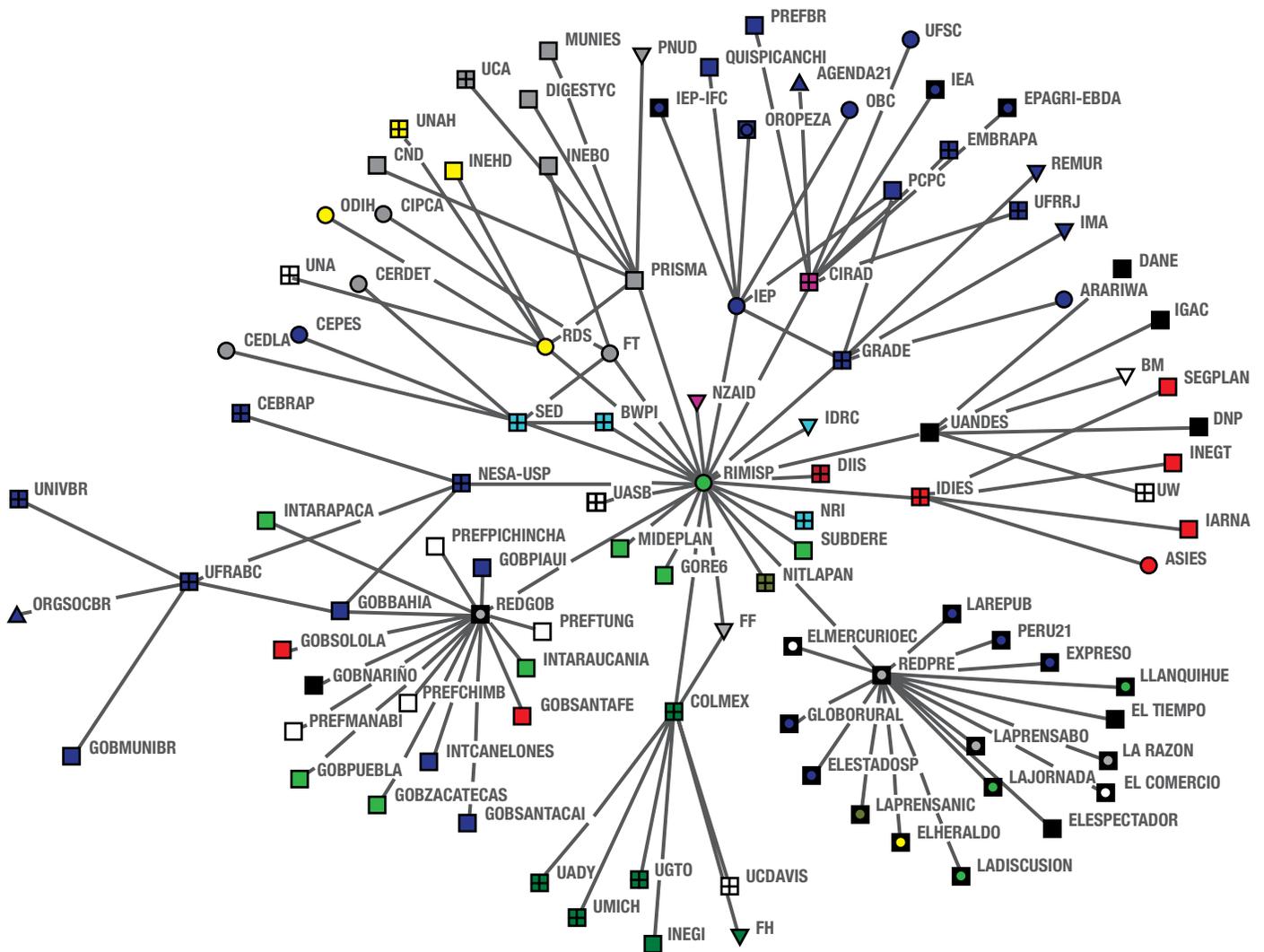
A program rich in social capital

Rimisp is known for its strong tradition of working in networks. The experience gained through 22 years of building connections for effective collaboration among diverse types of organizations is expressed in the Rural Territorial Dynamics program.

Throughout 2008, a total of 77 entities that we consider to be our **partners** in this initiative participated in the program through different activities. We have direct and specific collaboration agreements with each of them.

We are not certain how many organizations our 77 partners interacted with as they developed their actions in the context of the program. These **collaborators** linked through our partners are no doubt essential to the achievement of the program's results and effects. In August 2008 we conducted a survey and found that there was an average of 3.4 collaborators per partner (Figure 5). If we extrapolate, we can estimate that the program had around 260 collaborator organizations as of 31 December 2008.

Figure 5. The network of program partners and collaborators in August 2008.



The program partners as of 31 December 2008 are:

Alba Sud	Nicaragua
World Bank, Social Development Department	
French Agricultural Research Center for International Development (CIRAD)	France
Tarija Regional Studies Center (CERDET)	Bolivia
Economic Commission for Latin America and the Caribbean	Multilateral
Danish Institute for International Studies (DIIS)	Denmark
The Mexico School – Economic Studies Center	Mexico
Latin American Faculty of Social Sciences, Master’s in Local and Territorial Development (FLACSO Ecuador)	Ecuador
Latin American Faculty of Social Sciences, Master’s in Sustainable Rural Development (FLACSO Guatemala)	Guatemala
International Fund for Agricultural Development, Latin America and Caribbean Division (IFAD)	Multilateral
Prisma Foundation	El Salvador
Tierra Foundation	Bolivia
Analysis for Development Group (GRADE)	Peru
Institute of Peruvian Studies	Peru
Nitlapan Institute of the Central American University of Nicaragua	Nicaragua
International Development Research Centre (IDRC)	Canada
Ministry of Planning (MIDEPLAN)	Chile
New Zealand’s International Aid & Development Agency (NZAID)	New Zealand
FAO Regional Office for Latin America and the Caribbean	
Catholic University of Peru, Department of Architecture	Peru
Sustainable Development Network	Honduras
Rural Development Secretariat of the Michoacan State Government	Mexico
Ibero-American Secretariat General	Spain
Undersecretary of Regional Development, Ministry of the Interior (SUBDERE)	Chile
Simon Bolivar Andean University, Faculty of History	Ecuador
Central American University of Nicaragua, Master’s in Rural Development	Nicaragua
Jose Simeon Canas Central American University, Master’s in Rural Development	El Salvador
Los Andes University, Economic Development Studies Center (CEDE)	Colombia
University of Sao Paulo, Department of Economics (USP)	Brazil
Federal University of Santa Catarina	Brazil
National Autonomous University of Nicaragua, Master’s in Public Policy and Development	Nicaragua
Costa Rica National University, Master’s in Rural Development	Costa Rica
University for Strategic Research in Bolivia, Master’s in Social Sciences Research for Development (U-PIEB)	Bolivia
Rafael Landivar University, Institute of Economic and Social Research (IDIES)	Guatemala
University of Greenwich, Natural Resources Institute (NRI)	United Kingdom
University of Manchester, Brooks World Poverty Institute	United Kingdom
University of Manchester, Institute for Development Policy and Management (IDPM)	United Kingdom
University of Saskatchewan, Canada Rural Economy Research Lab (C-RERL)	Canada



Partners through the Rural Press Network	
Diario Rural	Uruguay
El Comercio	Ecuador
El Espectador	Colombia
El Herald	Honduras
El Llanquihue	Chile
El Mercurio	Ecuador
El Mercurio, Countryside journal supplement	Chile
El Mundo	Bolivia
El Tiempo, Land and Livestock supplement	Colombia
Expreso	Peru
Hoy	Ecuador
La Discusion de Chillan	Chile
La Jornada	Mexico
La Opinion	Colombia
La Prensa	Bolivia
La Prensa	Nicaragua
La Razon	Bolivia
La Republica	Peru
La Republica	Uruguay
O Estado de Sao Paulo	Brasil
Peru 21	Peru
Revista Globo Rural	Brazil
Revista Super Campo	Argentina
Partners through the Network of Sub-national Governments for the Development of Rural Territories in Latin America	
Government of Narino	Colombia
Government of the Province of Chimborazo	Ecuador
Government of the Province of Manabi	Ecuador
Government of the Province of Tungurahua	Ecuador
Government of the Province of Pichincha	Ecuador
Government of the Department of Canelones	Uruguay
Government of the Department of Solola	Guatemala
Government of the Department of Tumbes	Peru
Government of the State of Zacatecas	Mexico
Regional Government of Araucania	Chile
Regional Government of Tarapaca	Chile
Government of the Province of Santa Fe	Argentina
Government of the State of Puebla	Mexico
Government of the State of Piaui	Brazil
Government of the State of Bahia	Brazil
Government of the State of Santa Catarina	Brazil

Network of sub-national governments works to revitalize rural areas

In May 2008, the Latin American Meeting of Mayors, Governors and Prefects for Rural Development was held in Santiago, Chile.

Fifteen officials from Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Mexico, Peru and Uruguay attended the event. The political leaders participated in exchanges with renowned authorities such as Chile's current President, Michelle Bachelet, and former President Ricardo Lagos. The activity was held at the Santiago headquarters of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and was organized by Rimisp, the FAO Regional Office for Latin America and the Caribbean, and Chile's Office of the Undersecretary of Regional Development (SUBDERE).

A new network

The officials in attendance created the "Network of Sub-national Governments for the Development of Rural Latin American Territories." The purpose of the network is to promote political dialogue at the regional level in order to contribute to the development of concepts, strategies and policies for the sustainable development of rural societies and territories in Latin America.

The main speech was given by former President of Chile Ricardo Lagos, who called for the creation of a "New Deal" for Latin America (see next page).

Mission

The Network's charter states that: "The Governors, Intendants, Prefects and Regional Presidents of several countries in Latin America who have come together in Santiago de Chile in order to analyze the challenges that the region's rural territories are facing, agree that there is a need for sub-national governments -like the ones that we represent- to take on greater leadership in promoting the revitalization of Latin American rural territories with social justice."

The Declaration of Santiago presented below offers nine principles and criteria for a development strategy that reflects Latin America's new rural reality. The first principle states that, "We must place the need to overcome poverty and inequality at the center of rural strategies. Sustainable social wellbeing depends on the development of territorial economies and the generation of income for the poor should be promoted as a priority. We do not believe that rural Latin America can grow with wellbeing and sustainability if we continue to focus on a combination of comparative advantages that

are highly concentrated in a few products, companies and territories and policies of social compensation for the majorities."

It was agreed that the new network will represent the vision of regional authorities at international fora and will coordinate learning processes among member governments in order to improve territorial development capacities and programs. In regard to its operation, the members agreed to create a Secretariat that will be supported by Rimisp and FAO.

The participants elected former governor of the Mexican state of Michoacan, Lazaro Cardenas Batel, to serve as General Coordinator. The network's second meeting will be held in March 2009 in the Brazilian state of Santa Catarina.



"Latin America's rural sector has faced recurrent crises as a result of factors within each country and changes in international market conditions. As a result, asymmetries have been generated in the dynamics of development that have led to the coexistence of 'winning' and 'losing' regions within the context of globalization. We must act to ensure that there are no 'losing' regions."

Lazaro Cardenas, General Coordinator, Network of Sub-national Governments for the Development of Rural Latin American Territories



A New Deal for Rural Latin America

On May 12, 2008, former President of Chile Ricardo Lagos Escobar offered a speech entitled “A New Deal for Rural Latin America” at the Latin American Meeting of Intendants, Governors and Prefects for Rural Development, which was held in Santiago de Chile.

Lagos referred to public policies that should be adopted in view of the region’s “new rural complexity” and proposed revisiting the idea of creating a system of government to facilitate the development of rural areas of Latin America and the Caribbean. The paragraphs that follow contain extracts of this speech, which can be viewed in its entirety in the Documents section of www.rimisp.org/dtr/documentos

“The food crisis, the environmental impact of agricultural activities, and the persistence of poverty and inequality are three clear signals that all is not well, and that we must develop a new relationship with rural Latin America that stimulates revitalization in the rural world with a sense of social justice.”

“The question is how this diversity of public and private actors can become an effective agent of development in their regions. It is not easy because social inequality works against the construction of consensus. But it is possible and there is sufficient evidence of this in many of the policies and programs that are being promoted in the region. This is one of the main riches of the territorial approach to rural development that has been gaining ground in the past few years: it emphasizes the need to stimulate and support the creation of collective actors that are deeply rooted in their territories who can reach consensus regarding a vision of the future and project the type of actions and investments that are needed in order to move in that direction.

“... I would like to refer to the challenge of good government for rural areas. The recent World Bank World Development Report that focuses on issues of agriculture, the rural world and development identified numerous innovations in public policy and private initiatives that could truly contribute to the wellbeing of rural societies. But the report hit a nerve when it stated that many of these innovations do not go beyond being ‘islands of success’ because of the weaknesses of systems of government and particularly public institutions. This is a general problem in Latin America, but it is



magnified when we speak of the rural world. I am reiterating what I recently said at the Magallanes University: there is a need for a profound reform of government that allows for a strong, efficient and transparent public sector that is compatible with the demands of the beginning of the third century of our independent life. This government reform is not technocratic work. It is nothing more or less than the work of generating a consensus on a new equation between the State, the market and society in each country that optimizes opportunities of access to social capital that are necessary for participating in material and moral progress and offering the best possible social protection of individuals in accordance with our level of income and development. The key concept in this equation is guarantees: the set of basic opportunities and protections that society is in a position to ensure to every person through public policies.

“Governors, prefects and mayors have a tremendous responsibility in how this new deal is built for rural Latin America. Each of their governments has a direct relationship with this real society. For them, aggregate statistics on job creation or loss, environmental pollution or preservation and the valorization of ecosystems, social cohesion or the expansion of violence, good schools or those that reproduce inequality are things that mean something. The issue is how we adapt to this new reality, this urban-rural relationship that does not have the clarity of the past. This is a matter that has never been discussed, and the fact that it is now being discussed makes the work of addressing these tasks much more complex.”

The Ibero-American Rural Dialogue: a new space for high-level political exchanges

One of the challenges that this program has accepted is participating in the political processes through which the coalitions, visions and general strategies that inspire rural development programs and policies in the region are built. One of these spaces is the Ibero-American Summit of Heads of State and Government.

In close collaboration with the Office of the Secretary General of Ibero-America (SEGIB) and the Ministry of Agriculture and Livestock of El Salvador, the RTD program organized the Ibero-American Rural Dialogue in San Salvador. The meeting was linked to the Conference of Ministers of Agriculture of Ibero-America and formed part of the official program of activities of the XVIII Ibero-American Summit of Heads of State and Government.

The direct precedent of this activity was the meeting organized in Madrid by SEGIB, the Ministry of the Environment and Rural and Marine Sector (MARM) of Spain, and the Rural Territorial Dynamics program. The meeting's participants agreed on the need to place the issue of the food crisis on the agenda and the political discussion of the XVIII Ibero-American Summit. This strategy had two objectives:

1. for the Heads of State and Government to offer political statements on this crucial matter; and
2. to identify opportunities to respond to the crisis based on Ibero-American cooperation, paying special attention to the countries or sub-regions that have been affected the most.

A decision was made to hold the Ibero-American Rural Dialogue, which would feature the participation of diverse public and private actors from throughout Ibero-America. The event took place in September 2008, one month prior to the Summit. Over 70 people



Extract of the El Salvador Declaration

The El Salvador Declaration, which was agreed to and signed by the representatives of the Ministries of Agriculture of the Ibero-American nations, contains two sections that make specific mention of the Ibero-American Rural Dialogue:

“... We agree:

Paragraph 14: To welcome the recommendations of the Ibero-American Rural Dialogue and to propose that the agenda of the XVIII Ibero-American Summit include the topic of the food crisis so that specific responses can be proposed at the regional level.

Paragraph 15: To recommend that the Office of the Secretary General of Ibero-America (SEGIB) consider including the Ibero-American Rural Dialogue as an activity that generates information and analysis and contributes to the Ibero-American Conferences of Ministries of Agriculture.”

from nearly 40 non-governmental organizations, cooperation agencies, universities, the private sector and ministries of Ibero-America participated in the exchange.

The discussion focused on two main topics: the food crisis and rural territories. The result was a document directed at the IX Conference of Ministers of Agriculture and, through it, the Heads of State and Government of Ibero-America. The text includes a series of recommendations agreed to by the forum participants. The Ministers of Agriculture of Ibero-America decided to adopt the recommendations proposed by the Dialogue, including installing the forum as a permanent element of the process of future Ibero-American Summits of Heads of State and Government.



Participant's Remarks

"[The Ibero-American Rural Dialogue] is an excellent opportunity to share information and promote strategies directed at improving the living conditions of our rural populations. The current situation favors countries like ours that produce and export because we can take advantage of the increase in agricultural prices to enhance productivity and access to internal, regional and world markets." **Mario Ernesto Salaverria, Minister of Agriculture of El Salvador.**



Mario Ernesto Salaverria, Minister of Agriculture of El Salvador.

"There is a need to give priority to food safety and to generate initiatives for retaining young people in the rural sectors of Latin American nations. **Galo Larenas, Ambassador of Ecuador in El Salvador and representative of his country at the IX Ibero-American Conference of Ministers of Agriculture.**



Martin Pineiro, Director of Grupo CEO, Argentina.

"The increase in food prices can be handled in a positive manner. This is a great opportunity for Latin America because almost all of the countries are net exporting nations, with the exception of El Salvador, Mexico and Venezuela. An adequate management and administration policy that protects the poorest consumer sectors and decreases negative impacts could increase production for exportation". **Martin Pineiro, Director of Grupo CEO, Argentina.**



Jose Graziano da Silva, FAO, Assistant Director General for Latin America and the Caribbean.

"There is a need to promote family farming, social protection and nutritional health at the national level.... Nutritional education is essential to ensuring food safety for Latin American peoples". **Jose Graziano da Silva, FAO, Assistant Director General for Latin America and the Caribbean.**

"From ECLAC's perspective, flat subsidies are not an optimal response to the food crisis. We must focus on the most vulnerable populations and those who have the greatest need. Priority should be given to children under the age of five, breastfeeding mothers and pregnant women". **Martine Dirven, Official responsible for ECLAC's Productive and Business Development Division.**



Martine Dirven, Official responsible for ECLAC's Productive and Business Development Division.

Journalists' network: creating a space in public opinion



The Rural Press Network blog was launched in October 2008 as a network initiative. In just three months it received over 3,000 hits. The entries and discussions have covered such topics as the role of the media in rural development, the right to food and the food crisis.



Latin America is an urban continent, and the major strategic decisions that organize public life rarely consider the specificity of rural sectors. When it is taken into account, rural tends to be used as a synonym for backwardness, stagnation and poverty. Rural is the past from which one wishes to escape.

Those of us who are committed to revitalizing rural societies in Latin America must dedicate ourselves to the task of informing public opinion of the reality and potential of the rural world.

To this end, the Rural Territorial Dynamics program sponsored the Latin American Meeting of Journalists for Rural Development, which took place in June 2008 in Itatiba in the state of Sao Paulo, Brazil.

Foundational agreements of the Rural Press Network

The participants decided to create a Latin American network of journalists for rural development, which was called the Rural Press Network. The organization looks to position the rural in the Latin American media and in public discussions.

The Network's members also agreed to create a specialized blog with information on topics linked to rural development. The Rural Press Network blog is already a reality, and has become a resource that publishes information on issues of rural development, articles, links to network members' most recent publications, and Rimisp studies. For more information see www.redprensarural.com

This year also saw the creation of the Rural Press Fund, which provides network members with an opportunity to compete for economic resources for researching and reporting on rural development in the region. The fund is sponsored by the FAO Regional Office for Latin America and the Caribbean.

The Rural Press Network currently has 27 members, all of whom are journalists working in the written media in Latin America and the Caribbean.



3

Communication for social change



- Equitierra Magazine: for thinking and acting freely
- The program in the international press
- Program working papers



Equitierra Magazine: for thinking and acting freely

Equitierra, an electronic journal that generates discussions of current rural issues in Latin America, was launched in August 2008. It enjoys the support of the Rural Territorial Dynamics program and the Rural Territorial Development with Cultural Identity (RTD-IC) project, which is coordinated by Rimisp with the support of the Ford Foundation.

The journal promotes a more complex vision of rural development and presents an innovative approach that incorporates such factors as geography, natural resources, economic systems, market dynamics, institutional contexts, and social actors and movements.

Equitierra is directed at a broad, diverse audience composed of representatives of governmental and non-governmental organizations, cooperation agencies and academic centers as well as students and journalists who are interested in rural issues.

The first issue generated a great deal of expectation. In just a few weeks, the publication had 2,600 subscribers and the Website (www.rimisp.org/equitierra) was receiving an average of 30 hits per day. A survey was conducted in order to evaluate the first issue one month after its launch, and 118 responses were received. The comments on the initiative and the publication's treatment of the issues have been generally positive. Most readers found the quality of the articles and the issues that they addressed to be very good.

Equitierra Readers' Opinions

"The journal provides us with an opportunity to learn about the experiences of other countries- what they have been doing and how they have addressed different situations in order to improve the life of the rural population. Thank you for sharing this knowledge."

Migdalia Herrera

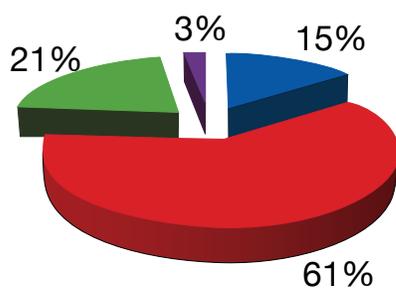
"Congratulations on this initiative, which takes a very big step towards the creation of a solidarity network of people involved in territorial development in Latin America."

Yves Champetier

"Thank you for the quality of the information published in your journal. It encourages the enrichment of the ideas and discussions associated with sustainable development in every sense of the term."

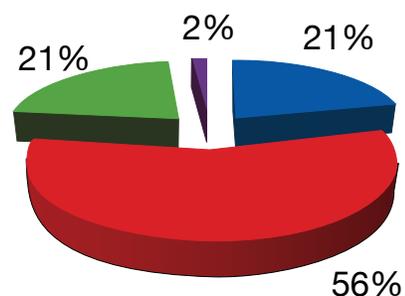
Ana Amaya.

What did you think of the quality of the articles?



- Excellent
- Very good
- Good
- Average

What did you think of the issues addressed in the articles?



- Excellent
- Very good
- Good
- Average

The program in the international press

The activities and products of the Rural Territorial Dynamics program have had an important presence in the media in Latin America and some English-language written media outlets. In this report, we present some of the most noteworthy articles and interviews that appeared in the Latin American media during 2008.

“It is very difficult to break down conditions of poverty and the lack of opportunities. There is no quick fix, no policy that can resolve things in a period of 24 hours.”

Julio Berdegue
Interview published
in *Diario El Mercurio*,
Cuenca, Ecuador
August 2008

The Ecuadorean newspaper *El Mercurio de Cuenca* published an interview with the Coordinator of the RTD program, Julio Berdegue, in August. The piece, which is entitled “Rural Development Is Not An Illusion,” is a conversation with journalist Alberto Ordonez, a member of the Rural Press Network. Berdegue states that Latin American rural development “is not

only an economic and productive problem,” and that it must be viewed from the point of view of the consolidation of public policies within government agencies and the unfaltering participation of social sectors.

Berdegue also was interviewed by a journalist from the Bolivian newspaper *La Razon*. The article, which appeared in June 2008, was entitled “Bolivia Needs a Citizen Consensus.” When asked about inequality and rural poverty in that nation, Berdegue stated that “Bolivia is a country of contrasts. It became a point of reference because of rural policies such as the Popular Participation Law but it also presents some of the highest levels of poverty and inequality.”

Fifty-eight articles were published in digital media and newspapers from Argentina, Bolivia, Brazil, Chile and Mexico, including *Pagina 12* (Argentina), *Agencia Brasil*, *Los Tiempos* (Bolivia), *El Mercurio* (Chile), *Soitu* (Spain), *El Financiero* and *Notimex* (Mexico), *Yahoo Noticias* and *Terra Noticias*, during the Governors’ meeting in May.

The Journalists’ Meeting led to the publication of around 26 articles. Pieces written by network members appeared in Bolivia, Brazil, Chile, Colombia, Ecuador and Peru, in media outlets such as *La Razon* and *La Prensa* (Bolivia), *O Estado de Sao Paulo*, *A Tribuna*, *Jornal de Piracicaba* (Brazil), *La Discusion* (Chillan, Chile), *El Espectador* and *El Tiempo* (Colombia), *El Mercurio* and *El Comercio* (Ecuador) and *La Republica* (Peru).

In September and October, eight substantial articles about the Ibero-American Rural Dialogue appeared in newspapers such as *El Espectador* (Colombia), *El Mercurio* (Ecuador), *La Republica* (Peru), *O Estado de Sao Paulo* (Brazil), *La Discusion* (Chillan, Chile), and a report in a specialized journal published in Argentina called *Super Campo*. There were also short pieces about the event and its objectives and *Rimisp* in over 25 print and digital publications from various Ibero-American nations.



Program working papers

The list below contains 23 documents which were published by the program in 2008. All of the texts are available in the “Documents” section of the program Website (www.rimisp.org/dtr/documentos). Several manuscripts received during the last quarter of 2008 will be published during the first weeks of 2009 and included in the next annual report.

Available in English and Spanish: Applied Research on Rural Territorial Dynamics in Latin America: Methodological Framework. Version 2. <i>Rimisp</i> . 2008
In Spanish only: Territorial Development in Chile: Government Instruments (Desarrollo territorial en Chile: Instrumentos del Estado) <i>Cox, M.</i> 2008
In Spanish only: Gender and Territorial Development: A Bibliography (Género y desarrollo territorial: Fichas bibliográficas) <i>Ranaboldo, C.; Porras, C. and Castro, A.</i> 2008
In Spanish only: Agricultural Growth and Rural Poverty in Chile and Its Regions (Crecimiento agrícola y pobreza rural en Chile y sus regiones) <i>Bentancor, A.; Modrego, F. and Berdegué, J.</i> 2008
In Spanish only: The Geography of Mapuche Inequality in Rural Chile (Geografía de la desigualdad mapuche en las zonas rurales de Chile) <i>Celis, X.; Modrego, F. and Berdegué, J.</i> 2008
In Spanish only: Poverty's Sensitivity to Growth and Distributive Changes in Rural Municipalities in Chile (Sensibilidad de la pobreza al crecimiento y a los cambios distributivos en las comunas rurales de Chile) <i>Bentancor, A.; Modrego, F. and Berdegué, J.</i> 2008
In Spanish only: The Spatial Heterogeneity of Economic Development in Chile: Overview of Changes in Wellbeing During the 1990s Using Small Area Estimates (La heterogeneidad espacial del desarrollo económico en Chile: Radiografía a los cambios en bienestar durante la década de los 90 por estimaciones en áreas pequeñas) <i>Modrego, F.; Ramírez, E. and Tartakowsky, A.</i> 2008
In Spanish only: A New Deal for Rural Latin America. Keynote Address at the Latin American Meeting of Governors, Mayors and Prefects for Rural Development (Un nuevo trato para América Latina rural. Conferencia magistral en el Encuentro Latinoamericano de Gobernadores, Intendentes y Prefectos para el Desarrollo Rural) <i>Lagos, R.</i> 2008
In Spanish only: Provincial Dynamics of Poverty in Peru 1993-2005 (Dinámicas provinciales de pobreza en el Perú 1993 – 2005) <i>Escobal, J. and Ponce, C.</i> 2008
In Spanish only: Mapping Changes in Nicaragua's Municipalities: Household Consumption, Poverty and Equity 1995-2005 (Mapeo de cambios en Municipios de Nicaragua: Consumo de los hogares, pobreza y equidad 1995 – 2005). <i>Gómez, L.; Martínez, B.; Modrego, F. and Ravnborg, H.</i> 2008
In Spanish only: Maps of Poverty, Per Capita Consumption and Social Inequality in Ecuador 1995-2006. Methodology and Results (Mapas de pobreza, consumo por habitante y desigualdad social en el Ecuador: 1995 - 2006. Metodología y resultados) <i>Larrea, C.; Landín, R.; Larrea, A.; Wrborich, W. and Fraga, R.</i> 2008
In Spanish only: Income Growth and Distribution as Determinants of Poverty Reduction in Rural Municipalities in Chile (Crecimiento y distribución del ingreso como determinantes de la reducción de la pobreza en comunas rurales de Chile) <i>Bentancor, A.; Modrego, F. and Berdegué, J.</i> 2008
In Spanish only: Ethnic Polarization of Rural Income in Southern Chile (Polarización étnica de los ingresos rurales en el sur de Chile) <i>Modrego, F.; Celis, X. and Berdegué, J.</i> 2008
In Spanish only: Food Crisis and Rural Territories (Crisis alimentaria y territorios rurales) <i>Piñeiro, M.</i> 2008
In Spanish only: Differentiated Impacts of the Crisis by Type of Country and Territories (Impactos diferenciados de la crisis por tipos de países y territorios en su interior) <i>Dirven, M.</i> 2008
In Spanish only: Strategies for Development, Public Policy and Food Safety in Latin America and the Caribbean (Estrategias de desarrollo, políticas públicas y seguridad alimentaria en América Latina y el Caribe) <i>Da Silva, G.; Ortega, J. and Faiguenbaum, S.</i> 2008
In Spanish only: Public Policies and the New Situation in International Food Prices (Políticas públicas y la nueva situación en los precios internacionales de los alimentos) <i>Soto Baquero, F.</i> 2008
In Spanish only: Opportunities for Concerted Action and Inter-Agency Coordination for Facing the Food Crisis (Posibilidades de acción concertada y coordinación interagencial para enfrentar la crisis alimentaria) <i>Murguía, E.</i> 2008
In Spanish only: Progress on Family Farming in Latin America (Alcances sobre la agricultura familiar en América Latina). <i>Schejtman, A.</i>
In Spanish only: Persistent Inequality Among the Indigenous and Non-Indigenous in Latin America (La persistente desigualdad entre indígenas y no indígenas en América Latina). <i>Trivelli, C.</i> 2008
Available in English and Spanish: Gender Inequality in Women's Political Participation in Latin America and the Caribbean. <i>Ranaboldo, C. and Solana, Y.</i> 2008
In Spanish only: Survey of Rural Development Policies and Programs in Bolivia Based on a Territorial Approach (Catastro de políticas y programas de desarrollo rural en Bolivia basados en un enfoque territorial). <i>Ranaboldo, C. and Uribe, M.</i> 2008
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4

Building capacities



- Strengthening ties with Canada
- Graduate education for territorial development
- Communities of practice for rural territorial development
- Rimisp organizational development: working with our partners to build capacities
- Spaces for collaboration and dialogue

Strengthening ties with Canada

In an effort to increase the international presence of the Rural Territorial Dynamics program, its Coordinator, Julio Berdegue, and Merle Faminow, leader of the Rural Poverty and Environment Program at the International Development Research Centre (IDRC), visited Canada to meet representatives of federal and provincial government institutions, non-government organizations, university centers, social organizations, business associations and other public and private entities. The main objective of this tour, which included nine cities in five Canadian provinces, was to identify opportunities for collaboration with groups that work on different aspects of rural development in Canada and Latin America.

and non-governmental organizations about territorial dynamics in Latin America. He addressed the issue of policies that would facilitate economic growth, social inclusion and responsible environmental governance in rural regions of Latin America and how territorial development programs could be channelled to obtain better results and replicate positive experiences.

As a direct result of the visit to Canada, cooperation initiatives are being developed with the University of British Columbia (Vancouver), Selkirk College (Castlegar), the University of Saskatchewan (Saskatoon) and the University of Toronto. These institutions are working on collaborative research and student exchange projects.



The tour allowed a line of work to be opened with the leaders of four western provinces (British Columbia, Alberta, Saskatchewan and Manitoba). The goal is to bring a delegation of representatives of the Sub-National Governments Network for Rural Territorial Development in Latin America to the Canadian provinces in order to exchange experiences and develop cooperation activities.

Furthermore, cooperation agreements were reached with the government of the Province of Quebec. They are expected to lead to the participation of a strong Latin American delegation in the next OECD annual conference on rural development, which will be held in that province. Also, high-ranking officials from Quebec will present their

The visit culminated in a seminar at the Ottawa office of IDRC, the main investor in the Rural Territorial Dynamics program. Julio Berdegue spoke to a group of 37 representatives of governmental

experiences with the design and implementation of rural territorial development policy at the Annual Meeting of the program, which will be held in March 2009.

A woman in traditional Central American attire stands against a stone wall. She is wearing a colorful, patterned blouse and a long, dark, patterned skirt. She has a large, round, purple and red striped bundle balanced on her head, and another similar bundle tucked under her arm. She is looking slightly to the side with a neutral expression. The background shows a stone wall and a clear sky.

New Zealand Partners with Central America Program

The New Year will bring a new strategic partner to our program. It is the New Zealand's International Aid and Development Agency (NZAID), which approved the proposal "Territorial Development in Favor of the Poor in Central America" in September 2008.

NZAID's support will allow the program to significantly strengthen work in four Central American nations: Guatemala, El Salvador, Honduras and Nicaragua. In view of the strategic priorities of our New Zealand partners, the project emphasizes capacity building, communication and incidence in public policy components.

The contracts have been signed, and the program will be launched 1 January 2009. NZAID is providing a donation of US\$780,000 for 2009 and 2010.

Graduate education for territorial development

Many evaluations and analyses have noted a lack of effort in training a new generation of professionals capable of contributing new ideas and perspectives to the development of rural societies in Latin America. The Rural Territorial Development program has taken on the challenge and is working to make a significant contribution to the improvement of graduate education in Central America and the Andean region.

"I expect my participation and the products of my research to contribute to the link between research and incidence on public policies and practices. The latter is in keeping with the objectives of the RTD program, which awarded me a research grant. My thesis is designed to contribute mainly to local and national discussions of territorial changes and environmental governance."

Ximena Warnars, a Peruvian doctoral student at the University of Manchester and recipient of a grant from the Rural Territorial Development program.

To this end, Rimisp signed an agreement with the Brooks World Poverty Institute at the University of Manchester in the United Kingdom. The goal of the joint effort is to strengthen the academic and institutional development of a group of master's degree programs in Nicaragua, Honduras, Guatemala, Costa Rica, Ecuador and Bolivia.

With this agreement as a framework, the Meeting of Andean and Central American Rural Territorial Development

Graduate Programs was organized and held in October at the FLACSO Ecuador headquarters in Quito.

Representatives of the following seven master's degree programs attended:

- Master's degree in Sustainable Development, FLACSO Guatemala
- Master's degree in Rural Development, Universidad Centroamericana de Nicaragua
- Master's degree in Local Development, Universidad Centroamericana Jose Simeon Canas, El Salvador
- Master's degree in Rural Development, Universidad Nacional de Costa Rica
- Master's degree in Local and Territorial Development, FLACSO Ecuador
- Master's degree in Research in the Social Sciences for Development, Universidad para la Investigacion Estrategica en Bolivia
- Master's degree in Public Policy and Development, Universidad Nacional Autonoma de Nicaragua

The participants in the Quito meeting agreed to create a Network of Master's Degree Programs for Territorial Development.

The network proposed three immediate objectives:

- To improve the quality and relevance of the curricula of master's degree programs through cooperation in regular evaluation, review and accreditation processes.
- To improve the quality of essential courses in each program in terms of their contents, teaching methods and the relationship between teaching and research.
- To improve the teaching-research relationship in each participating master's degree program.

Key activities were identified for each objective, several of which are currently being developed. They include:

- A summer school with international experts and teachers from each program. The purpose of the school is to provide a space for engaging in critical analyses of the programs' curricula. A key element will be reviewing strategies for improving the teaching-research relationship in master's degree programs.
- A strong internship program for faculty members of network programs at advanced international universities. This activity is mainly directed at the 55 full time professors who teach in the master's degree programs.
- Short seminars by professors from international universities.
- Summer schools designed to improve teaching methods and strengthen the relationship between teaching and research and to strengthen collaboration among the master's degree programs.
- The creation of a Competitive Research Fund for professors with thesis students, including the publication of the thesis, where one of the essential criteria is that the research feed back into teaching.

These objectives and activities are presented in the project proposal that was co-sponsored by the seven academic programs, Rimisp and the University of Manchester. We estimate that the "Project to Improve Graduate Training for Territorial Development" will have a total cost of approximately US\$1,000,000.

The following doctoral students also received grants from the program in 2008:

- **Eduardo Ramirez**, Chilean student in the doctoral program at the International Center for Development Research, Social Sciences Department, University of Nijmegen, Holland.
- **Ligia Ivette Gomez**, Nicaraguan student in the doctoral program on Business Planning and the Socio-Economic Context, Economics and Business Sciences Department, ETEA, associated with Universidad de Cordoba, Spain.

Communities of practice for rural territorial development

Perhaps the question heard most frequently by those who participate in this program is “How do you do territorial development?”. We hear this demand for effective and efficient solutions to practical and specific challenges from politicians, social leaders, technicians and government agency directors, mayors, governors and NGO officials.

In response to this, the Rural Territorial Dynamics program has designed a collective learning platform focused on effective practices of rural territorial development. The goal is to provide a tool and method that helps interested stakeholders to respond collectively and creatively to questions about how to do rural territorial development.

This platform will be organized around the concept of “communities of practice.” A community of practice is simply a group of people who share an interest in specific issues and wish to further explore them through regular interaction. It is a matter of creating new relationships among development agents, promoting dialogue, developing confidence and working together to seek new solutions.

We hope that this platform and the communities of practice that give it life can achieve two objectives. The first is for interested

stakeholders to exchange knowledge and experiences that will help them take on practical and specific challenges related to the design and implementation of rural territorial development initiatives. Second, we expect that over time a very good base of knowledge of rural territorial development will be developed. It will be a well-organized system that documents diverse experiences in rural territorial development. Interested stakeholders will find a wealth of knowledge and experiences that they can use to develop their own strategies and solutions.

The communities of practice will work on specific cases that can be classified into five major types of challenges:

- How to stimulate and support the development of innovative social coalitions in the territories
- How to formulate strategic territorial development plans that truly impact public and private decisions
- How to stimulate public and private investment in projects generated in the territory
- How to develop the skills of poor people so that they can actively and effectively participate in rural territorial development processes
- How to facilitate all of these processes.



Rimisp organizational development: working with our partners to build capacities

The Rural Territorial Dynamics program includes a component for the development of Rimisp as a world class center of knowledge that serves as an effective platform for working with our partners and collaborators to articulate solid and viable strategies and a vision for revitalizing rural Latin American societies with a sense of social justice.

The organizational development priorities supported by the IDRC through the program reflect the recommendations of the external evaluation performed in 2006 and Rimisp's response to these recommendations. Since early 2007 we have defined 11 goals for increasing Rimisp's development. With IDRC's support, we are implementing changes in four areas: governance and management; program development; development of technical and administrative teams and incentives for innovation; and improvement of our networks and communication skills. The paragraphs that follow describe our achievements in each of these areas in 2008.

Governance and management

We plan to establish an institutional government that improves: a) the pertinence and added value of the strategy and Rimisp's program, b) the quality of the processes and results, c) the effectiveness of our work, d) the quality of our cooperation relationships with our partners, and e) the solidity, seriousness and transparency of our policies and procedures in the area of finance and administration.

The first two goals that we aimed to achieve with the support of the IDRC have been completely met:

- We have established an **International Board** composed of six prestigious international figures (http://www.rimisp.org/inicio/consejo_internac.php). The Board has met twice and is preparing for a third session to be held in March 2009. The interaction with the Board has encouraged us to improve our systems for monitoring effects and impacts. A project with this goal was recently approved by the New Zealand's International Aid and Development Agency (NZAID).
- We also created an **Executive Directorship**. This has allowed us to increase our abilities and launch the organizational development efforts that are described in this section of the report.



Ruben Echeverria



Rebeca Grynspan



Alain de Janvry



Yolanda Kakabadse



Juan Lucas Restrepo



Vanderley Ziger

Rimisp International Board

Ruben Echeverria

President of the Rimisp International Board
Executive Director of the Scientific Council of the Advisory Group for International Agricultural Research- CGIAR

Rebeca Grynspan

Regional Director for Latin America and the Caribbean of the United Nations Development Program (UNDP)

Alain de Janvry

Professor of Agricultural Economics at the University of California at Berkeley

Yolanda Kakabadse

President of the Advisory Board of Futuro Latinoamericano Foundation (since July 2008)

Juan Lucas Restrepo

Commercial Manager of the National Coffee Producers Federation of Colombia

Vanderley Ziger

President of the National Association of Credit Coops and Economic Solidarity of Brazil

Julia Carabias

Professor, National Autonomous University of Mexico
* (up to April 2008)



Rimisp hired the firm Deloitte & Touche to conduct an in-depth evaluation of all of our management, administration and finance systems. The consultants detected a set of weaknesses and shortcomings that diminish Rimisp's efficiency and, in some cases, generate important risks for the organization. With the support of the consultants, we reformulated several policies and procedures related to aspects such as the formalization of projects and contracts, oversight of project submission and closure, accounting and budgetary management, and security of critical data. The new policies and procedures involved changes to the organizational structure, including our hiring of an Administration Director at the end of 2008.

An Administration Committee was formed to support the Executive Director in the formulation and monitoring of management policies and procedures. This committee has reviewed policies on preparing budgets for new project proposals, purchases and acquisitions, per diem and reimbursable expenditures and technical personnel salaries. The Administration Committee also has reinforced monitoring of budgetary management. Finally, the Committee recommended that a new external auditing company be hired given that we had worked with the previous company for five years.

We have also updated and improved the IT systems used in our accounting department.

Program development

The external evaluation recommended that we improve the definition of our priority topics. It also stated that there was a need to create spaces for dialogue, collaboration and synthesis among projects.

Rimisp proceeded to establish three Thematic Areas as spaces of programming concentration and synthesis. They are: social learning for development, territorial dynamics and market transformation and rural development.

A large number of the projects that Rimisp executes come under these three topics, which are gradually establishing themselves as topics of focus for orienting new projects.

The formula has not had the expected results. Given that they were not operational units, the areas could not compete for researchers' time, which is absorbed by the specific projects to which they have been assigned. Even so, the program documents for the three areas have been completed or significant progress has been made on them. In one area (territorial dynamics), it has been proposed that joint inter-project initiatives be launched such as the electronic magazine *Equitierra* and projects shared by the three main projects that make up this area in Brazil, Chile, Ecuador and Peru.

It has been difficult to identify and hire lead researchers for the market transformation area. As the organization cannot offer large salaries or benefits, it cannot compete with other types of agencies, such as multilateral organizations or large international NGOs.

Development of our technical and administrative teams and encouraging innovation

Rimisp is committed to maintaining first rate human capital within the conditions and limitations of an organization that is completely dependent on relatively short-term projects.

We are very happy to report that we have significantly expanded the number of young collaborators as part of a succession plan that includes a clear retirement policy for older researchers designed to open spaces for new generations. Two of our researchers from the replacement generation are pursuing their doctorates. We have identified clear training, professional development and incentives policies for young researchers and research assistants and have set time limits for them in regard to continuing their studies or exploring other professional paths.

In 2008 we implemented a Training Fund that offers two options to Rimisp researchers and professionals: **a)** the opportunity to participate in professional events in their area of focus and **b)** the opportunity to receive training on useful tools for their professional development or preparation for their graduate work. Last year, two researchers and a research assistant received funding to participate in international conferences and take a short course. By the end of the year, two other applications for training for technical personnel were being considered. The Training Fund

also is available to members of our administrative staff: last year two collaborators were trained in the use of specific computer programs.

We also created an Innovation Fund that has the double purpose of **a)** adding value to the intermediate or final results of Rimisp projects through instruments such as formal publications (book chapters, books or journal articles), audiovisual material and communications projects, or training for development agents and **b)** developing new topics, theoretical frameworks, methods or relationships that have a more or less clear potential for enriching ongoing projects or sustaining new ones. This fund has not been utilized yet, but we have received proposals that will be implemented during the first quarter of 2009.

Development of networks and communications

As a regional organization, Rimisp has identified a need to strengthen its presence in Central America by establishing a regional office that would allow for the quality and breadth of our work with allied institutions in that region to be improved.

We have reached a strategic agreement with the Nitlapan Institute at Universidad Centroamericana in Managua, Nicaragua which will allow us to establish a presence for our organization in that city. We are making progress in the practical aspects of that decision.

Its vocation and capacity to work in networks has set Rimisp apart in the region, as has already been mentioned in the sections of this report that describe the Rural Press Network and Network of Sub-national Governments for Latin American Rural Territorial Development. Also, a Network of Rural Municipal Associations is being developed.

We can report two important results in the area of communications for 2008. The first was the collaboration that we received from our former partner, ICCO of Holland, through Maarten Boers. In November Boers facilitated a workshop on communication tools for collaborative work based on Web 2.0 tools. It led to the development of an ambitious plan and during the first months of 2009, we hope to offer our partners and collaborators a well-integrated set of platforms and tools that will facilitate communication, information and collaborative and decentralized work.

Following a specific recommendation of the International Board, we are in the process of selecting a consulting firm that can advise Rimisp on the definition of a new communications strategy and strengthening of the institutional brand.

Final considerations

For Rimisp, these opportunities for organizational development have come at a very special time during which an effort is being made to implement an ambitious program of changes. Several lessons have been learned from this situation:

- Support for organizational development allows us to focus on objectives that could never be met through projects. Examples of this include improvements of the governance systems, the professionalization of management, the development of communication strategies and the improvement of human resources. Given that some of these actions are long-term, there is a need to think about strategies for continuity. One of the keys to this is for IDRC resources to be mainly utilized to finance investments that increase our capacities. We should not use institutional funding to pay for daily expenditures because this is not a sustainable strategy.
- The establishment of a regional office in Central America is a new experience for Rimisp that requires flexibility, close monitoring and a prudent timeline if we are to obtain the desired results. This step is sure to open up new challenges in the area of governance and management and will force us to continue to reinvent the type of organization that we are in order to continue to be useful.
- Technical excellence alone cannot make us competitive and effective. Organizations like Rimisp must also focus on professionalizing management, administration and finance. This work is especially complex because the available advisory services, legal and administrative standards and quality standards and related certification programs are not designed for the specific needs and conditions of small and medium not-for-profit organizations. This has generated a space for action for innovative agencies that are committed to the development of civil society.

Spaces for collaboration and dialogue

It has been said that the Rural Territorial Dynamics program is rich in social capital. But it will not get very far by having a lot of partners unless they have spaces and opportunities to discuss, compare and synthesize results, plan new joint actions and build proposals for impacting public decisions.

Fifteen meetings were held last year in order to stimulate and facilitate the collective action of program partners:

February	Training program on methodology for estimating local socio-economic indicators (Small Area Estimates)	Lima, Peru
April	First workshop to analyze the progress made in the scout projects of the program's research component	Granada, Nicaragua
May	Latin American Meeting of Intendants, Governors and Prefects for Rural Development	Santiago, Chile
May	Preparatory meetings for the Ibero-American Rural Dialogue	Madrid, Spain
June	Latin American Meeting of Journalists for Rural Development	Itatiba, Brazil
August	Workshop to discuss the results of research on the "Agricultural boom and the persistence of rural poverty"	Santiago, Chile
August	Training for the coordinators of regular projects from the program's research component	Lima, Peru
August	Meeting of the program's Coordination Unit	Cauquenes, Chile
September	Rural Ibero-American Dialogue: The Food Crisis and Rural Territories	San Salvador, El Salvador
September	Second workshop for analyzing the progress of the scout projects of the program's research component	Salvador de Bahia, Brazil
October	Workshop to support the Honduras team in mapping rural territorial dynamics	Tegucigalpa, Honduras
October	Meeting of graduate programs in rural territorial development	Quito, Ecuador
November	Conference on "Rural inequality in Latin America and beyond"	Copenhagen, Denmark
November	Workshop to analyze and design a method for strengthening the capacities of territorial stakeholders	Mindo, Ecuador
December	Meeting of the program's Coordination Unit	Zapallar, Chile



5

Management and progress



- Respecting the program's complexities: the monitoring and evaluation system
- Advisory Board and Coordination Unit
- Financial Summary

Respecting the program's complexities: the monitoring and evaluation system

How are the results of a program like the Rural Territorial Dynamics program to be interpreted? The activities are diverse and disperse and are developed in completely different contexts and by stakeholders with unique capacities. It is the innovations that have been made in research approaches, capacity building and communication that make this program so motivating. But how can all of this be viewed and interpreted in a manner that facilitates continuous progress?

Designing a monitoring and evaluation (M & E) system for the program has meant respecting its scale and growth as well as the emergence of activities and diverse and unexpected results. This system must consider the combined effects of dozens of program activities throughout Latin America. Are partners interacting in a manner that makes co-inspiration and joint action possible? Are they coming together around a collective vision? Are they taking action that builds on the potential of rural dynamics in their specific context?

A recent idea that has inspired the program's M & E system is that of "complexity," a concept that recognizes that a process evolves in unpredictable ways. One can create favorable initial conditions, but problems and opportunities will emerge throughout the implementation process, and the solutions will not always be clear. These processes can be better understood in retrospect instead of being planned in detail in advance. Respecting this idea of complexity is not a free pass for the M & E system. It is not an excuse to throw up our hands and say, "This is too hard!". Instead, it encourages us to be more realistic and creative about how we approach M & E. The standard M & E processes are better when the goal is capturing research data or simpler development efforts in which causes and effects are more directly linked.



The RTD program requires an "evaluative practice" that supports continuous progress and provides rapid responses to complex situations with multiple variables. We need a monitoring system that ensures accountability while allowing for the experimentation and evolution that are central to the social innovations that the program is promoting. This means that the M & E Coordinator and Focus Person will work very closely with members of the RTD team while maintaining a general vision. We therefore need a set of approaches for gathering evidence and making sense of it.

The program's M & E system is focused on three lines of inquiry. First, it interprets the results of each of the RTD components and evaluates how much progress has been made towards the achievement of program results. It also looks at how the RTD

program is being managed. A program that covers 11 countries and at least 20 research sites with dozens of collaborators in a single year produces a great deal of information.

This information comes from five different sources. Many of the documents that are produced – through events, research and network activities - should serve as sources for obtain-

ing evidence of the results and their quality. We will need to talk with people in civil society and the academic world, people who make decisions about policy, close collaborators and others who are indirectly involved in our work. Their experiences and opinions will be elicited in interviews and through stories in order to see if the RTD program has modified their ideas or actions and, if so, how that has occurred. Many questions will emerge during the development of RTD activities, which is why we have allocated time and money to the implementation of topical research. These activities will allow us to produce in-depth studies of certain topics or concerns such as how power is understood and managed



within the program or if communication is being used optimally to influence policy. Much of this will only be understood by observing actions and listening to people talk. As a result, we will engage in field work in selected territories each year.

It sounds like a lot of work! And it is. And that's the way it should be. Many resources are being allocated to responding to critical questions. We are therefore very interested in knowing whether or not monitoring and evaluation activities are adding value to the program. We will need to see if the perceptions, stories and reports are contributing to the strengthening of the program's

strategic management and accountability. A critical look at our program will allow us to continually adjust the monitoring and evaluation process itself.

In the end, we hope to have a rich and intriguing history of discovery. We expect the M & E system to offer detailed knowledge of this experimental and large-scale program, which was conceived and implemented as a diverse, dynamic and changing network of initiatives. These perceptions could strengthen arguments in favor of more innovative mechanisms for funding applied research, policy development and capacity building.

Advisory Board and Coordination Unit

The Program's Advisory Board advises the Coordination Unit and Rimisp on the following aspects:

1. The program's relevance at the regional and national levels.
2. Focalization and criteria for making decisions about programmatic options.
3. Quality of the processes and products according to international standards.

In 2008 the Advisory Board was composed of 13 renowned academics, politicians, social activists and entrepreneurs, two of whom are the ex-officio representatives of IDRC and Rimisp, respectively.

The first session of the Advisory Board was held in March 2008 in Montevideo, Uruguay. Given that it was the first meeting of this body, much of the agenda was dedicated to explaining the program and its components. Members discussed the program's conceptual framework and the methodological design of the applied research and capacity building components. The Board also analyzed the proposal for the 2008 Strategy Plan presented by the Coordination Unit and made some recommendations for adjustments. Finally, the Board discussed and made decisions regarding the body's role, functions and work methods.

Over the course of the past year, six of the 13 board members participated in at least one program activity in accordance with their specialties and individual interests.



Advisory Board Members (*)

Lorena Aguilar Revelo

*International Union for Conservation of Nature (Costa Rica)
(through November 2008)*

Eligio Alvarado

Dobba Yala Foundation (Panama)

Lazaro Cardenas

Former Governor of the State of Michoacan (Mexico)

Juan Alberto Fuentes

Minister of Public Finance of Guatemala (Guatemala)

Monica Hernandez

Alternativa Foundation (Ecuador)

David Kaimowitz

Ford Foundation (Mexico)

Jorge Katz

Independent Consultant (Chile)

Rosalba Todaro

Women's Research Center (Chile)

Miguel Urioste

Tierra Foundation (Bolivia)

German Escobar

Ex-officio Representative, Rimisp (Chile)

Merle Faminow

Ex-officio Representative, IDRC (Uruguay)

Regina Novaes

*Brazilian Institute for Socio-Economic Analyses – IBASE
(Brazil)*

Hubert Zandstra

Independent Consultant (Canada)

(*) All Board members participate in a strictly individual manner. Their institutional affiliations are listed for informational purposes only.

Coordination Unit

The program's Coordination Unit is a team of 10 people, three of whom work part time. It is responsible for executing the program's theoretical component and direct administration.



Rosamelia Andrade
Communications Coordinator
(since July 2008)



Julio A. Berdegue
Program Coordinator



Lucia Carrasco
Program Administrator



Manuel Chiriboga*
Principal Researcher



Julie Claire Mace
Researcher
(since July 2008)



Felix Modrego**
Researcher



Jacqueline Montero
Administrative Assistant
(since September 2008)



Mariela Ramirez
Research Assistant
(since March 2008)



Diego Reinoso
Communications Assistant
(since September 2008)



Alexander Schejtman*
Investigador Principal

Ximena Sanclemente
Research Assistant
* (up to September 2008)

(*) Part time (25%)

(**) Part time (50%)

Monitoring and Evaluation

Learning by Design, Holland:



Irene Guijt
Coordinator



Roberto Iturralde
Researcher

Financial Summary

Rimisp submits an annual financial report to its donors. The document is also published in the “Reports” section of the program Website. The external audit implemented annually by Rimisp covers all program accounts. The report of the independent external auditors (Chau, Tapia y Ortega Conta-

dores Profesionales Auditores, Ltda.) has been published on the Rimisp Website.

Table 4 summarizes the income and expenditures associated with the IDRC grant.

Table 4. Program income and expenditures, IDRC grant (current USD for each year)

	2007*	2008		2009
	Real	Budget	Real	Budget
INCOME	517,178	2,609,042	2,606,892	2,028,605
IDRC Grant	507,006	2,609,042	2,511,192	1,789,036
Financial Result	10,172	0	95,700	0
Balance Previous Year				239,569
EXPENDITURES	503,278	2,609,042	2,367,323	2,055,996
Rimisp Staff	53,586	192,636	201,820	175,624
Consultants	18,034	57,450	59,746	25,250
Evaluation	0	49,000	31,067	86,310
Travel Expenses for Rimisp Staff	5,055	43,500	56,625	36,018
Operating costs	384,837	2,059,040	1,829,740	1,558,126
Component 1 - Applied Research	257,467	725,000	454,563	706,264
Component 2 - Capacity Development	7,000	604,000	465,458	214,300
Component 3 - International Networks	44,567	57,500	371,613	100,800
Component 4 - Graduate Training	0	202,500	56,235	144,300
Component 5 - Development of Rimisp	63,113	426,240	386,148	217,820
Component 6 - Communications	11,204	36,600	58,871	137,682
Other Direct Operating Costs	1,485	7,200	36,852	36,960
Indirect costs	41,767	207,416	188,325	174,668

* In 2007 the Program only operated for six months (July-December)





In 2008, agreements or contracts were signed with several organizations – apart from IDRC - which committed US\$1.2 million dollars in contributions to the program. In some cases these contributions are channeled through Rimisp. In others, the resources

are directly managed by the contributing partners. A summary is presented in Table 5.

Table 5. Direct and indirect contributions (US dollars; does not include in-kind donations)

Organization	Amount of Contribution (USD)	Contribution Period	Objective
FAO	20,000	2008-2009	Activities of the Rural Press Network
NZAID	780,000	2009-2010	Development of capacities, communication and incidence in Central America
Ibero-American Secretariat General	105,138	2008	Ibero-American Rural Dialogue
Group of Analysis for Development	19,250	2008-2009	Research project in Peru
Danish Institute for International Studies	68,000	2008-2009	Research project in Nicaragua
World Bank	170,000	2008-2010	Research on climate change and territorial development
Total	1,162,388		



Contact

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Pages 28 y 29: Carlos Diaz
Pages 30, 31, 54: Tulio Galdamez
Pages 35, 41 y 58: Curt Carnemark / World Bank
Page 36: Juan Esteban Arias
Page 51: Thomas Sennett / World Bank

www.rimisp.org/dtr

Rural Territorial Dynamics Program
Rimisp