

External Review of the Rimisp Territorial Cohesion for Development (CTD) Program:

Scientific Contributions, Policy Influence and Organizational Development

EXECUTIVE SUMMARY FINAL REPORT

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EXECUTIVE SUMMARY

The following bulleted points report the key findings of this evaluation as regards research and scientific output, policy engagement and influence, and organizational development. The section on Evaluation Findings substantiates these conclusions/views and provides details associated with them.

RESEARCH AND SCIENTIFIC OUTPUT

- **Existing and Pending Scientific Output**

- *Accomplishments*: Following the trend established towards the end of the very productive Rimisp-RTD project, which culminated in, among other impressive products, a Special Issue of *World Development* devoted to Rural Territorial Development, the Rimisp-CTD program has continued to generate a substantial number of working papers, some of which have emerged collected volumes or are under review in peer-reviewed outlets.
- *Unharvested Fruit*: More published papers could have been distilled from the stock of working papers that have been produced.
- *Next Steps*: A concerted effort to publish research results in peer-reviewed journals, regardless of language of publication, will enhance the Rimisp-CTD's reputation/brand; doing so in English-language journals will extend the Rimisp-CTD's reputation/brand and policy reach.

- **Research Linked to Policy Engagement Activities**

- *Accomplishments*: Rimisp's has a long tradition of field-based empirical and qualitative research strategically undertaken to support the definition and promotion of territorial development. This research was reduced under the Rimisp-CTD program, which shifted focus towards policy engagement and influence. These activities have set the stage for a new round of field-based research activities.
- *Unharvested Fruit*: Some opportunities for establishing baseline data may have been lost, but quick, strategic action can address this issue.
- *Next Steps*: Field-based research should (strategically, once again) accompany the ongoing/planned intensive policy engagement activities, especially in Mexico where the potential for introducing experimental elements (perhaps in the targeted roll-out of policy interventions) into the design of this research is most feasible. Failure to do so may compromise the ability of Rimisp-CTD to demonstrate impact and to attribute (even loosely) whatever changes might occur in the field to CTD-supported policy actions.

- **Analyses of Secondary Data**

- *Accomplishments:* Rimisp-CTD continues a tradition of tapping secondary data sources to extend and enrich what is known about spatial inequality and the factors associated with it. Recent important contributions in the areas of social protection programs, rural-urban linkages, and agroindustry-poverty links are noteworthy.
- *Next Steps:* The analyses of secondary data can continue to help identify knowledge gaps and shape hypotheses to guide field-based research. The practical returns to research based on secondary data alone will diminish. New, policy-relevant insights will more likely emerge from combining what is discovered from field-based research undertaken alongside policy engagement activities with secondary data sources; among other things, this research can help to identify extrapolation domains for key policy messages and to estimate the cost-effectiveness of alternative policy options.

- **Territorial Cohesion for National Development**

- *Achievements:* Rimisp-CTD has begun to map out new conceptual space by suggesting that regional and perhaps national economic growth can be hindered by large differences growth and/or poverty reduction among territories.
- *Unharvested Fruit:* The concept and terminology may benefit from rethinking/relabeling, especially for technical folks and those charged with policy implementation and (especially) monitoring and evaluation.
- *Next Steps:* The concept implies and requires a macroeconomic, general-equilibrium approach, perhaps guided by the associations identified in cross-sectional, time series or panel data analyses. Analytical tools are available, but generally not at the level of spatial disaggregation (or 'pre-clustered') to meet the needs of a territorial focus. Moreover, relevant counterfactuals should include the extent to which failed territorial cohesion (somehow defined) affects the flows of national and (perhaps especially) foreign direct investment, territorially and nationally. Promoting this new objective of territorial cohesion will not be 'free,' so new policy action costs should be set alongside the new expected benefits.

- **Selection Criteria for Priority Territories**

- *Achievements:* The program has successfully tapped secondary data and other sources to guide the selection of pilot territories for policy action in Mexico, and elsewhere. This leverages years of Rimisp time/effort and may improve the effectiveness and cost-effectiveness of the programs and policies that Rimisp-CTD is helping to guide in the field.

- *Potentially Unharvest-able Fruit*: The current strategy, which is determined primarily by in-country political factors, focuses attention and priority on territories that are essentially at the ‘bottom of the pyramid.’ In Colombia, where historical circumstances have skewed public and private investments and opportunities, this may be the proper focus. In Mexico and in other countries, where income diversification and other strategies have been better able to play out at household level, and where private investment flows have been more significant and targeted based on commercial interests, adopting a focus on the poorest territories may compromise Rimisp-CTD’s ability to generate and to demonstrate measureable (and cost-effective) impact.
- *Next Steps*: The policy engagement processes in which Rimisp-CTD is involved are fluid and hence can be managed as circumstances change and as new information emerges. Therefore, Rimisp-CTD should carefully monitor the first set of territories chosen for piloting and tailor program expansion advice based on what is discovered.
- ***Ex ante Assessments of the Impacts of Specific Policy Changes***
 - *Achievements*: Rimisp-CTD, building on past work, has spent considerable time/effort identifying what might be labeled the necessary conditions for successful rural territorial development. This set of conditions has been extremely important in guiding ongoing policy engagement activities; it is hard to know the number of policy cul-de-sacs that have been avoided (and resources saved) thanks to these conditions, but we are sure that the number is large.
 - *Unharvested Fruit*: A comprehensive, explicit framework that allows policy-makers to identify cost-effective, territory-specific investment strategies has yet to emerge.
 - *Next Steps*: At the ‘end of the day,’ policy-makers will choose what to do, and where and how to do it. That said, as Rimisp-CTD re-orient itself towards policy engagement activities -- a domain in which funding constraints, (known) spatially non-uniform needs, (suspected) spatially non-uniform responses to policy actions, and the availability of multiple policy instruments to address given problems, will all combine to force policy-makers to take hard choices regarding what to do (and what not to do), when, and where -- it cannot avoid focusing more time/attention on generating *ex ante* estimates of the expected net benefits of alternative intervention strategies. The ability and willingness to identify ‘best bets’ and policy cul-de-sacs (‘bad bets’) regarding targeting territories and investments within them is imperative for effective policy engagement. This sort of guidance can also help shape ‘higher-level’ policy discussions regarding overall objectives and working definitions (e.g., what the term ‘rural’ means); indeed, Rimisp-CTD has already contributed concretely to

such discussions in Colombia and elsewhere. Net present value will be one useful conceptual framework for these exercises; cost-effectiveness analysis may also prove useful when dealing with objectives such as equity, which are challenging to value.

- **Costs, Cost-Effectiveness and the Burden of Cost**

- *Accomplishments*: Related, Rimisp-CTD has begun to address the costs of alternative policy interventions and to estimate their cost-effectiveness; this work has begun impressively in the context of policy engagement work in Colombia.
- *Unharvested Fruit*: More of this work could have been done in the context of Mexico, and probably in other policy engagement exercises, too.
- *Next Steps*: Rimisp-CTD, perhaps in collaboration with some new research partners, needs to tool-up and to continue to shift its focus from effectiveness to cost-effectiveness, and embrace the thorny issues of time and of discount rates. Rimisp-CTD should embrace a strategy that envisions all stakeholders not only have a 'voice' in determining what strategies are adopted in given territories, but also have a shared commitment to covering the costs of these interventions. This new avenue of research should be strengthened. Research on innovative public finance instruments, perhaps especially in countries considering important decentralization policies, could be very useful.

- **Issues (Essentially) Missing from the Rimisp-CTD Research Agenda**

- *Achievements*: Rimisp-CTD continues to (rightly) call for policies that bring about sustainable territorial development, and that generate benefits for all of the underprivileged stakeholders in targeted territories.
- *Unharvested Fruit*: However, the environmental underpinnings of sustainable rural development (with the exception of water in two specific geographic areas) are no longer prominently on the Rimisp-CTD research radar screen. Issues related to gender are also less prominent in the Rimisp-CTD research agenda.
- *Next Steps*: These themes will likely re-emerge once traction is gained on practical policy engagement in Mexico, Colombia and elsewhere; CTD should prepare for this.

POLICY ENGAGEMENT AND INFLUENCE

- **Overall Achievements:** Rimisp-CTD has made significant improvements in its capacity to undertake policy engagement activities, and has used this capacity to create opportunities for policy influence, or to take advantage of existing opportunities to do so. Rimisp-CTD is much better positioned today for policy engagement/influence in LAC, and hence remains unique and increasingly valuable in this domain in the region.
- **Enhanced Capacity for Policy Engagement and Influence**
 - *Achievements:* Rimisp-CTD has made very significant and successful investments in its ability to catalyze and to engage in policy discussions, and to influence concrete and relevant policy outcomes. The organization has started by effectively promoting a new policy framework to address rural development challenges based on a strong history of relevant and high-quality research. It has also identified an impressive pool of local partners as well as created spaces and opportunities with them to promote the inclusion of rural development challenges in the political and public agendas. By continuous debate and engagement with diverse stakeholders, it has intelligently tapped into large windows of opportunities for change in significant policy designs and modifications, including the related institutional reforms that need to take place for these policies to be effective. Currently it is perceived as a strategic and valuable partner that can bring new ideas, experiences, and instruments to solve challenges that emerge throughout the policy implementation process.
 - *Next Steps:* As lessons emerge from the key experiences in technical assistance for policy implementation, Rimisp can build on its current CTD's practices of documenting learning in "Learning notes" to generate similar knowledge products, ideally with input from governments that can be of use for future similar policy innovations in other places.
- **Policy Engagement**
 - *Achievements:* Successes to date have been very impressive, and have been achieved (in part) by using the investments noted above to strategically develop new teams involving core Rimisp-CTD staff, new leaders in the national offices, and key partners in the countries with political knowledge and access to key policy spaces. The organization has been very effective in creating or seizing large windows of opportunity to provide policy-makers with new frameworks for effective multi-stakeholder policy discussions. Seven relevant national and sub-national policies have been heavily influenced by Rimisp's evidence, or counted on Rimisp's assistance for their design and implementation. Evidence of success in helping to catalyze and to guide policy debates and action around rural development can be found in Colombia (Mision Rural/PDRIET), Mexico (Territorios Productivos) and Chile (Contract Region). Success in these and other

cases has hinged on Rimisp's willingness and availability (sometimes on very short notice) to engage in policy discussions, and on Rimisp's commitment and demonstrated ability to align its knowledge and proposals with governmental needs, procedures and time frames. In addition, based on Rimisp's guidance, several sub-national policy-makers have developed new initiatives and capacity-strengthening activities to promote rural territorial development.

- *Unharvested Fruit*: Some of Rimisp-CTD policy engagement activities have been less successful, most notably in Central America, where one could argue the need is greatest.
- *Next Steps*: The next steps in policy engagement will involve using the concept of territorial cohesion (and the generic lessons learned from the Rimisp-RTD program) to help craft the practical and implementable details of rural development policies. The CTD program is aware of this and is moving forward in Mexico and (a bit more slowly, as circumstances demand) in Colombia, but the adopted bottom-up approach (from beneficiaries to policy makers) faces challenges, perhaps especially in Mexico, where beneficiary 'demand' may not dovetail neatly with types of public sector investments needed to spur territorial development. Rimisp-CTD should redouble its efforts in Central America, where international support remains relatively heavily focused. Other opportunities for policy engagement exist or could be developed within LAC; lessons learned in Mexico, Colombia, and elsewhere could be used to develop regional strategies for identifying how best to allocate Rimisp-CTD's scarce resources.

- **Meeting Future Demand for Policy Engagement**

- *Achievements*: Rimisp-CTD had done a very impressive job of responding to the real-time needs of policy engagement activities, often at very substantial personal cost.
- *Unharvested Fruit*: Efforts at delegating tasks more evenly across the organization have not been completely successful.
- *Next Steps*: In all cases, there will be more opportunities for Rimisp-CTD involvement than Rimisp-CTD can effectively respond to. The human capital constraint will be especially binding. Hence, Rimisp-CTD should develop a strategy for deciding what can/cannot be done, by whom, when, and where; and when to opt out. This strategy should be developed with input from selected in-country collaborators. Internal deliberations with other Groups within Rimisp and with Rimisp's Executive Director regarding comparative advantage and opportunity costs, and multi-stakeholder consultations are likely the best way of making these choices. Alongside these activities, Rimisp-CTD must also develop a set of measurable and agreed-upon outcome indicators, and set in place a research process (including detailed baseline assessments – see above) that will

allow for the monitoring and evaluation of progress and (where possible) the attribution of measured progress to policy changes that have been enacted.

- **Rural Policy Dialogue Groups**

- *Achievements:* These groups, as well as the New Regional Agenda in Chile, have opened new and concrete opportunities of policy influence, as well as developed local capacity to jointly discuss and use relevant research to address specific policy issues. By establishing and supporting permanent discussion groups for rural development issues and by taking advantage of Presidential elections in Chile to develop and discuss a set of new proposals for decentralized rural development, Rimisp-CTD has been able to promote a new policy agenda that maintains a focus on rural development. This is a very cost-effective strategy for igniting and sustaining policy debates, as well as providing input into specific policy discussions when relevant windows of opportunity emerge.
- *Next Steps:* Maintaining and institutionalizing existing groups, starting new groups (especially at the sub-national and local levels), and establishing links among them will be challenging and likely increase costs, and hence raises the need to address their medium- and long-term sustainability. Some groups may have opportunities to scale up the lessons learned from project-based activities to influence development policies at the national level; Rimisp-CTD can help identify and take advantage of these opportunities.

- **Private-Sector Engagement**

- *Achievements:* Rimisp-CTD has made selected significant and valiant attempts to engage with large-scale private sector entities to promote selected elements of more efficient and effective rural development programs. These efforts have not generated the expected results in the time-frame that was envisioned.
- *Unharvested Fruit:* Rimisp could have better documented the whole process of the creation and development of its technical assistance unit and the discussions associated with those efforts so as to collectively build from agreed lessons and conclusions.
- *Next Steps:* Patience, persistence and a modified strategy may be called for. Rimisp-CTD needs to invest systematically in understanding the objectives, methods, timing, etc. of the private sector, the factors that influence decisions, and how these all vary over space and time, and across different types and scales of private-sector entities (i.e., large-scale enterprises should not be the only partners targeted for learning and for engagement). In short, Rimisp needs to become as informed about (but not necessarily discover, first-hand) private sector objectives and *MO* as it now is about public sector objectives and *MO*. To do this, Rimisp could tap into and contribute to (perhaps via managed consultancies) existing knowledge on corporate social responsibility programs

and public-private partnerships. Furthermore, several current members of GDRs and other consulted experts have expressed willingness to contribute to this new stock of knowledge and articulate new forms of potential engagement. Rimisp should build on this social capital to do this jointly with others in the sector or who have considerable experience.

- **Developing National Capacity**

- Achievements: Rimisp, as an organization, is highly valued for its ability to clearly articulate knowledge related to rural development policies, priorities, and principles, and is routinely called upon to share this knowledge in the context of in-country capacity-strengthening activities. Rimisp-CTD faces the same 'demand,' which will only increase as the shift towards policy engagement activities continues. Rimisp is also an effective articulator of new knowledge to develop research and capacities for new generations of policymakers. Besides work within the GDRs and its technical assistance projects, the organization has been engaged in several capacity building efforts: from designing a new plan for the SUBDERE in Chile to design tools to strengthen institutional capacities of regional and local collaborators, to co-organizing a diploma training program with FLACSO.
- Next Steps: In many cases, capacity strengthening is critical to achieving policy influence: indeed, national policy-makers are increasingly aware of complementarity between policy development/implementation and institutional reform. In the end, the impacts of policies recommended/designed with the help of Rimisp-CTD will likely depend heavily on the institutional capacity to carry them out. However, managing this demand will require strategic choices, as mentioned above. Focused capacity-strengthening efforts on partners directly involved in collaborative policy engagement activities makes sense; broader capacity-strengthening efforts might be better and more cost-effectively done in collaboration with universities, state-level capacity building agencies/programs, etc.

ORGANIZATIONAL DEVELOPMENT

- **Enhancing Regional Impact**

- Achievements: Rimisp has traditionally leveraged its messaging and influence by establishing and managing a network of research and policy-making partners. Rimisp-CTD has de-emphasized this region-wide mechanism and shifted towards a more geographically focused approach. More recently, national offices (in the model of the Ecuador office) have been established in strategic locations to foster, support, and enhance the efficiency of in-country policy engagement activities.

- Next Steps: As these offices gain traction, very important and strategic decisions will need to be made regarding their staffing (both numbers and skill sets), and how to efficiently and effectively manage communication between these country offices and Rimisp-HQ, and among country offices. Developing and implementing communication (and other) strategies that maintain and reinforce Rimisp's working ethos, principles, and commitment to rural development in Latin America will be essential. Expanding the number of country offices, even as policy engagement activities increase in countries not currently served by Rimisp-CTD offices, should await assessments of current and pending in-country office experiments in Mexico, Colombia, and Ecuador.
- **Developing a New Generation of Researchers and Policy Engagement Specialists**
 - Achievements: Rimisp in general, and Rimisp-CTD in particular, has attracted and retained an impressive group of mid-level researchers with academic, policy engagement and/or management skills. One, in particular, has rapidly become a prominent leader within and outside of Rimisp, recently rising to the level of Rimisp's Executive Director. Others have chosen to leave Rimisp, but in doing so are gaining practical experience in academic and (especially) in real-time policy-making settings; these new experiences may at some point enhance Rimisp's research and policy engagement work. The organization has also developed an improved and more transparent human resource development strategy, thereby enabling professional career paths to be identified and pursued.
 - Unharvested Fruit: However, there is still a critical mass of 'untapped' mid-level researchers. While they are working at full capacity, they experience time constraints and lack the latitude to go beyond their immediate, project-funded activities. Consequently, they have not yet seen the emergence of opportunities to exploit their analytical, creative, leadership and strategic potential.
 - Next Steps: This suggests the need for empowerment and more room for bringing in new ideas that will allow this promising group to gain experience in research and especially in policy engagement activities. This will prepare them to lead initiatives and independently develop new research and policy engagement opportunities in the future. Perhaps more important and urgent, some key vacant positions should be filled in the short term (Principal Researcher of the Agriculture for Development Group) and in the medium term (Principal Researcher of the Social Development and Inclusion Group) in order to maintain the continuity and quality of Rimisp's work in these fields.
- **Funding Model**
 - Achievements: From the onset of the program, Rimisp-CTD has been aware of the need for, and of the challenges to, developing a new funding model. The program has successfully developed alternative sources of funding during the past years, with heavy emphasis and reliance on governmental funding for

national technical assistance projects. Counterpart funding to support research and evaluation alongside technical assistance projects is sometimes available (e.g., CONEVAL in Mexico).

- Unharvested Fruit: However, funded research did not meet all of Rimisp-CTD's research needs. Funding for regional research and outreach activities (e.g., distilling messages from multiple technical assistance projects) remains problematic – failure to successfully address this funding gap could undermine Rimisp's overall position and its ability to act as a center of excellence in the region.
- Next Steps: Additional funding, perhaps from other national and non-national sources, is needed. Development of a more formal and structured institutional process (i.e., a simple business plan that is revisited annually or a small fundraising team), along with innovative fundraising activities (e.g., crowdfunding), might help Rimisp-CTD institutionalize lessons learned so that they permeate the different Working Groups and national offices to promote further commitment to changing fundraising objectives and activities. It could also guide the exploration of new alternatives (building on what others have tried) and enable the identification of joint efforts for funding where economies of scale are viable or opportunities exist.