



**Rural Territorial Dynamics**  
**A research-based policy advice and capacity-development  
program for rural economic growth, social inclusion and  
sound environmental governance**

**Submitted to IDRC by  
Rimisp-Latin American Center for Rural Development**

**in collaboration with  
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## GLOSSARY

Distributional coalitions	Alliances of actors which contest and seek to control the distribution of resources and of tangible and intangible social products or benefits. These groupings of actors may be in (active or latent) conflict with one another and with other groupings of actors in contesting e.g. access to natural and financial resources, investment priorities, technologies and institutional power.
Environmental governance	The structures, organizational forms and rules that determine the access to and the use of natural resources (IDRC 2004)
Institutional architecture	The integration or interrelation of organizations (the players) and institutions (the rules)
Institutions	Humanly devised constraints that structure social interaction, composed of formal rules (laws and regulations) or informal constraints (conventions, customs, values) and the enforcement characteristics of both (North 1998)
Mid-range theory	Causal reconstruction that seeks to explain a given social phenomenon, event, structure, or development, by identifying the processes through which it is generated. This contrasts with attempts to generate grand empirical generalizations such as is the aim of research by a significant number of mainstream economists (Maytz 2003 and IPPG 2005)
Operational model	Simplified conceptualizations of processes for implementing action (modified from Knight, Cowling and Campbell, 2006)
Organizations	Groups of individuals bound by a common purpose to achieve shared objectives (North 1998)
Path dependence	Choices in the present are constrained by the heritage of institutions accumulated from the past. Institutions that have accumulated give rise to organizations whose survival depends on the perpetuation of those institutions and which hence will devote resources to prevent any alteration that threatens their survival (North 2005). This perspective can be applied to the constraints to innovation and structural in particular territories, regions and countries.
Policy networks	Structural relationships, interdependencies and dynamics between actors in politics and policy-making. Policy networks are seen as clusters of relatively autonomous but interdependent actors that are incorporated into the process of public policy making. Policy networks have to be seen as specific actor configurations beyond 'policy markets' and 'policy hierarchies'
Positive territorial dynamics	Territorial dynamics that result in economic growth and social inclusion with sound environmental governance .
Productive transformation	Changes in the production patterns of a territory through innovations in products, processes or management.
Rural region	Small towns and intermediate cities and their natural and agricultural hinterland.
Rural territory	A rural space with a socially constructed identity (Schejtman and Berdegué 2004).
Rural territory (operational definition)	Although territories can be considered to exist at different scales, they need to be both large enough to have a critical mass of sustainable economic activities, but small enough to offer some sort of collective sense of identity, with geographically and socially accessible institutions; i.e. in practice they are likely to be supra-municipal (except where municipalities are very large) but sub-regional or sub-provincial (except where regions or provinces are relatively small) in size. Territories thus may or may not, correspond to existing administrative units of government.
Rural territorial development	A process of simultaneous productive transformation and institutional change or rural territories, with the aim of reducing poverty and inequality (Schejtman and Berdegué 2004)
Rural territorial dynamics	Processes of change in the economic structure and in the institutional framework of rural territories and their concomitant changes in development outcomes (growth, social inclusiveness and environmental sustainability). A central hypothesis of the program is that social agents and their interactions play a major role in determining rural territorial dynamics.

## SUMMARY

Over the past 10 years Rimisp has increasingly become concerned about the need for a program of research that addresses rural development policy and programming in a very different manner.

Most national governments and international agencies increasingly recognize the need to move beyond the policy formulations derived from the Washington Consensus and the structural adjustment era. Social movements and organizations, as well as many associations representing small and medium entrepreneurs have long argued the need for a new set of public policies to promote the revitalization of rural areas and to address the old and new problems of poverty, inequality, and environmental degradation. Rural women, indigenous peoples and environmentalists, have forcefully aggregated new dimensions to the agenda of social change in rural Latin America. Provincial and municipal governments add new political strength to the calls for proactive and smart policies to face real issues such as those of joblessness, massive migration, illicit crops and drug trafficking, growing scarcity of water and loss of forests, lack and poor quality of public infrastructure and services including ICTs, and of exclusion of most micro, small and medium enterprises from the opportunities offered by the processes of globalization, urbanization and technical change .

Now is certainly a time when new development perspectives and strategies are emerging and being contested and shaped. Rimisp and its extensive network of partners are particularly well positioned to make a difference in this process. Yet, while many agree in principle with the need to develop more comprehensive rural strategies and policies, there is also an inertia that favors the continuity of conventional ways of thinking and acting. This has been the direct experience of Rimisp in its work with such international agencies as the World Bank (World Development Report 2008) or the Inter-American Development Bank (new Rural Development Strategy and Policy)<sup>1</sup>. It is also the case in our work with national governments, such as for example in Argentina during the development of a new National Rural Development Strategy<sup>2</sup>. In short, the step from the general agreement on overall strategic principles and criteria, to their actual implementation through projects or policies of a new type, is hampered by our relative lack of good evidence and rigorous analysis, as well as by the dispersion of initiatives of the stakeholders who could champion the new approaches.

To support and advance these processes there is an enormous need for initiatives that can integrate and synthesize at a regional level in a way that links policy, practice and intellectual debate and that cuts across different areas such as economic and social policy; management of natural resources and the environment; policies for science, innovation and technology; and appropriate utilization of information and communication technologies.. These bold initiatives need multi-actor agents to promote them and lead them through.

To face such a challenge, there is a growing interest in Latin America and the Caribbean in territorial approaches to rural development, from international development agencies, national and sub-national governments, and from social movements and organizations and NGOs. Thanks to the strength of the regional interest in territorial approaches to rural development, there is also a growing demand for policy, programmatic and methodological advice coming from all these different types of public and private agents.

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<sup>1</sup> Both examples with IDRC funding.

<sup>2</sup> With the support of the International Fund for Agricultural Development (IFAD).

## Approach

Economic and social inequalities are deeply rooted features of Latin American societies. This is related –both as a cause and an effect- to huge disparities in power and influence among different sectors of our societies. Different studies conclude that inter-regional, within-country inequalities explain a substantial proportion of the overall problem. To start, there is the well known difference between rich and poor rural regions of Latin American countries; many policies and policy instruments have been designed to deal with this type of spatial inequality, although with disappointing results. Less apparent, there are also significant differences in the levels of inequality within territories; this type of territorial inequality has received less attention from public policy, perhaps because it has been less visible, or more politically inconvenient.

There is growing evidence that the overall national-level dynamics of economic growth and social inclusion, do not account fully for the dynamics of development at the scale of specific territories<sup>1</sup>.

The underlying hypothesis of the proposed program is that the multidimensional heterogeneity of rural Latin America is (in part) driven by territorial dynamics<sup>2</sup>, above and beyond differentiation processes occurring at the level of individuals, households or social groups. As a result of these dynamics, rural territories show quite different development outcomes.

From the above arise a number of *policy issues* that are important to Latin American societies, for example: What explains successful rural territorial development? To what extent can asset, power and income inequalities can be explained by lack of capacity, ill-designed policies, or poor planning, and to what extent are they driven by the interaction of social agents and coalitions and by institutions? Can territories that have been in a path of worsening inequality and poverty, economic stagnation or environmentally unsustainable development, turn around? Are such changes in long-term development trends necessarily slow, gradual and incremental, or is there room for 'disruptive innovations' that can lead to more rapid progress? What are the conditions for effective public policy? How can cultural identity be mobilized as an asset for more inclusive and sustainable dynamics of territorial development? How can rural territories get their fair share of access to information and communication technologies and how can they be better utilized to promote innovation at the territorial level and participation in national/international social and economic processes?

While many approaches are available to understand the processes of differential rural territorial dynamics, an option that would have the strongest links both to the previous work of Rimisp and its partners in this program, as well as to the viewpoints of important social and political agents in the region, can be based on four key elements:

- socioeconomic agents and their interactions in distributional coalitions;
- the institutions that are promoted by such coalitions;
- how those institutions affect both the distribution and the use and productivity of assets; and
- how those effects in turn determine economic growth, its impact on the environment and its distributional effects.

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<sup>1</sup> A territory is defined as a rural space with a socially constructed identity. They may, but often will not correspond to a political-administrative unit such as a province. The Coffee Region in Colombia, for example, includes 24 municipalities in three Departments. The Pátzcuaro-Zitahuén territory includes seven municipalities in the State of Michoacán, Mexico. From the perspective of the proposed program what is important is the emphasis on a socially constructed identity, and its relation with an institutional framework and a set of social agents. This goes beyond considerations of economic and social policy, as it also includes questions of governance and citizenship; socio-cultural identities along gender or ethnic lines; political and cultural trans-boundary interactions (local-national-global); effects of technological trends on local cultures, local constraints, and local opportunities; etc.

<sup>2</sup> Processes of change in the economic, social, cultural, institutional and political structures of rural territories and their concomitant changes in development outcomes (growth, social inclusiveness and environmental sustainability). A central hypothesis of the program is that social agents and their interactions play a major role in determining rural territorial dynamics.

This approach –necessarily multidisciplinary- centered on the interplay between social actors, institutions and distribution of assets and resources, can accommodate well an analysis of the different development outcomes in which we are interested as essential components of ‘successful’ territorial development: economic growth, social inclusion and sound environmental governance.

Depending on the circumstances of specific territories, such broad development outcomes can be specified along the lines of particular development issues, such as, for example, the interplay between social agents and their coalitions, the institutions that are shaped by them, and:

- innovation processes and the revitalization of local economies;
- access to and use of natural resources and the provision of environmental services;
- the quality of local governance systems, citizenship, and the shaping and content of public policy and public budgets at the subnational level, including the issue of local level gender budget initiatives;
- technology-intensive, agribusiness-driven economic growth;
- access to ICTs and education;
- the response of rural societies to larger policies such as economic liberalization, decentralization, or environmental regulations;
- cultural identities and diversity as an asset for territorial development.

Furthermore, each can in turn be disaggregated by gender and, where pertinent, by ethnic group.

Our point of departure are the simple questions of who is systematically favoured by a certain rural territorial dynamic, and how those who are favoured were able to reach (and sustain) those outcomes. These questions will lead us to focus our attention on strategic agents acting at and on the territory that have the ability to determine the substantive contents of the institutional arrangements. Once answered, these questions will drive us to the issue of the power asymmetries in the territory. The conceptual challenge is to not stop on power asymmetries as an *ex post facto* rationalization, but to look at these asymmetries through the lens of the process of emergence and development of localized institutions.

### **Objectives and outcomes**

The *general objective* of this research-based policy advice and capacity development program, is to contribute to the design and implementation of more comprehensive, cross-cutting and effective public policies that will stimulate and support rural territorial dynamics which lead to economic growth, poverty reduction, greater equality and sound environmental governance.

The *programmatic outcomes* are: Diverse change agents:

1. Interact in a broad regional and globally-linked network
2. Collectively advance a theoretically-consistent and empirically-tested vision and strategy on how to achieve rural economic growth with poverty reduction, greater equality and sound environmental governance; and
3. Engage effectively in relevant national, regional and international debates on rural development policies and how they are applied in practice.

The *specific objectives* of the Program are:

1. To inform the policies of national and sub-national governments and international development agencies, with strategic, research-based analysis of the dynamics of rural territories and their determinants
2. To strengthen the capacity of public and private development agents (in particular, at the level of provinces and municipalities, and with an emphasis on the organizations of the poor) to engage in policy-making and program-implementation processes that affect rural territorial development

3. To facilitate dialogue and interaction amongst rural development practitioners, policy-makers and researchers in Latin America and their counterparts in other regions of the world and promote the global assimilation of lessons from Latin American approaches to rural territorial development
4. To strengthen the capacity of selected postgraduate university programs in Central America and the Andes to train specialists in rural territorial development
5. To support the consolidation of Rimisp as a leading rural development knowledge center that can serve as an effective platform for the articulation with multiple partners, of a pro-poor vision and strategy on how to revitalize Latin American rural societies, taking the current program as a point of departure.

## **A networked program**

The program is envisioned as a functional network, extremely light in structure but very dense in activities. The network is regional in scope, and it is linked to leading research, policy and development practice centers in other areas of the world.

At the heart of the network are around 20 rural territories in ten countries, with activities supported in full or in part by the program. In each territory and country, the program supports research, capacity development and communication projects and activities, involving researchers, social organizations and movements including rural women's organizations, private firms, national and sub-national government agencies, NGOs and/or development cooperation organizations, as appropriate in each case. In each country, a national reference group works to build bridges between the work in the territories, and relevant international, national and sub-national policy makers.

The network is open to the participation of many others working in the field of rural development; in this sense, the support of IDRC catalyzes linkages, collaboration and communication processes that go well beyond the direct participants in the program as such.

## **Components**

The program will organize its activities under six *interacting* components:

1. Applied research
2. Capacity development
3. International networking and dialogue
4. Postgraduate training
5. Development of Rimisp
6. Communication (a cross cutting component)

The ***applied research component*** of the program supports multidisciplinary research projects specifically aimed at informing the policies and strategies of rural development stakeholders at the territorial, national, and international levels. All research activities will be designed to include functional, lively, effective means of communication and feedback with the intended users of the research results. No research process will be continued that fails to sustain this orientation.

The research component will be organized in two thematic areas:

- The characteristics of rural territories and the concomitant rural territorial dynamics
- Social agents, institutions and rural territorial dynamics

Across both themes and all research questions, there will be two keystone questions, that will guide the synthesis of the results:

- What are the types of policies that can effectively promote rural territorial dynamics that lead to economic growth, social inclusion and sound environmental governance?

- What needs to be done to strengthen the agency of the poor and the socially excluded to promote or affect such policies?

The **capacity development component** will contribute to strengthening the capacities of public, private and social sector agents to affect rural territorial dynamics so that they are more conducive to outcomes of economic growth, social inclusion and sound environmental governance.

The main emphasis will be placed on strengthening those capacities that are needed to improve the quality and effectiveness of collective action, networking, social innovation and social entrepreneurship. Within this emphasis, a main concern will be to strengthen the agency of the poor and the socially excluded to affect rural territorial dynamics. This component will be intimately linked to the applied research and the communication components.

The **international networking component** responds to the specific objective of facilitating dialogue and interaction between LAC practitioners, policy-makers and researchers in rural development and their counterparts in other regions of the world.

Considering that most of the existing international exchange and communication in which Latin Americans participate is with OECD countries, an ambitious and difficult objective is to at least start opening up South-South channels of communication and mutual learning, in particular with sub-regions and countries which are undergoing major rural transformations that are likely to have global impacts, such as India, China and South Africa.

Under the **postgraduate training component**, the program will make a targeted effort to strengthen the capacity of a few (2-4) carefully selected post-graduate programs on subjects directly pertinent to rural development, in Central America and the Andes. If successful, this could be a way to give continuity to the main results of the program in those regions, and also to enhancing the quality and effectiveness of rural development policies and programs.

The main strategy of the component will be to support the improvement of the curricular quality (content and methods) by providing opportunities to a critical mass of the postgraduate programs' professors to interact with colleagues and teams from leading international universities (including in LAC).

The fifth component refers to the **organizational development of Rimisp**. The successful implementation of this program will benefit from the further development of Rimisp, as a world-class rural development knowledge center that can serve as an effective platform for the articulation with multiple partners, of a sound and viable pro-poor vision and strategy on how to revitalize Latin American rural societies, taking the current program as a point of departure.

This component will advance and accelerate the implementation of four priority elements of Rimisp's change agenda 2007-2012:

- *Governance and management.* A new International Board (IB) will be put in place, independent of both staff and donors. A new Executive Director position has been established.
- *Program.* Rimisp will establish Thematic Groups as platforms for learning, synthesis and integration, based on specific projects (operational units) and other carefully selected strategic activities. The TGs will also improve the efficiency of use of the very scarce time of our researchers and support staff.
- *Staff development and incentives to innovation.* A Competitive Innovation Fund will be established to encourage staff and external partners to develop innovative project proposals, new approaches and methods, and/or new partnerships. Also to bring in new ideas, a Fellowship Program will be put in place so that external experts can work in Rimisp for short periods on projects of common interest.

- *Networking and communications.* In order to enhance the impact of Rimisp work, there is a need to improve the effectiveness of its communications. Rimisp seeks to gradually build its presence in Central America where its networks are relatively weaker.

The *communications component* will develop and implement a “multi-audience, multipurpose, and multimedia” communication strategy, professionally designed and managed, to provide effective, ongoing and cross-cutting support to all the activities and components of the program.

The relevance of the component is highlighted by the fact that given its desired outcome, this program is in essence an effort to facilitate communication and learning at multiple scales and between diverse stakeholders. This implies developing basic capacities and skills in the different teams in the program’s network, engaging specialists and experts, adequately resourcing communication activities, and reaching out to the local and national media. It also implies that the products of the different activities, particularly including the research projects, need to be tailored to the needs of different users (local communities, decision makers, policy advisors, development practitioners, other researchers).

### **Governance and management**

The program has been designed and will be implemented by Rimisp in collaboration with four core partners: the Danish Institute for International Studies (DIIS), Grupo de Análisis para el Desarrollo (GRADE, Peru), Natural Resources Institute of the University of Greenwich (NRI, UK), and the Departamento de Economia, Faculdade de Economia, Administração e Contabilidade, Universidade de São Paulo (Brasil (USP).

Three distinct governance and management functions will be fulfilled by separate entities:

- Oversight. The International Board of Rimisp will be responsible for this level of governance.
- Advice. There will be a Program Advisory Committee (PAC) to provide advice to the International Board and to the Coordination Unit on issues of relevance and focus of the program’s work and of technical quality of methods and products.
- Implementation. This will be the responsibility of a small Program Coordination Unit.

### **Duration and budget**

The first phase of the program has been designed to last five years.

The estimated budget of the program amounts to USD 9 million, and the requested IDRC grant to USD 4.3 million (48%). Over two thirds of the IDRC contribution is allocated to Research Expenses.

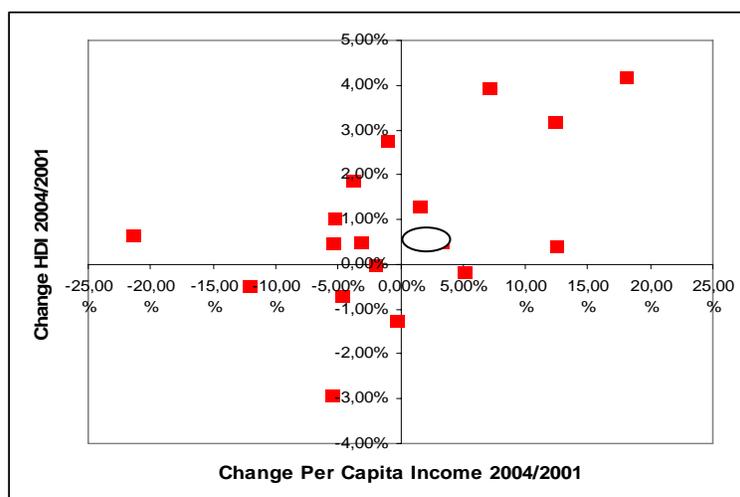
The IDRC contribution to Research Expenses is allocated to the program components as follows:

- Component 1 – Applied research – 42%
- Component 2 – Capacity development -13%
- Component 3 – International networking – 4%
- Component 4 – Postgraduate training – 1%
- Component 5 – Rimisp organizational development – 17%
- Component 6 – Communications – 22%
- Other direct research expenses – 1%.

## 1. JUSTIFICATION

1. What are the types of policies that can effectively promote rural dynamics that lead to economic growth, social inclusion and sound environmental governance? What needs to be done to strengthen the agency of the poor and the socially excluded to promote or affect such policies?
2. Economic and social inequalities are deeply rooted features of Latin American societies. This is related –both as a cause and an effect- to huge disparities in power and influence among different sectors of our societies. In most countries, the richest 10 percent of Latin American individuals earn almost half of the region’s income, while the poorest 20 percent receive between 2 and 4 percent, and the ratio between the earnings of the richest and the poorest deciles is nothing less than abominable: 63 times in Guatemala, 58 in Colombia, 54 in Brazil, 45 in Mexico and 41 times in Chile (de Ferranti et al., 2003).
3. One of the most recent and comprehensive analyses on inequality has concluded that inter-regional, within-country inequalities explain a substantial proportion of the overall problem in developing countries (World Bank, 2006). Most obviously, there is the difference between rich and poor rural regions of Latin American countries: Southern and Northeastern Brazil, the Peruvian and Ecuadorian Coasts and Sierras, the Bolivian lowlands and the highlands, or the Costa Rican Central valley and the Southern region. Many policies and policy instruments (fiscal incentives, targeted public investments, etc.) have been designed to deal with this type of spatial inequality, although with disappointing results.
4. Honduras is one of the poorest countries in Latin America. Between 2001 and 2004, the national average per capita income grew by only 2.5%, while the Human Development Index (HDI) barely moved. Yet, if you lived in the Department of Islas de la Bahía (where the per capita income dropped by 6% and the HDI by 3%), you would envy the progress made by your co-nationals from the Department of Valle, that experienced a per capita income growth of 18% and HDI growth of 4%. Valle is an income-poorer region than Islas, but is moving in the right direction. Figure 1 shows how diverse have been the dynamics of growth and social wellbeing in the Honduran departments.

Figure 1. Honduran Departments. Changes in per capita income and in Human Development Index, 2001-2004.



Source: UNDP. Índice de Desarrollo Humano según Municipio, 2004. The national average is circled near the origin of the graph.

5. Chile is often cited as one of the more successful cases of development in Latin America, having achieved high rates of economic growth and sustained progress in poverty reduction. Yet, these national results mask important territorial disparities, for example, between the regions of O'Higgins and of Araucanía (table 1). While both regions are moving in the right direction in terms of economic growth and poverty reduction, there is a growing economic and social gap between them.

Table 1. Development indicators of two regions of Chile

Development indicators	Regions	
	O'Higgins	Araucanía
Agricultural exports (2004, US\$ x 1000)	1,007,891	318,000
Agricultural exports per cultivated hectare (2004, US\$/ha)	3,789	859
GDP growth rate 1996-2002 (%)	30	18
Rural poverty rate 2000/1990 x 100	44	77
Extreme rural poverty rate 2000/1990 x 100	30	59

Source: Schejtman and Berdegue 2005

6. There are also significant differences in the levels of inequality *within* territories. In Ecuador less than 15% of total inequality is due to inter-community differences, while the rest is explained by inequality within communities (Elbers et al. 2004). In Brazil (1995-2001), rural income distribution<sup>1</sup> in the state of Ceara worsened by 2 percentage points, while in the state of Tocantin it improved by 5 points. In the same period, in Neembucú, Paraguay, rural income distribution worsened by 4 percentage points but improved by the same amount in the Western region. In another dimension, in some regions there is more equality than in others in terms of the distribution of land and water access and use rights. It is not only an issue of income or tangible asset inequality: while it is more difficult to measure, the democratic quality of local government is higher in some rural municipalities or districts, while in others the power of local elites and *caciques* remains as strong as ever. Some regions are characterized by highly innovative social networks that have promoted technological changes that propel growth, build linkages to more dynamic markets, and create new opportunities for sectors of the local population, while other territories stagnate. This type of territorial inequality has received less attention from public policy, perhaps because it has been less visible, or more politically inconvenient.
7. Table 2 (column A, last row) shows that almost one fourth of the rural population of six LAC countries live in regions where changes over time in per capita income, poverty incidence and inequality, are equal to or better than the changes in national average for rural households; that is, the gap between rural households in these regions and the national average is narrowing. This type of regional dynamic is particularly important in Brazil and Chile. At the opposite end (column H), eight percent of the rural households live in regions with a growing gap in the three development outcomes, but this very adverse regional dynamic is found in only two of the six countries (Peru where it involves 60 percent of the population and Paraguay). About one third of the rural households are in regions with gains in two of the three indicators; including over one fifth that are in regions with a growing gap in per capita income but a narrowing gap in the concentration of income and the incidence of poverty (column E), probably as a result of social programs and direct monetary subsidies to poor individuals, given that this trend is seen in three countries which have implemented strong policies of this kind (Brazil, Chile and Mexico). Another third (columns D, G and H) of the rural households are located in regions with a growing gap in two of the development outcomes, with half of the rural households of Colombia in this condition.

<sup>1</sup> Gini coefficient of per capita income of rural households.

Table 2. Regional rural dynamics relative to national averages for rural households

Country	Regional changes relative to national average for rural households, in:									
	Period	A win- win- win	B win- win- loss	C win- loss- win	D win- loss- loss	E loss- win- win	F loss- win- loss	G loss- loss- win	H loss- loss- loss	Total
Brasil	1995-2001	47,5	1,3	0,0	0,0	24,8	26,3	0,0	0,0	100,0
Chile	1990-2003	57,2	0,0	9,8	0,0	32,1	0,0	0,8	0,0	100,0
Colombia	1995-2000	24,9	0,0	24,5	29,7	0,0	20,8	0,0	0,0	100,0
Mexico	1994-2002	0,0	2,6	11,2	17,0	36,8	32,4	0,0	0,0	100,0
Paraguay	1995-2001	2,1	0,0	37,2	4,9	13,1	12,7	19,2	10,8	100,0
Peru	1994-2002	21,5	0,0	0,0	0,0	17,3	0,0	0,0	61,2	100,0
Total		24,1	1,2	9,5	10,9	22,6	22,5	0,6	8,5	100,0

Win= gap between regional average and national average (rural households) is stable or narrowing down;  
 Loss= regional gap with national average is growing.

Source: Berdegué et al., 2006

- Uniform sets of economic, sectorial, social, and science and technology policies evidently lead to very different outcomes in different rural regions. One major challenge is to be able to design national strategies that are grounded on differentiated policies to accommodate the multi-dimensional heterogeneity of Latin America's rural societies. These results support the calls to pay greater attention to territorial approaches to rural development policies (Sepúlveda et al. 1998, Abramovay 1999, da Veiga 2000, Echeverría 2003, Echeverri and Ribero 2002, Schejtman and Berdegué 2004, de Janvry and Sadoulet 2004, de Ferranti et al. 2005). Such policies will have to deal with the fact that while there is a highly significant correlation between income growth and poverty reduction at the regional level, there is also an adverse correlation between poverty reduction and concentration of income. While we lack a comparable analysis involving environmental sustainability, it is well recognized that growth often has an adverse impact on natural resources and ecosystems. Hence, economic growth by itself cannot simultaneously deliver all desired development outcomes, and a more integral set of policies is required.

## **Box 1.**

### **Rural Territories and Rural Territorial Development**

A rural territory has been defined as a rural space with a socially constructed identity (Schejtman and Berdegué 2004). Given the scope of the economic and institutional change objectives of rural territorial development, it is implicit that a territory would usually encompass several municipalities and districts, and would usually include several towns and perhaps one or more intermediate cities.

Good examples of rural territories in Latin America are:

- the Oriente region in the state of Michoacán (18 municipalities), structured around a vast protected area that is the origin of much of the fresh water used in Central Mexico, including Mexico City. This territory also houses the forests that each year receive the Monarch butterflies in their migration South from Canada. With a population of half a million, there are several ongoing conflicts over the use of these important natural resources.
- the Coffee Region of Colombia (24 municipalities across three Departments) is one of the leading coffee producing areas in the world and for decades has been a backbone of Colombia's national economy and society
- the Petrolina-Juazeiro region in Northeast Brazil (six municipalities in two States) one generation ago was a marginal area inhabited mostly by landless rural poor and by subsistence farmers. Today it is a booming region whose rapidly diversifying economy is based on the production and processing of high value fruits and vegetables, and where about half of the land is under prosperous family farms.

What is important is that above and beyond the political-administrative limits, these are established socio-economic entities whose identity has been constructed over time. Well articulated social networks operate in these territories in all domains of public life. They are characterized by idiosyncratic institutional systems that affect the access to and use of different types of resources and assets, the linkages between urban and rural and between different economic sectors, the opportunities that the poor and specific sectors such as women have -or don't have- to participate in development processes, the distributional outcomes of economic growth, the scope and depth of innovation systems, and the changes in the quality of natural resources and ecosystems.

From an analytical perspective there is no reason why there should be a perfect correlation between the boundaries of these territories and those of political-administrative units. However, from the perspective of the governance issues and the policy processes implicit in rural territorial development, it is often necessary and convenient to adjust the limits so that they coincide with the limits of groups of municipalities or districts.

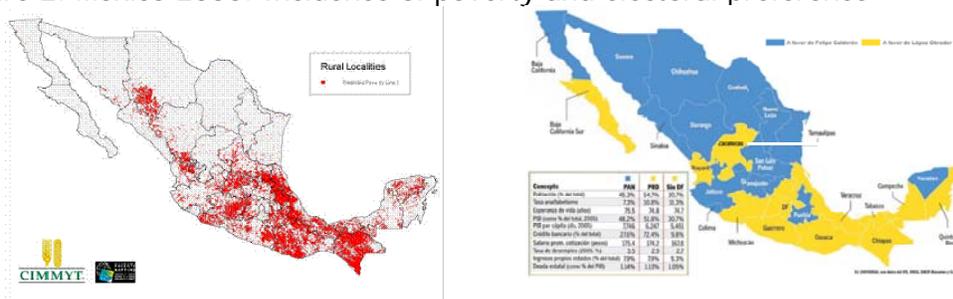
Rural Territorial Development (RTD) is an integrated approach to rural development that seeks to promote simultaneous and mutually-reinforcing processes of economic transformations and institutional change at the level of rural territories (Schejtman and Berdegué 2004) with a clear focus on greater social inclusion. Key components of RTD include: (a) reinvigorating rural economies through diversification, restructuring of agriculture to meet new consumer and societal demands, and capturing the opportunities embedded in rural environments and cultures; (b) strengthening inter-sectorial and urban-rural linkages; (c) development of the organizations of the poor and the socially excluded, and fostering their linkages to other relevant stakeholders within and outside the territory, and, last but not least; (d) empowering multi-stakeholder agents at the territorial level to be in the drivers' seat in the formulation and implementation of development strategies, priorities and investments.

RTD has strong intellectual links to cutting-edge rural development approaches in OECD countries, such as the LEADER+ program of the European Union, Canadian Community Futures, and the Canadian Rural Dialogue (Byrden 2000). The link is not only intellectual, but also through shared problems with the urbanizing economies of Latin America: revitalizing rural communities, the social economy, local government and its role in technological innovation, sectorial vs regional policies, etc.

In several ways, it also has the potential to establish a fruitful dialogue with Local Economic Development and other area-based approaches being used in Sub-Saharan Africa, South and Southeast Asia (Damiani 2006; Quan et al. 2006). The link to African debates and policy issues is probably through the debate on how to stimulate agricultural growth and the multiplier effects of that on the overall economy. In the case of much of Asia, there can be important links to ongoing policy and intellectual debates on the growing gaps between urban and rural populations and the political tensions that can emerge out of that.

9. In the absence of effective policies to reduce territorial disparities, Latin American countries risk further political polarization (Gasparini et al. 2006). Figure 2 shows, on the left, the incidence of poverty and, on the right, the distribution of votes in Mexico's July 2006 Presidential election, illustrating the relationship between social and political polarization. The same type of relations can be observed in the last Presidential elections in Peru, Ecuador and Nicaragua and in the Constitutional Assembly elections in Bolivia.

Figure 2. Mexico 2006. Incidence of poverty and electoral preference



Left hand side: Red dots are municipalities with high poverty incidence. Right hand side: In blue are the states that were carried in the presidential election by the PAN candidate (Mr. F. Calderón), and in yellow those won by the PRD candidate (Mr. A. López Obrador).

Sources: CIMMYT and Federal Electoral Institute (Mexico)

10. The examples of the countries referred to in the previous paragraphs, tell us that the overall national-level dynamics of economic growth and social inclusion<sup>1</sup>, do not account fully for the dynamics of development at the scale of specific rural territories. Disparities in Latin America are evident not only among individuals, households and social groups (e.g., ethnic groups, gender), but also at the level of regions, and in the case of our particular interest, rural territories.
11. The underlying hypothesis of the proposed program, is that the socioeconomic differences in rural Latin America are, in part, driven by territorial dynamics, above and beyond changes occurring at the level of individuals, households or social groups. This is not to say that territorial differences are more important or should receive more attention than differences at those other levels, but the implication is that policies aimed at opening opportunities and reducing disparities among individuals, households and social groups, need to be complemented by territorial development efforts. It can also be argued that in the context of decentralization, the dynamics of development at the territorial level constitute an important scenario for building effective participation to influence pro-poor and pro-equity policies at the national level. In fact, from both a research and a policy perspective, an interesting question is if special types of territorial dynamics lead to, or are associated with less differentiation between individuals, households and social groups.

<sup>1</sup> We use the term 'social inclusion' in a broad sense, to encompass a number of related but different dimensions: income poverty, income inequality, gender inequality, ethnic inequality, asset inequality, polarization, capabilities à la Sen, and social exclusion *strictu sensu*. In doing so, we wish to signal the insufficiency for the purposes of the program of looking at the social outcomes of development dynamics only from the perspective of income poverty or income inequality (Vigorito, 2006). It is clear that the concept will need to be narrowed down for operationalization purposes when the time comes to design the specific research questions, hypotheses and methods, although multidimensional frameworks are still likely to be our preferred choice as recommended by Vigorito (2006, p. 25), who proposes nine dimensions for this program to monitor and assess poverty and inequality.

12. This emphasis on differentiation and differential policies, is at conflict with the prevailing approaches of economic and social policy in the region. Since the structural reforms of the 80's, economic policies tend to be region- and sector-neutral and it is quite apparent that different regions react in diverse manners to the same set of macro and sectorial policies<sup>1</sup>. Decentralization does play an important role in creating political space for more differentiated approaches, but so far it has hardly affected the major macro and sectorial policies. By the same token, social policies in Latin America since the late 80's have followed the 'social compensation-social fund' model, and in the past few years these have been complemented with conditioned monetary transfer approaches, as exemplified by Oportunidades in Mexico, Bolsa Escola in Brazil, or Red de Protección Social in Nicaragua. These social policy approaches focus on deprived individuals and households and, from the examples of Honduras, Chile, and Mexico, it can be seen that their effectiveness varies by region.
13. From the above arise a number of *policy issues* that are important to Latin American societies, for example:
- a. What explains successful rural territorial development, that is, sustained territorial growth with social inclusion and adequate protection of the environment? Why some rural territories appear to be locked in paths of economic stagnation, lack of innovation, social conflict and ever worsening social exclusion? Can territories that have been in a path of worsening inequality and poverty, economic stagnation, lack of innovation or environmentally unsustainable development turn around? Are such changes in long-term development trends necessarily slow, gradual and incremental, or is there room for 'disruptive innovations'<sup>2</sup> that can lead to more rapid progress?
  - b. To what extent can asset, power and income inequalities (including unequal natural resources access and use rights) be explained by lack of capacity, ill-designed policies, or poor planning, and to what extent are they driven by the interaction of social agents and coalitions and by institutions? What role do the types of social coalitions and of institutional frameworks play in determining territorial dynamics of innovation, as opposed to preservation of the *status quo*, in particular in settings of high poverty and inequality? How are social coalitions engendered and what effects that has on their objectives and functioning?
  - c. How do social coalitions and the institutional frameworks that arise from them condition or determine the formal and informal environmental governance systems at the level of rural territories? How do different bundles of powers associated to specific social agents, condition the access to and the use of natural resources? Can sound environmental governance systems emerge under conditions of inequality? How do national natural resource management policies and institutions function in the context of different rural territorial dynamics? How does the distribution of natural resource access and use rights condition development outcomes in the different social and institutional contexts characteristic of different types of territorial dynamics? Are there strong associations between particular types of environmental governance systems and specific types of rural territorial dynamics?
  - d. How does inequality condition technological innovation at the territorial level? What types of social coalitions and of institutional frameworks are associated to broad-based, socially inclusive innovation processes? Which kinds of social agents have been the drivers of socially inclusive technological innovation at the territorial level? Are certain types of territories more capable of taking advantage of the opportunities created by new technologies in such fields as biotechnology or ICTs? Are certain

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<sup>1</sup> In fact, they are anything but neutral in their effects, so it may be more appropriate to call them 'blind' rather than neutral.

<sup>2</sup> A term borrowed from another field (Christensen, 1997).

types of desirable territorial development dynamics dependent on technological innovation?

- e. In the final analysis, What can public policy do to stimulate and support successful territorial development, in particular in territories with high incidence of poverty and inequality? What are the conditions for *effective* public policy?

14. There is a growing interest in Latin America and the Caribbean in territorial approaches to rural development. In the past few years, the governments of Argentina, Brazil, Chile, Guatemala, Mexico, and Peru, have defined strategies and policies, approved legislation and/or established public agencies, charged with promoting territorial development. In these and other countries, provincial and municipal governments have often taken the lead in adopting this approach, as they acquire new responsibilities for economic and social development and environmental management, spurred by decentralization policies. For example, Mexico's National Conference of State Governments (CONAGO) late last year approved a major policy statement to be submitted to the incoming federal government, which stated that it was "of fundamental importance" to adopt a new approach for the development of the Mexican countryside (p. 5), and proposed that "a rural development strategy needs to be carried out around a shared vision of rural territories" (p. 11) (CONAGO 2006). The Chilean Economic Development Agency (CORFO) has implemented a territorial approach in many of its policies to promote innovation and to foster socially inclusive economic development; to that effect, it has created specific instruments such as the new Regional Agencies for Economic Development, and the Integrated Territorial Programs. Governments at these different levels are now demanding policy and technical advice and support including from some of the partners in this program, to move from the vision of territorial development to its implementation.
15. International agencies are also paying greater attention to territorial development as a new option to deal with issues such as those illustrated above. The Inter-American Development Bank<sup>1</sup> has defined a new rural development policy and strategy which are squarely based on a territorial approach. The IDB's task managers now demand to know how can these new normative statements of their organization be operationalized, and some are taking the lead in putting them into practice. IFAD in Peru and in other Andean countries, is carrying out important and innovative projects for the development of rural territories (Corridors, in the IFAD terminology), and in Argentina it teamed with the IDB to help the Ministry of Agriculture (SAGPYA) obtain technical assistance for the design of a new national rural development strategy and institutional design, following a territorial approach. The World Bank's Vice-President for Latin America and the Caribbean in a recent landmark publication, described "the promise of the territorial approach" (de Ferranti et al. 2005) to deal with intractable problems of socially inclusive and environmentally sustainable growth. In the forthcoming World Development Report 2008, the World Bank will recommend that agriculture for development strategies in Latin America and the Caribbean should be framed in the context of territorial approaches. The OECD has already conducted national territorial and rural policy reviews<sup>2</sup> in Mexico, and is about to launch similar analyses in other non-member Latin American countries. FAO and the Inter-American Institute for Cooperation in Agriculture (IICA) have also been promoting a territorial approach in their rural development activities in the region.
16. It is not only governments and multilaterals who show a growing interest in a territorial approach to rural development. Social organizations are developing their own proposals on territorial development, and some are creating new organizational structures charged with

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<sup>1</sup> With the support of IDRC and of Rimisp.

<sup>2</sup> These are the primary tools used by the OECD for policy-dialogue, capacity development and sharing of best practice.

strategy, policy and mobilization at this level. Perhaps at the forefront of this trend are the organizations of indigenous peoples, for whom the notion of territory is often an essential element of their political platforms. An example is the Confederación de Nacionalidades Indígenas del Ecuador (CONAIE) that has added a "Territory Leadership" to their Government Council. Another case in point is that of one of Latin America's most important farmers and rural workers organizations, the Brazilian Confederação Nacional dos Trabalhadores na Agricultura (CONTAG) that in its main policy document for their 9th Congress declared "territorialidade já é uma estratégia adotada pelo Movimento Sindical dos Trabalhadores e Trabalhadoras Rurais..."<sup>1</sup> (p.13) and claims the need to obtain support to develop methods and tools to implement this strategy (p. 127), as well as to establish a network of trainers that can promote this approach amongst the Brazilian rural trade unions (p. 128) (CONTAG 2006).

17. In summary, this program is justified because: (a) there are critically important development problems affecting rural societies in Latin America that cannot be dealt with the conventional strategies and policies and that require innovative territorial approaches; (b) there is a growing political demand for these new responses at different level. Yet, the capacity in Latin America to respond to these challenges and opportunities is constrained by the fact that our collective understanding of rural territorial dynamics is almost at an infant stage; we simply do not have good enough answers to the types of questions posed in paragraph 13 above, much less at the level of detail that is required to be able to respond well to the growing demand for policy, operational and methodological advice from social organizations, governments, multilateral development agencies, or NGOs. In short, while there is "the promise of territorial approaches", we lack the knowledge required to improve the effectiveness of territorial development initiatives. This program is a contribution to closing the gap.
18. Rimisp and its partners in this program are particularly well qualified and positioned in the region to lead this ambitious initiative. Together<sup>2</sup> they designed and implemented (2004-2006) the IDRC-supported Collaborative Research Program on "Social Movements, Environmental Governance and Rural Territorial Development" (Bengoa 2007), out of which emerged many of the key insights that inspire the current proposal. The consolidation of an effective and coherent team was an important byproduct of the previous project. Important networks were developed in a number of countries during that program, and towards the end over 100 organizations from all over the region had taken part in one or more of its activities. Hence, the current program not only builds on an intellectual capital but also on social capital resulting from the previous collaborative effort.
19. Rimisp has played an important intellectual, networking and synthesis role in shaping and promoting a territorial approach to rural development, very often in close collaboration with IDRC. Since the mid-1990s and through different projects, Rimisp was part of a region-wide, multi-actor effort to revise and question the prevailing paradigm of rural development with its agriculture- and small-farmer bias. The early work (starting in 1993) on non-farm rural employment showed that rural societies and economies could no longer be explained from a sectorial (agricultural) perspective. At about the same time, a complementary strand of work focused on the role of urban-rural linkages as drivers of regional dynamics and even as an increasingly important determinant of agricultural development. Both lines of work anteceded and in part stimulated further research on this issue by prominent think tanks and universities in the USA and Europe as well as in international organizations. As it is in its tradition, Rimisp began to engage with others across the region in this debate, stimulating and supporting the emergence of an informal network; for example, directly linked to the

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<sup>1</sup> Territoriality already is a strategy adopted by the rural workers' trade union movement.

<sup>2</sup> With the exception of NRI.

non-farm work grew what would later become the Inter-Agency Group for Rural Development in Latin America, that today includes all the major multilateral and several of the bilateral agencies active in the region. Rimisp was an early and very active contributor to the thanks to the series of highly influential Seminars that were held in connection with the Annual Meetings of the Inter-American Development Bank in New Orleans, Milan, Fortaleza, Santiago and Lima, under the leadership of who today is the Chair of Rimisp's International Board; a direct consequence of these meetings was the 'adoption' of a territorial perspective on rural development by IADB and other multilateral agencies such as FAO, IFAD and IICA. An import milestone of this early phase in the emergence of a Latin American territorial perspective on rural development, was the publication in late 2002 of the first version of the paper by Schejtman and Berdegué, whichi has been called "an enormously influential" contribution<sup>1</sup>. The IADB went a step further and revised both its official strategy and policy on rural development, with the direct technical support of a Rimisp-led network of external collaborators; such work was supported by a grant by IDRC. These initiatives linked in different ways with a number of efforts taken place in the early 2000s in different countries, such as Brazil, Mexico and Argentina, that resulted in the formulation of new national strategies and policies that by and large were based on territorial development ideas and principles; a second wave of such policy changes took place in the mid-2000 in countries like Peru, Guatemala and Chile. In some instances, Rimisp had a direct and substantial involvement in the formulation of the new national rural development strategies, as is the case, for example, of Argentina, were -with the financial backing of both IFAD and IADB- Rimisp was asked to head the preparation of a new national rural development strategy Rimisp also has made direct contributions to the work of Mexico's National Conference of Governors and in particular to its special committee in charge of rural affairs. In Peru, Rimisp has established a good working relationship with the National Network of Rural Municipalities. Through all of these efforts, a regional network of diverse stakeholders continued to grow in scope and influence, driven not only by Rimisp but by many other 'engines' such as teams in the universities of Sao Paulo and Campinas in Brazil, IICA in Colombia and Mexico, Fundación Prisma in Central America, SEPIA in Peru, etc. The policy influence and the intellectual development of this networked process was such that in 2006 Rimisp was asked to join the Core Team in charge of the formulation of the World Bank's World Development Report 2008; again in partnership with IDRC, the contribution and influence of Rimisp and its many partners in this latest initiative has been substantial, particularly in the chapters of the WDR related to markets and market access and to regional strategies; due to this work, the concept of territorial development was incorporated into the WDR2008. Rimisp led both the WDR2008 civil society consultation (40 participants) and the highly successful final global e-consultation (1300+ participants).

## 2. LITERATURE REVIEW AND PROGRAM APPROACH

### 2.1. Literature review

20. There are several theoretical and analytical approaches that can contribute to the program. It is not our intention to attempt a synthesis, but rather to review the literature that is pertinent to the research questions and the policy issues that drive the program.
21. **Economic convergence.** The need to characterize and understand differences in the dynamics of economic growth among countries and regions within countries, has given rise to a vast theoretical and empirical literature built on the idea of economic growth convergence. Empirical studies on territorial growth have their roots in the neoclassical

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<sup>1</sup> Indeed, an electronic version of this paper has been downloaded over 20,000 times from the Rimisp web site since published in 2003.

model of growth by Solow (1956) and Swan (1956). The model predicts that economies converge to an equilibrium growth rate determined by technological progress, and that those with lower per capita outputs will converge faster to that equilibrium. Romer (1987), Lucas (1988) and Mankiw et al. (1992), extended the basic model to explicitly account for human capital as a source for development. Barro and Sala-i-Martin (1991 and 1992), introduce the idea of conditional convergence; in their framework, economies converge to different equilibrium growth rates, depending on technological levels and attitudes toward saving.

22. Despite that the basic underlying theoretical model was conceived to explain economic growth of a single closed economy as a whole, the fundamental assumptions have been transmitted to empirical analysis in a context of intra-national comparisons. At a regional level, several variants of the model have been estimated for the US (Sala-i-Martin, 1996; Garofalo and Yamarik, 2002), Japan (Shioji, 1996), Australia (Cashin, 1995), Canada (Coulombe and Lee, 1993 and 1995), Austria (Hofer and Wörgötter, 1997) and Spain (de la Fuente and Vives 1995, de la Fuente, 1996), just to mention a few. This approach has also been pursued by various authors in Latin America: Gasparini and others (2006) for several countries; Escobal and Torero (2005) for Peru; Fuentes et al. (2003) for Mexico. In the end, there is no clear agreement among these authors about the prevalent trends.
23. A major limitation of the traditional approaches to the analysis of territorial convergence is that they usually neglect the relevance of territorial interactions, despite the importance of the mobility of labor and capital, access to markets and spatial linkages and spillovers as determinants of local growth. To deal with the conceptual gaps that underlie this shortcoming, a theoretical breakthrough was achieved later by the new economic geography (Krugman, 1995). According to this line of thought, the process of spatial agglomeration of economic activities is the result of a combination of increasing returns at the firm's level, market size and transportation costs.
24. Within the same neoclassical economics viewpoint, some experts have dealt with the question of the extent to which regional dynamics are driven by market factors as predicted by theory (the flow of capital from high-wage to low-wage regions, and the flow of labor in the opposite direction), and the relative importance of government policies (Amstrong and Taylor, 2002). For example, Wood et al. (2004) have shown that the orientation of research efforts in favor of those regions with the highest potential, are responsible in part for the lack of convergence in agricultural productivity in such crops as rice and maize in Latin America. Contreras and Macias (2002) find that there are significant differences in school achievement (an important determinant of future human capital) across regions in Chile, and that this is due almost solely to the performance of the public schools attended by the poorest, while there are no significant differences in the school achievements for private subsidized schools. These examples suggest that policies do play an important role in shaping regional dynamics.
25. **Polarization.** The polarization problem arises when there exist a number of groups in a society which are internally very homogenous while at the same time showing large differences between each other. A functional framework to the study of polarization is provided by Esteban and Ray (1994), based on both forces of alienation and identification within a given community. Polarization is potentially critical as although generally (but not necessarily) correlated with inequality, it seems more closely related to social tension and instability than the latter. Measures to assess the degree of polarization have been developed by Esteban and Ray (1994), Wolfson (1994), Esteban, Gradín and Ray (1999), Gradín (2000), D'Ambrosio (2000), Zhang and Kanbur (2001) and Duclos, Esteban and Ray (2004). Quantitative studies on economic polarization has been carried out for the OECD countries (Duclos, Esteban and Ray, 2004), the U.S. (D'Ambrosio and Wolff, 2001), Europe (Esteban, 2004) and Spain (Gradín, 2003), among others. Gasparini et al. (2006) conducted a study

on polarization in 20 Latin American and Caribbean countries; one of their main findings is that polarization has a geographical dimension, which is increasing in time.

26. **Post Marshall and agglomeration:** Another approach is that of the spatial distribution of economic activity. Here one can consider two main theoretical traditions. The first one derives from the German school of von Thunen (1966), Weber (1909), Christaller (1966), Lösh (1967) and Isard (1956). This line of thought eventually leads to the regional science school of the 60's and 70's (Scott, 1998; Armstrong and Taylor, 2002). In Latin America, this school had a significant influence on the early regional planning efforts (Boisier 1981, 1997). The second theoretical current starts with Marshall (1954) and, in particular, with his studies of the factors driving industrial agglomeration, which are the basis for the copious recent literature on clusters, flexible industrialization, new economic districts, learning regions, and competitive environments (milieu). It is this second line of thought that has been more influential in recent times in Latin America. According to Marshall, the agglomeration of firms in a given space, leads to localized economic externalities that convey a competitive advantage due to the access to a qualified labor force and to specialized inputs and services, as well as to the dissemination of new and relevant knowledge, all of which stimulate technical change and growth in productivity. Krugman (1995) takes from both Marshall and the German economic geographers, and in his neo-economic geography approach deals with the issues of economies of scale, transport cost and external economies (*à la* Marshall), to explain how through a process of 'cumulative and circular causation' certain regions link to markets and to flows of knowledge and information.
27. **Geographic determinism:** Other authors, notably Sachs (2001), have paid attention to the role of geography, in particular, environment, asset endowment and distance and transportation costs. Blum (2003, p. 424) goes as far as arguing that such is 'the curse of geography', that "governments may have a much smaller role in economic development than what is usually supposed by economists. After controlling for climate, natural resource abundance, and location, Latin America, for example, is not unusual in its trade dependence, export composition, GDP per capita and income inequality." However, Escobal and Torero (2005, p. 158) conclude for Peru that "what seem to be sizable geographic differences in living standards in Peru can be almost fully explained when one takes into account the spatial concentration of households with readily observable non-geographic characteristics, in particular public and private assets." Yet, without going to the extreme of Blum's argument, it is quite obvious even to the casual observer that geography does have an effect on growth, both direct (i.e., through its impact on transportation costs, human health, agricultural productivity, and access to natural resources), and, as suggested by Rodrik (2003), also indirect (e.g., the rent-seeking institutions so often associated with natural-resource booms).
28. **Neoinstitutionalism** North in his most recent book (2005) offers a comprehensive neo-institutional theory to "understand the diverse performance of economies, past and present". Although North's focus is on the differential performance of national economies, his basic framework is quite useful to think about territorial development. Applied to our research problem, North's theory would guide us to focus on political entrepreneurs ("those in a position to make policies") as the active agents that shape institutional structures, on the effect of such structures on the choice set of different socioeconomic agents, and back to the institutional changes caused by the agents' efforts to improve their competitive position "in a never-ending process of change" (p. 3). Also central to North's theory is the argument that

the evolving institutional structure limits the choice set of social agents, and hence, that development is path dependent<sup>1</sup>.

29. Also from a broadly neo-institutional perspective, Rodrik (2003) summarizes as follows the key findings of an important number of 'analytical country case study narratives': (a) The quality of institutions is key; (b) geography is not destiny; (c) economic growth can start without deep and extensive institutional reform; (d) sustaining growth in the face of adverse circumstances requires ever stronger institutions. However, as put succinctly by Rodrik in the same publication (2003, p. 8), "beyond statements of the kind that property rights are good for growth, and corruption is bad, there is much that remains unclear. Which institutions demand priority? What are the specific institutional forms that are required? [or, how are territorial institutional differences conditioned by the] level of development, historical trajectory, and initial conditions?" These are major questions for a Program such as the one proposed here.
30. Wiggins et al. (2006) explore the emergence of Bolivian institutions with a historical lens. They borrow from a more political version of neo-institutionalism, and, in particular, from Knight's (1992) and Acemoglu and Robinson's (2005) concept of 'distributional coalitions'<sup>2</sup>. They start by looking at how the institution of the *hacienda* locked Bolivia into an early and persistent under-development of both entrepreneurial capacity and of the institutions necessary to allow small-scale businesses to flourish, "... both formal and informal institutions are functional over the long run to a distributional coalition anchored on a single development pattern. If Bolivia does not change either the dominant natural-resource-based distributional coalition, or its dependence on natural resource extraction altogether, it is unlikely to escape the trajectory of zero per capita growth witnessed over the second half of the twentieth century" (p. 15). This approach has clear direct links to the arguments of North (2005) summarized above. Such a viewpoint is not too different from the argument presented by the World Bank (2006) in its latest World Development Report: "when markets are missing or imperfect, the distribution of wealth and power affect the allocation investment opportunities... the distribution of wealth is closely correlated with social distinctions that stratify people, community and nations into groups that dominate and those that are dominated" (p. 2-3), and "market institutions exist and function in the context of a whole set of nonmarket and political institutions [which] are influenced by inequalities in the political and social realm" (p. 107).
31. Birner et al (2006) have applied a similar framework to the analysis of the political economy of subsidies in parts of India. In their framework, political decisions are results of the interaction between different coalitions in the political process. There can be discourse coalitions or advocacy coalitions. Discourse coalitions are "groups of actors that share a discourse on a policy issue... it is assumed that the groups constituting a discourse coalition also share a common underlying belief- and value system... [they] consist of groups that do not necessarily engage together in political action, but by sharing a discourse, they are able to shape the political debate and people's opinions" (p. 11). Advocacy coalitions are made up of individuals and groups that engage in "a nontrivial degree of coordinated activity over time do to advocate specific policy options... advocacy coalitions may include interest group leaders, agency officials, legislators from different levels of government, applied researchers

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<sup>1</sup> For example, Cos-Montiel (2006, p. 26) argues that the history of colonialism in LAC had imprinted "political systems and bureaucracies, citizenship and citizens..." According to the author, such legacy is one of the main dimensions that affect the gender dimension of decentralization processes.

<sup>2</sup> Knight (1992, p. 40) argues that "social institutions affect the distribution of benefits from the numerous interactions that constitute social life... the main goal of those who develop institutional rules is to gain strategic advantage vis-à-vis other actors..." Acemoglu and Robinson (2005) use the term to convey the notion that different groups prefer different political institutions because of the way they allocate political power and resources.

and journalists” (p. 12). The core of the analysis is an assessment of the beliefs and the resources of the coalitions, which can be mobilized to constitute “political capital”.

32. **Innovation systems.** In the neoclassical economics tradition, innovation is understood to be induced by the relative scarcity (hence, price) of factors (Hayami and Ruttan, 1971; Rogers, 1995). It follows that there is a lineal, input/output relationship between agricultural research, development of technology and its dissemination, and at the end, adoption by farmers leading to economic and social effects and impacts (Hall et al., 2001). This paradigm of lineal technology diffusion, has been criticized for its failure to understand the source, nature, and dynamics of most innovations processes, in particular in the context of developing countries (Röling, 1992; Röling and Engel, 1992; Engel, 1997), as well as for failing to pay sufficient attention to the distributional or equity issues related to innovation (Hall et al., 2001a). The concept of *innovation systems* (Clark, 1990, 1995, 2001; Edquist, 1997, 2001; Ekboir and Parellada, 2002; Hall et al., 1997, 1998, 2001, 2002; Hall and Clark, 1995; OECD, 1997; Spielman, 2005) provides an alternative framework to look at innovation processes from a systemic perspective. The innovation systems framework “opens the ‘black box’ of innovation” (Spielman, 2005, p. 7) to analyze the roles of different innovation agents, the types and quality of the interactions among them, and the formal and informal institutions that structure the innovation processes. Innovations are social constructs, and as such, they reflect and result from the interplay of different actors, often with conflicting interests and objectives, and certainly with different degrees of economic, social and political power. The innovations and innovation processes of greater interest to the poor, are very often neglected, left unsupported or even undermined and repressed, when they are seen as affecting the *status quo* of power relationships at the local, national, or global levels. Social network analysis (Ahuja 2000, Bandiera and Rasul 2002, Burt 1987, Schifer 2006, Valente 1996) has been utilized as an effective method to understand innovation systems and, more specifically the role of specific agents and their interactions in different aspects of innovation processes (e.g. social learning effects on innovation, spatial externalities and innovation, uptake of innovations, diffusion of innovation, etc.)
33. **Actor-centered institutionalism:** This approach can be considered a variant of North’s and Knight’s proposals. It has been developed by researchers such as Maintz (1993), Scharpf (1997) and Kooiman (2003) at the Max Planck Institute. In their theory, actors and their interactions give place to policy networks as specific forms of governance at different levels.
34. **Economic sociology:** Territories are social constructs which result of the interaction of actors located in specific geographic spaces, mediated by an institutional framework that itself is a result of such interactions. Sociology, especially economic sociology, has defined domains, sectors, organized social spaces or *milieu* as social constructs where collective actors try to produce a system of domination (Fligstein 2001, Bourdieu 2001, Pérez-Sainz 2006). Rural territorial dynamics are embedded in the social structures and relations that affect economic activities, innovations and institutions. The role of social structures can be seen both at a macro level, as relations between social classes and the state as in Fligstein (2001), or at the more micro social relations level as in Granovetter (2001). As a matter of fact these can be seen as two schools regarding the sociological explanation of economic action.
35. Fligstein (1996, 2001) when discussing social space or fields sees them as systems containing collective actors that try to produce a system of domination in that space, that includes the production of a local culture. In markets, social actors search to assure stable conditions that help them survive and eventually expand. To that end, workers, competitors, suppliers... search to produce social structures through stable relations. Following on this idea, Fligstein proposes four types of rules that are relevant for social structures in markets:

property rights, governance, rules of exchange and conceptions of control. These take the form of institutions that are established through laws, customary norms or structured social practices. They relate to who has claims over profits, how competition and collaboration relations are established between and within social actors and firms, how and with whom transactions can be established and how actors share common understandings or cognitive systems on how things work in a specific socio-historical setting (Fligstein 2001). As political processes these rules entail relations with the state, which can have more or less autonomy *vis-à-vis* collective actors, as a result of how political processes have taken place. These institutions result of concrete historical processes (Moore 1991) and once established tend to be stable.

36. What seems interesting of this approach is that property rights, governance, rules of exchange and conceptions of control are the result of concrete socio-historical processes that structure alliances and coalitions or forms of social conflict between collective social actors. Regarding a research program on rural territorial dynamics, this entails for example a qualitative assessment on how property rights over land, water and other assets are established and enforced (both by legal or customary norms); how local authorities are generated and to which kind of coalitions they are linked (local, regional or national political parties, producer organizations, trade unions, ethnic groups, etc); what determines its permanence or change; what are the factual (instead of formal) powers and what are the relations between the latter and the elected authorities; how these factors affect the allocation of profits, resources or external funds; what are or have been the more relevant local conflictive issues and their outcomes. The results of Rimisp's Collaborative Program on Social Movements, Environmental Governance and Rural Territorial Development demonstrate that collective action influences the institutional environment in the regions studied (Abramovay et al., 2006). The degree of such influence depends very much on the skills and capacities of the social movements.
37. In the second sociological perspective, social structures and networks are seen as affecting economic outcomes in three significant ways: information flows, as mechanisms of reward and punishment and as sources of trust and confidence (Granovetter 2004). The concept of embeddedness as pertaining to the role of social networks in explaining concrete economic action, could help explain both the relations between firms in a specific geographical space, but also vertical relations within firms and their capacity to produce economic development or not. When comparing Silicon Valley with Boston's Route 128, their differential evolution is explained by differences in networking relations, one more horizontal, that supports both competition and collaboration between firms, managers and innovators, the other more vertical that limits such interaction (Saxenian 2001, Castilla et al. 2001). Also Castells (2002) has demonstrated that Finland's high tech success can be explained by the relations between the welfare state and firms and not only through the action of private networks as in Silicon Valley; other success stories can be explained by the role of specific cultures and their capacity to communicate with others.
38. A critical issue in understanding the importance of networks is the role of bridging individuals or organizations as Granovetter (2001) has demonstrated. The role of bridging individuals and organization in networks relates to two concepts: that of social capital and of public space. Social capital is seen by authors such as Bourdieu (2001) as the real or potential resources that result from possession of a network of social relations, which is a result of individual and collective investments in social relations. Portes and Sensenbrenner (2001) differentiate bonding and bridging social capital, which seems close to Granovetter's (2005) strong and weak ties networks. Both argue that weak or bridging social relations enhance innovation and serve economic development. Public space as developed by Habermans (1996) is seen as an interlocking space or as communication spheres for social actors that help construct common understandings.

39. Following these sociological approaches and regarding territorial dynamics, a typology could be constructed using three sets of variables: composition and types of social actors dominant in specific geographic settings, institutions, and the role of the state (predatory, regulatory, broker, welfare interventionist; Fligstein 2001, pp. 40-56).
40. This brings us to key findings of the direct antecedent of this proposal, the Collaborative Research Program on Social Movements, Environmental Governance and Territorial Rural Development (Abramovay et al., 2006; Bengoa, 2006): the mutually reinforcing relationships between the type of 'identity' built and promoted by social movements, the alliances and the networks they will be part of, the patterns of innovation they will (or will not) promote, and their attitudes towards market and public policy processes, agents and organizations.
41. According to Abramovay et al. (2006, p. 6-7) rural social movements in Latin America can "systematically question the status quo of asset and income distribution... broaden the public sphere of social life and bring to the public debate issues that otherwise would have been decided by bureaucracies and technocrats, or in the Boards of Directors of major corporations... [Social movements] introduce new issues that were previously not part of the social agenda of the territories in which they act, such as the access of rural women to credit... [Social movements] have played a decisive role in the democratization of decision making, by having animated and given life to the new structures of social participation in public policy... by transforming certain topical and localized demands into recognized rights, these movements have changed the matrix of social relations: this, for example, is what occurs with the notion of *respect* that the movement of the Ecuadorian indigenous peoples signals as one of the main conquest of their struggles." All of these changes brought about by rural social movements, are part of what Schejtman and Berdegú (2004) call the "institutional change pillar" of rural territorial development. As such, they change the relationships between socioeconomic agents within the rural territories, and between them and external agents. By doing so, they modify the rules of the game in the direction of expanding the opportunities of the poor and the socially excluded, to participate in the development process and in the distribution of its outcomes.
42. Much of the above discussion can be specified to deal with the **environmental dimension of rural territorial dynamics**. Two aspects are of interest to the program: how access to natural resources is established, and the adaptive capacity of the environmental governance system. Both aspects are considered of critical importance to the conservation and sustainable use of natural resources.
43. The access and use of natural resources (in particular, land and water, but in certain territories also minerals and forests) are surely among the most important determinants of rural territorial dynamics. In some cases, the dynamics of rural territories are driven or are affected by large scale investments in natural resources (mining, forestry, hydroelectrics) (Bebbington, 2006, Shattan, 2006, Tony, 2006). In other situations, territorial dynamics driven by sociopolitical conflict (including military conflict, massive displacements of local populations, and illegal crop eradication policies) can lead to substantial impacts on the environment (Reygadas, 2006). Certain territories are characterized by dynamics of unsustainable natural resource extraction in the face of ill-designed<sup>1</sup> NRM policies (Escobal

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<sup>1</sup> Sometimes ill-designed by political entrepreneurs that need to accommodate to the national and international forces in favor of adaptive environmental governance, but that at the same time do not wish to introduce substantive changes to a *status quo* that favors them and their allies in social coalitions. This raises the issue of the interplay between formal and informal institutions, and of what has been called *institutional failures by design*.

and Aldana, 2003). There are of course situations of rural dynamics that create powerful incentives favorable to the conservation of natural resources and ecosystems, as a keystone of territorial economic development (e.g., ecotourism in Costa Rica).

44. As natural resources are extremely important as productive assets in rural territories, the resource management directly or indirectly promoted through institutions and policies (taxes, licenses and concessions, zoning, environmental regulations, etc.) has very strong impacts upon the distribution of development opportunities and outcomes among different social groups, not to mention upon the distribution of assets. It is thus important to see environmental governance systems instruments that can preserve or change the distribution of assets and, hence, of development outcomes in particular territories.
45. Ribot and Peluso (2003) propose a framework to analyze access to resources, understood as the *ability* (rather than the *right*) to derive benefits from resources. By making explicit this difference, it is possible to understand why some benefit from natural resources even when they may lack the right to do so, and *vice versa*. Their framework seeks to facilitate an understanding of “who actually benefits [from access to resources] and through what processes they are able to do so” (p.154). Such ability to benefit is affected by a range of powers (material, cultural, and political-economic) that can change over time. Power can be used to *control* access or to *maintain* access to resources, resulting in interactions between social agents that exert control and those who need to relate to them in order to maintain access. There are several types of mechanisms of access: rights-based, structural, and relational access<sup>1</sup>. Rights-based access derive from law, custom or convention, and require the existence of institutions to establish and to enforce the claim; overlapping rights are frequent because of overlapping systems of legitimacy, and it is thus that the ability to chose the forum in which rights are adjudicated or enforced becomes an important factor to consider. Structural and relational access are mediated by institutions derived from political, economic and cultural contexts. Specific mechanisms of structural and relational access are access to technology, to capital, to markets, to labor, to knowledge, to authority or to social identity (i.e., membership in a group or community).
46. An analysis of the adaptive capacity of environmental governance systems can be based on the resilience approach proposed initially by Holling (1973). Key concepts are those of social-ecological systems (Folke 2006, Jansen 2006) with their properties of resilience, adaptability and transformability (Folke 2006, Walker et al. 2006a and 2006b). Rural territories contain social-ecological systems, that is, a set of social agents, their natural resources, and the institutions that govern the interactions between them (adapted from Jansen 2006). Examples are irrigation systems, common-property forests, protected areas, or intensively cultivated valleys. A desirable property of such socio-ecological systems is resilience, since resilient systems can sustain societal development for long periods of time (Folke 2006). Usually, definitions of resilience stress the capacity of a system to absorb shocks “while retaining essentially the same function, structures, feedback, and therefore identity” (Walker et al 2006b, p. 14). However, as Folke (2006, p. 253) points out, resilience also implies “the capacity for renewal, re-organization and development”. Dealing with these two dimensions requires of system agents the capacities to adapt, that is, “to build resilience through collective action” and to transform or “to create a fundamentally new social-ecological systems when ecological, political, social, or economic conditions make the existing system untenable” (Folke 2006, p. 262). To articulate both capacities requires adaptive frameworks for the governance of natural resources.

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<sup>1</sup> Illegal access through force, stealth or cultivation of relations with those that control access, is considered by Ribot and Peluso to be a rights-based form of access.

47. The mechanisms that regulate access to resources are an essential part of the environmental governance systems. By bringing together the conceptual approach outlined in the two previous paragraphs, the program can begin to address one question that has not been received much attention: the relationship between social agents and their power relations to control and maintain access to resources, and the potential for adaptive management of resources and ecosystems. In other words, the program can empirically test the question of whether adaptive management is possible in contexts of high inequality, or, conversely, if inequality leads to environmental governance frameworks which result in resource degradation. This approach fits very well with IDRC's (2004) call to consider the socioeconomic and institutional dimensions of natural resource management (IDRC 2004).

## **2.2. Approach of the program**

48. The program's focus of attention are the dynamics of development of rural territories, that result in specific **development outcomes**: rates of economic growth, progress in different dimensions of social inclusion and the emergence and evolution of sound environmental governance systems. The political problem faced by society, of course, is the trade off between these three dimensions of development.

49. The program will explore one particular hypothesis about the **determinants of these dynamics** of development of rural territories:

- a. the particular development outcomes (growth, social inclusion and environmental governance) of these territorial dynamics depend on the distribution, use and productivity of assets;
- b. institutions matter in determining how assets are distributed and used within a given society;
- c. in turn; the institutions that characterize a specific society at a territorial level, are produced by social agents interacting among themselves in and between distributional coalitions.

### **Box 2**

#### **A Note on Gender**

Gender is a dimension that *will* be included in the analysis of each of the four key elements of our approach:

- how men and women are differentially engaged as socioeconomic agents and in distributional coalitions,
- the gendered institutions promoted by such coalitions;
- how those institutions (including historically constructed informal rules and norms) differentially affect men and women in the access and use of assets;
- the differential development outcomes between men and women.

As recommended by Vigorito (2006), the program will test the use some of the available multidimensional gender inequality measures, such as the Gender Empowerment Measure (which may be an useful entry point to the analysis of gender in the first two elements of our approach), and the Gender Development Index (which may serve to explore the last two elements listed above). Also, most of the nine dimensions and their respective indicators recommended by Vigorito (2006, p. 26-32) for this program to assess the poverty and inequality outcomes of development dynamics, can be disaggregated by gender.

Finally, the research questions presented in section 4.1.1 under each of the two thematic areas, present examples of key gender policy issues that can be addressed in the applied-research component of the program, thus providing a basis for the inclusion of this dimension in the capacity-building and communications components

50. We are interested in explicitly introducing gender and ethnicity as two important dimensions of analysis. They will be used to disaggregate development outcomes, and also as analytical lenses through which to look at the drivers or determinants of development dynamics.

51. The program will look into the above issues under a number of contextual settings throughout Latin America. This will allow us to factor in the influence on rural territorial dynamics and their determinants, of three major factors which are shaping Latin America: markets and market forces, technological innovation, and political democratization including decentralization.
52. It is clear that the only option is to adopt a multidisciplinary approach. In fact, the Program is an ambitious attempt at dialogue and integration across disciplines in order to approach the discussion of rural development policies from a comprehensive, non-sectorial perspective.

### **Box 3**

#### **An Historical Example of Distributional Coalitions in Action**

“Sucre did not want the presidency for life and when, in 1826, the Bolivian congress adopted the constitution and elected Sucre to the office, he undertook to hold it only until 1828... The obstacles to change were many and powerful... the creoles were conservative, their economic horizons bounded by stagnant *haciendas*, rentier values and public office; their habits indifferent to entrepreneurial activities; their social outlook welded to a profound and immobile inequality...” (p.204-205)

“The real test was direct taxation. Bolivar himself had abolished the Indian tribute [and replaced it by] an income tax and a property tax, a revolutionary departure from the fiscal privilege long enjoyed by whites and assimilated *mestizos*. These interests stubbornly resisted the new policy and fought an unscrupulous campaign... within a year, the country had returned to the colonial tax structure with its built-in discrimination and inequality.” (p. 205)

“Like their counterparts in Peru, the Bolivian aristocracy monopolized the few assets the country possessed, and they continued to exert an inexorable control over land and labour. The Indians of Bolivia... were subject to the *mita*, *repartimento*, tribute, parish charges and tithes, *ponguaeje* and other personal services, and agricultural labour on the land of the whites. In 1825 at La Paz, Bolivar ... abolished personal service, declaring equality among all citizens. But creoles did not cooperate, and the Indians were slow to respond, distrusting these measures as traps set by the cruel whites to ensnare them still more. Results were therefore negligible.” (p.206)

“Bolivar decreed a measure of agrarian change in 1825: the object was to distribute state land in Bolivia... But these reforms were sabotaged by the Bolivian ruling class, who regarded a free and landed peasantry as a threat to their dependable labour supply. On 20 September 1827 the Bolivian congress issued a law suspending the Bolivarian decrees concerning distribution of land to the Indians... This was another way to say no, the official word of Bolivia’s rulers on agrarian change.” (p. 207)

“Bolivar’s anti-slavery law was also unpopular.... in his (1826) constitution declared Bolivians to be ‘all those who until now have been slaves and who are thereby in fact freed’... The deputies pretended to comply, but in fact they substantially modified Bolivar’s text... The contrivance was characteristic of abolition throughout Spanish America; slavery was replaced not by freedom but by servile labour.” (p. 207-208)

John Lynch. 2006. *Simón Bolívar. A Life*. Yale University Press. New Haven and London.

53. It needs to be made explicit that the program is designed in such a way as to make possible a comparative analysis of development dynamics *between* different rural territories in a given country and at a regional (LAC) level, as well as a study of the dynamics *within* territories.
54. As made evident by the literature review, no unified theory is available to tackle the problem of the differential territorial dynamics and their development outcomes. In fact, most empirical results have proven to be highly dependant on the particular theoretical assumptions and on the chosen analytical tools. Our approach links types of rural territorial dynamics, their characteristic institutional arrangements, and the actors and distributive coalitions that are active in each case. Once we have obtained empirical information about

these elements in a sufficiently large number of 'prototypic territories', we can attempt to formulate what can be called a mid-range theory or an operational model on which to ground expectations of the policy responses under different circumstances, taking as a point of departure the ideas that institutions matter and that institutions are constructs that emerge out of the interplay of social agents in a certain context.

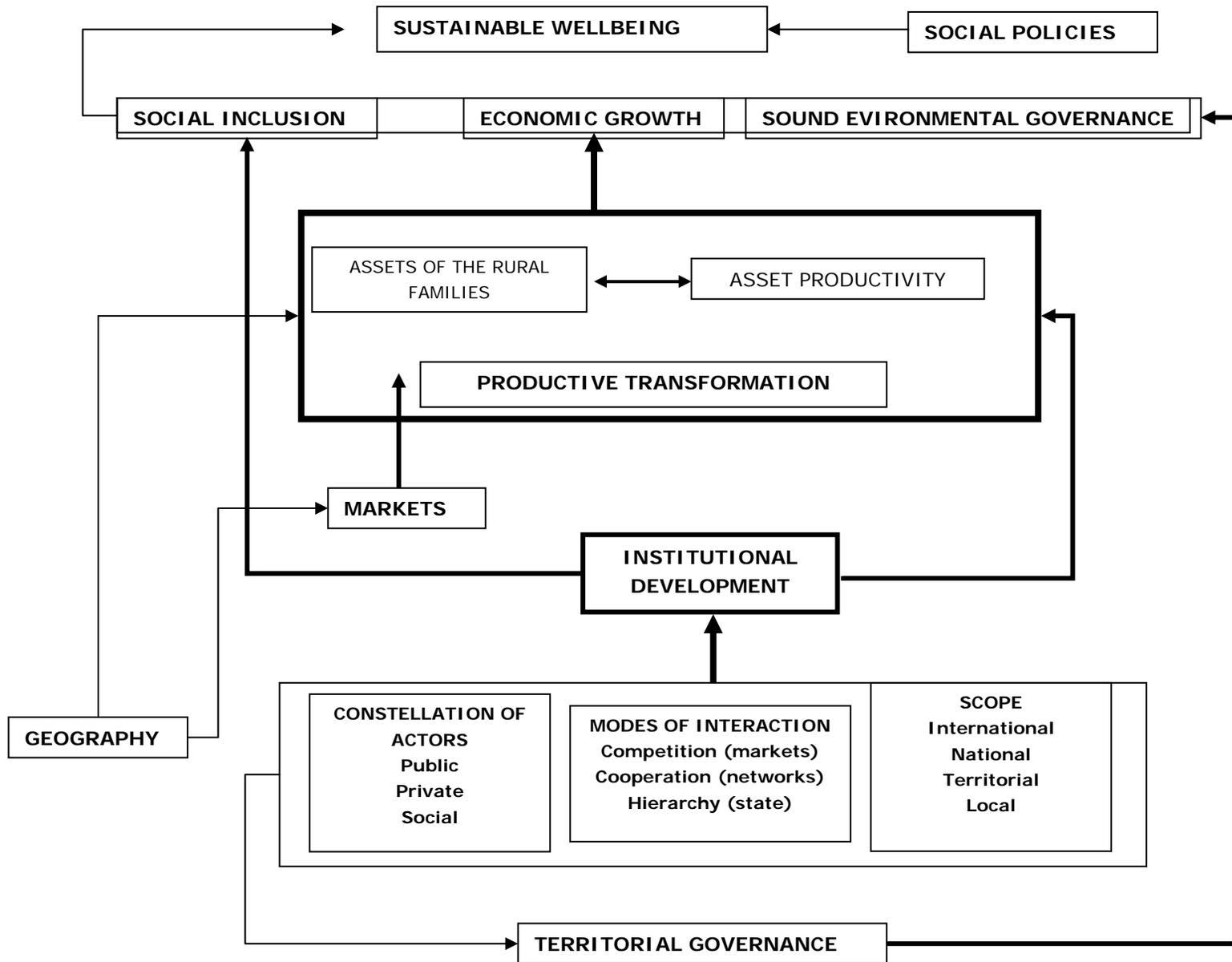
55. Our point of departure are the simple questions of *who is systematically favoured by a certain rural territorial dynamic, and how those who are favoured were able to reach (and sustain) those outcomes*<sup>1</sup>. These questions will lead us to focus our attention on what North (2005) has called 'political entrepreneurs', that is, strategic agents acting at the level of the territory<sup>2</sup> and able to determine the substantive contents of the institutional arrangements. Once answered, these questions will drive us to the issue of the power asymmetries in the territory. The conceptual challenge is to not stop on power asymmetries as an *ex post facto* rationalization, but to look at these asymmetries through the lens of the process of emergence and development of institutions.
56. With these considerations in mind and assuming the definition of rural territorial development as the simultaneous process of productive transformation and institutional change whose aim is the reduction of rural poverty, figure 3 synthesizes the proposed approach.

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<sup>1</sup> "... an essential question we must ask is, who makes the rules and for whom and what are their objectives" (North 2005, p. 15). In terms of development outcomes, it is important to understand why certain dynamics lead to zero sum outcomes in which certain social sectors gain at the expense of others, while others result in widespread sharing of opportunities and benefits, and still others lead to a deterioration that affects all sectors of rural society.

<sup>2</sup> Although not necessarily localized in the territory, as in many situations (e.g., large mining investments in the Andes) the key strategic agents are situated beyond the physical boundaries of the territory.

Figure 3. A graphic representation of the program's approach.



Based on Rodrick (2005) and Pütz (2005)

### 3. OBJECTIVES AND OUTCOMES

57. The *general objective* of this research-based policy advice and capacity development program, is to contribute to the design and implementation of more effective public policies that will stimulate and support rural territorial dynamics which lead to economic growth, social inclusion and sound environmental governance.
58. The program has the ambition to make a real difference in the region by building on prior work and in open collaboration with others. The *programmatic outcomes* are (see also Box 4):

Diverse change agents:

- a. Interact in a broad regional and globally-linked network
- b. Collectively advance a theoretically-consistent and empirically-tested vision and strategy on how to achieve rural economic growth with poverty reduction, greater equality and sound environmental governance; and
- c. Engage effectively in relevant national, regional and international debates on rural development policies and how they are applied in practice.

In short: a regional networked agent contesting the policy debate with a clear and viable vision and strategy for change in rural territories.

#### **Box 4.** **Program Outcomes**

*Programmatic outcome 1 – A regional and globally-linked network of diverse change agents*

- Multi-stakeholder platforms in each participating country are recognized by peers as influential sources of new ideas and development practices
- Program’s regional fora are recognized by social organizations and movements, private sector associations, national and sub-national governments, NGOs, international development agencies and research groups as among the most useful and influential platforms for region-wide strategy, policy and scientific debate on rural development
- Program’s network are used by leading international rural development researchers and practitioners as one of their main links with and entry points to Latin America

*Programmatic outcome 2 - A theoretically-consistent and empirically-tested vision and strategy*

- Researchers understand better the dynamics of rural territories and, in particular, the interactions among social actors, institutions and development outcomes
- Research- and social learning-based recommendations resulting from the program, are tested and assessed in the participating countries

*Programmatic outcome 3 – Effective engagement in relevant national, regional and international debates on rural development policies*

- Rural development strategies, policies and projects are debated and refined in each of the participating countries, inspired by the program results
- Territorial development approaches and strategies are incorporated in the agenda of leading international development cooperation agencies, stimulated by the program results
- Latin American perspectives and experiences are used as references in leading international development research and practice circles
- Development practitioners at the territorial level in the participating countries, obtain knowledge, change their perspectives on rural development, and acquire new methods and tools from their involvement in the program’s fora and activities

59. The *specific objectives* of the Program are:
- a. To generate an empirical evidence base to inform the policies of national and sub-national governments and international development agencies, with strategic, research-based analysis of the dynamics of rural territories and their determinants
  - b. To strengthen the capacity of public and private development agents (in particular, at the level of provinces and municipalities, and with an emphasis on the organizations of the poor) to engage in policy-making and program-implementation processes that affect rural territorial development
  - c. To facilitate dialogue and interaction amongst rural development practitioners, policy-makers and researchers in Latin America and their counterparts in other regions of the world and promote the global assimilation of lessons from Latin American approaches to rural territorial development
  - d. To strengthen the capacity of selected postgraduate university programs in Central America and the Andes to train specialists in rural territorial development
  - e. To support the consolidation of Rimisp as a leading rural development knowledge center that can serve as an effective platform for the articulation with multiple partners, of a pro-poor vision and strategy on how to revitalize Latin American rural societies, taking the current program as a point of departure.

#### 4. METHODOLOGY

60. The program will organize its activities under six *interacting* components, the first five of which are aligned with the specific objectives and the sixth is cross-cutting<sup>1</sup>:
- a. Applied research
  - b. Capacity-development
  - c. International networking and dialogue
  - d. Postgraduate training
  - e. Development of Rimisp
  - f. Communication
61. It is of the essence to highlight that the program will place a very strong emphasis on making available space and opportunities for active dialogue and collaboration with many others (social organizations, policy-advisors and policy-makers, researchers, etc.) including those carrying research, capacity development, postgraduate training and international networking and dialogue activities independently from the program, but broadly consistent with it. Our vision of the broad network described in Box 5 implies that the program is managed as an open platform or at least as a platform with very porous boundaries, pro-actively seeking to engage partners carrying out activities:
- a. funded exclusively or mainly with the IDRC grant
  - b. co-financed between IDRC and others
  - c. totally independent of IDRC funding but still coordinated or in dialogue with the program

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<sup>1</sup> These are largely drawn out for project management purposes, but the emphasis is clearly on integration of lines of work and not on their segregation. Such interaction and integration is fundamental to realize the general objective and the program outcomes.

## **Box 5**

### **A Networked Program**

The program is envisioned as a functional network, extremely light in structure but very dense in activities. The network is regional in scope, and it is linked to leading research, policy and development practice centers in other areas of the world.

At the heart of the network are around 20 rural territories in ten countries:

- In Mesoamerica – Southwest Mexico (states of Michoacán, Guerrero, Oaxaca and Chiapas), Guatemala, Honduras and Nicaragua.
- In the Andes – Colombia, Ecuador, Peru and Bolivia
- In the Southern Cone – Brazil and Chile

In each territory and country, the program supports (in full or in part) research, capacity development and communication projects and activities, involving researchers, social organizations and movements, private firms, national and sub-national government agencies, NGOs and/or development cooperation organizations, as appropriate in each case. In each country, a national reference group works to build bridges between the work in the territories, and relevant international, national and sub-national policy makers.

The network is open to the participation of many others working in the field of rural development. In this sense, the support of IDRC catalyzes linkages, collaboration and communication processes that go well beyond the direct participants in the program as such.

The building of this network is essential to achieving the objectives and outcomes of the program. The quality of the arrangement and of its activities and the scope and influence of its outcomes, will be the most important indicators to consider in deciding whether to project the program beyond the initial five year phase.

In this design and in its implementation, Rimisp and its partners in this program, make use of their extensive and successful experience of managing networked international projects with diverse stakeholders.

#### **4.1. Component 1 – Applied research**

62. The applied research component of the program supports *multidisciplinary* research projects specifically aimed at informing the policies and strategies of rural development stakeholders at the territorial, national, and international levels.
63. All research activities will be designed to include functional, lively, effective means of communication and feedback with the intended users of the research results. No research process will be continued that fails to sustain this orientation.

##### *4.1.1. Thematic areas*

64. The program will focus on understanding socioeconomic agents and their interactions in distributional coalitions, the institutions that are promoted by them, and how those institutions favor or not economic growth that translates into poverty reduction, greater equality and sound environmental governance.
65. This research focus can be organized in two thematic areas:
  - a. Rural territories and rural territorial dynamics
  - b. Social agents, institutions and rural territorial dynamics

66. The thematic area on *“Rural territories and rural territorial dynamics”* seeks to understand the relationship between the characteristics of rural territories and their dynamics. It will address the following questions:
- a. *What are the main types of rural territorial dynamics in Latin America and the salient characteristics of each?*
    - What have been the key changes over time in the economic structure and in the institutional setting?
    - What are their economic growth, social inclusion, and environmental governance outcomes?
    - Does social inclusion as a starting condition favor rural dynamics characterized by more economic growth and greater capacity to engage in technological innovation?
    - Is technological innovation a salient characteristic of certain types of rural dynamics and is consistently absent or weak in others?
    - Are adaptive environmental governance systems characteristic of certain types of rural dynamics?
  - b. *How do extra-territorial processes differentially affect the dynamics of different types of rural territories?*
    - Are certain types of rural dynamics related to closer linkages of the local economies with extra-territorial dynamic and competitive markets?
    - Under which conditions value chains that link the territory to external dynamic markets have greater multiplying effects at the local level that result in greater social inclusion?
    - What are the characteristics of rural territories that allow them to build effective linkages with innovation systems around advanced technologies?
    - What are the characteristics of rural territories that allow them to take advantage of market and non-market incentives to develop better environmental governance systems?
    - What are the differential impacts of trade liberalization, decentralization, technological change and environmental policy and legislation on rural territories, and the nature of their integration with wider regions?

**Box 6**

**Results of the thematic area on *“Rural territories and rural territorial dynamics”***

- A typology of rural territorial dynamics in LAC, including national and subregional maps of rural territorial dynamics
- Better understanding of how external factors, trends and shocks condition rural differentiation or convergence dynamics
- Methods to characterize and assess rural territories and their dynamics

67. The second thematic area encourages and supports research that seeks an understanding of the relationships between social agents and their interactions and coalitions, the emergence of endogenous institutions and the use/capture of trans-territorial ones, and the different types of rural territorial dynamics and their respective outcomes. In essence, research in this thematic area will not only test to what extent institutions matter, but also why certain territories are endowed with certain institutions and institutional arrangements and not with others. The underlying hypothesis is that as social constructs, institutions (formal and informal) are intimately linked to the social actors that operate as political, economic and social entrepreneurs of their emergence<sup>1</sup>, and that this relationship plays an important role

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<sup>1</sup> Or maintenance or change, and, in the case of trans-territorial institutions, of the way in which they are put into use at the level of the territory.

in determining the economic, social and environmental outcomes of rural territorial dynamics.

68. The following questions will be included in this thematic area:
- a. *What are the distributional effects<sup>1</sup> of different types of rural territorial dynamics?*
    - Are specific groups such as the poor, women, or ethnic groups systematically included/excluded in certain types of rural territorial dynamics but not in others?
    - Are certain types of rural dynamics systematically related to more equal/unequal distribution of natural resources?
    - Are those rural dynamics that are driven by the adoption of advanced technologies and more dynamic and competitive markets, more/less likely to have positive social inclusion and environmental governance effects?
  - b. *How do inequalities in access to assets of different kinds determine the development of particular types of social coalitions and territorial institutions?*
    - Can social coalitions that foster innovation emerge and be effective in contexts of high inequality?
  - c. *What are the institutional determinants of rural territorial dynamics?*
    - What are the institutional differences between territories with dynamics of socially inclusive and environmentally sustainable growth and those where growth with social exclusion and/or severe environmental impacts is the predominant outcome?
    - What are the relationships between types of innovation systems and types of rural dynamics?
    - Are the relationships between types of environmental governance systems and types of rural dynamics?
    - Do certain institutional arrangements favor territorial dynamics that are more/less environmentally sustainable?
    - Do the institutional arrangements of indigenous groups, systematically lead to, or preclude, certain types of rural territorial dynamics?
  - d. *How do social actors and their interactions condition the emergence, maintenance or change of territorial-scale institutions, or how do they capture, use and apply trans-territorial institutions?*
    - Is there an association between types of social agents and their interactions, and types of rural territorial dynamics?
    - Are certain forms of interaction between social agents (competition, cooperation, hierarchy) more conducive than others to certain types of rural territorial dynamics and, hence, to certain economic, social and environmental governance outcomes?
  - e. *How do exogenously developed and imposed distributional coalitions and institutional frameworks operate in different territories?*
    - What limitations do these exogenous factors impose to the scope for change at the territorial level?
69. Across both themes and all research questions, there will be two keystone questions, that will guide the synthesis of the results:
- a. *What are the types of policies that can effectively promote rural territorial dynamics that lead to economic growth, social inclusion and sound environmental governance?*
  - b. *What needs to be done to strengthen the agency of the poor and the socially excluded to promote or affect such policies?*

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<sup>1</sup> This includes the distribution not only of capital assets, of natural resources, and economic outcomes, but also of intangibles (e.g. opportunity for political participation, respect for human rights) and of environmental impacts.

### Box 7

#### Results of the thematic area on "*Social agents, institutions and rural territorial dynamics*"

- A *typology of distributional coalitions* around issues such as inclusion/exclusion, innovation/preservation of *status quo*, sustainable/unsustainable management of natural resources, or pro-poor growth, with a particular emphasis on the effect of inequality.
- *Better understanding of how social coalitions determine institutional arrangements at the territorial level*, around such issues as, for example: (i) the conditions under which more democratic and participatory institutions are in practice conducive to innovation and creativity and when/why are they bureaucratized or captured by local elites and dominated by clientelistic practices; (ii) distribution of access to natural resources among different social actors and effectiveness of the formal rules of environmental governance.
- *Better understanding of how particular institutional arrangements at the territorial level affect development outcomes* around such issues as, for example: (i) the relationships between international/national/local market-driven institutions and social inclusion and environmental governance; (ii) the configurations of decentralization in local government and the emergence of formalized territorial institutions and their levels of authority, autonomy and capacity to finance and manage rural territorial development in relation to higher level and sectorial government programs.

#### 4.1.2. Stages and types of activities

70. The applied research component will be implemented in different stages to permit partial results to inform design and implementation decisions of later stages (adaptive management approach):
- a. Preparation (*months 3-9*), which will generate the following results:
    - Relevance of research and research-to-users linkages: The research questions will be discussed in the context of the first International Conference of the program with a carefully selected reference group of about 15-20 potential users of the research results, to make sure that the research is socially relevant and to start building communication channels with the intended users.
    - Hypotheses and methods specified: In order to produce a consistent set of comparable results, specific research hypotheses will be formulated, and the most appropriate research methods will be specified to test them. This includes defining indicators and methods for the systematic selection and delimitation of territories in which to conduct the core research and capacity development activities. It also includes a special effort to develop an appropriate methodology to conduct in depth analyses of innovation systems using a social network analysis approach; this special effort will include initial research in a number of situations of advance technology-driven rural territorial dynamics such as, for example, soybean production in Argentina and Brazil, biofuels in Brazil, wine in Chile, cut flowers in Ecuador or Colombia, and specialty coffee in Mesoamerica. This will require engaging a team of around 10 leading economists, political scientists, specialists in governance of natural resources, gender specialists, and rural development specialists; such discussion will take place in the context of the first International Conference of the program. Papers for this Conference will be commissioned in advance.
  - b. Scouting (*months 9-24*), during which:
    - The research designs<sup>1</sup> will be tested and refined in a small number of "scout projects" in about four countries throughout the region. The analysis of

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<sup>1</sup> All research proposals in this and in the remaining stages of the program will be peer reviewed by internal (Coordination Unit or Advisory Committee) and external experts.

innovation systems-social networks will be an important component of these scout projects.

- The substantive results of these scout projects will be communicated and discussed with the Program Advisory Committee, to refine the research questions as well as the hypotheses and methods, including the adequate consideration of the gender dimension.
  - An active dialogue will be started with a large and diverse group of researchers and development practitioners throughout Latin America and elsewhere, in a deliberate process of network-building. The culmination of this process is the second (midterm) International Workshop during which the network can be consolidated and the initial results presented.
- c. Main research (months 24-54), during which:
- In-depth medium-term territorial research projects will be carried out by a network of research consortia in approximately ten countries and 20 territories throughout LAC. All reasonable efforts will be made to include a set of examples of territories whose dynamics are driven by advanced-technology innovation systems, such as soybean in Argentina, biofuels in Brazil or wine in Chile. Each research consortia will be accompanied by a national Reference Group made up of about seven to ten relevant potential users of the research results. While these projects will be designed with a medium term horizon (30 months), clear annual milestones and progress indicators will be included in the project designs and in the contracts, to have the opportunity to decide if the partial research results and the commitment of the national Reference Groups, justify the continuation of the project. Partial reports and working documents will be rigorously peer-reviewed. It is expected that the IDRC grant will support about 10 of the total 20 territorial research projects; the rest will be financed from other sources, as explained on section 8 of this proposal (co-financing strategy).
  - Focused, specialized studies will also be commissioned as additional funding becomes available, in response to opportunities and questions arising from the partial results of the territorial research projects. The analysis of the role of innovation systems as drivers of rural territorial dynamics, their economic growth, social inclusion and environmental governance outcomes, and the interlinks with other social systems such as the political or the social systems in the territory, all using a social network analysis approach, will be included as one of these specialized studies, perhaps by supporting a special “learning community” across the 20 territories focused on this issue.
  - To review and synthesize partial results and adjust accordingly the research plans, as well as for network-building, meetings of the research project coordinators, the Program Advisory Committee and the Coordinator Unit will be held once a year.
  - Small grants will be made available to support internships and other forms of exchange, to nurture the network and to encourage an active learning process across research teams.
- d. Final synthesis (months 54-60), during which:
- The main findings of the program will be integrated and synthesized, including during the third International Conference.
  - Final publications for the initial five years of the program will be prepared and disseminated.
  - Strategies, proposals and funding for the continuation of the program –if merited- will be designed and obtained.

#### ***4.2. Component 2 – Capacity development***

71. This component of the program will contribute to developing the capacities of public, private and social sector agents to affect rural territorial dynamics so that they are more conducive to outcomes of economic growth, social inclusion and sound environmental governance.
72. The main emphasis will be placed on developing those capacities that are needed to improve the quality and effectiveness of collective action, networking, social innovation and social entrepreneurship. Within this emphasis, a main concern will be to strengthen the agency of the poor and the socially excluded to affect rural territorial dynamics. Gender issues will receive careful attention.
73. This component will be intimately linked to the applied research and the communication components. The 20 or so territories in which most of the activities of the program will be concentrated, will be selected because of (a) the conditions offered for the purposes of research; (b) the existence of an effective commitment of local stakeholders to engage with the program as a whole, including the capacity-building component, (c) clear evidence that local stakeholders have the potential to engage effectively in policy incidence activities at the regional and/or national levels. Hence, there will be a close proximity between the activities of these components at the level of the territories that make up the program's network.
74. Under this component, the program will mainly support:
  - a. Social Learning Projects<sup>1</sup> about strategies, policies, and institutional and organizational arrangements that can affect rural territorial dynamics so that they are more conducive to outcomes of economic growth, social inclusion and sound environmental governance. The program will develop a partnership with Grupo Chorlavi<sup>2</sup> to make use of its platforms and methods to design and implement these learning projects;
  - b. Learning alliances and partnerships acting at the regional level, involving e.g. local, regional and national government, local universities, regional development agencies and programs, social movements, and rural women's organizations, with a view to scaling up lessons and promoting public dialogue at a regional scale about rural development. This should also link to strengthening post graduate training for instance by generating wider programs of action research through MSc / PhD theses.
  - c. Strategically chosen international interactions (i.e., beyond Latin America) in particular with initiatives in Asia and Africa that have common grounds with Rural Territorial Development approaches.
75. Other complementary capacity-building activities of local and territorial level stakeholders may also be considered, as necessary and to the extent that funding is mobilized for this purpose. In particular, the program may support:
  - a. The documentation (written, video or both) and critical analysis of particularly interesting and innovative experiences relevant to territorial development efforts, which can be found in territories outside the network

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<sup>1</sup> A social learning project is a systematic process of critical reflection (systematization), dialogue, communication, documentation and distance and in-service or experiential training, that are carried out collectively by a group of organizations and individuals, to achieve learning objectives, usually formulated in the form of questions of common interest ([www.grupochorlavi.org](http://www.grupochorlavi.org)).

<sup>2</sup> Grupo Chorlavi is a platform that supports social learning projects to advance institutional and productive transformation processes in poor and marginalized rural territories in Latin America and the Caribbean. Stimulated by a small grants competitive fund (Fondo Mink'a de Chorlavi) each year a number of innovative development experiences are systematized. A number of complementary activities are then organized around the process of systematization and its results, including workshops, learning routes, Internet-based distance learning, electronic conferences, and communication and policy incidence activities. For further information [www.grupochorlavi.org](http://www.grupochorlavi.org)

- b. Training activities, electronic conferences, distance learning courses, workshops, internships, study groups, and other capacity development activities which are not an integral part of a social learning project and that can involve groups and individuals inside and outside the program's network

#### **Box 8**

##### **Results of component 2 – Capacity development**

- The poor and the socially excluded in the territories that make up the program's network, have a greater voice and participation in key territorial development processes and projects.
- The stakeholders in the territories that make up the program's network, utilize the results of the research component as well as the new capacities acquired or strengthened with the support of the program, to improve the design and implementation of their development projects.
- The researchers in the program critically reflect about their research methods, results and products, at the light of the outcomes of their utilization (or not) in the capacity-building activities of the program.
- A broad audience or stakeholders in LAC, is informed about those approaches and practices of rural territorial development in the territories that make up the program's network.

76. To implement this component, the program will:
  - a. Establish a cooperation agreement with Grupo Chorlaví to use its facilities and methods, and to co-finance social learning projects.
  - b. Engage with groups of stakeholders in each of the territories included in the program's network, as well as with organizations in the country that can facilitate social learning processes (not necessarily the same as those in charge of the research activities). This requires a deliberate effort of actor mapping and communication in each of the territories, reaching beyond the sectors and groups which are easier to reach because they are better organized or are part of development or research circles.
  - c. Design, obtain funding for, and implement social learning projects in each of the territories. Funding will be sought from local, national and international development cooperation agencies willing to become partners in the program with the specific objective of supporting social learning projects in one or more territories
  - d. Engage with other organizations or programs that can contribute to this component, such as FODEPAL, universities, NGOs, development cooperation agencies. With these partners, design, seek funding and implement specific capacity-building activities, including some that may not be directly related to the program's social learning projects

#### **4.3. Component 3 – International networking**

77. The program has a specific objective of facilitating dialogue and interaction between LAC practitioners, policy-makers and researchers in rural development and their counterparts in other regions of the world.
78. There is need and potential for Latin American rural territorial development analytical and policy perspectives and programmatic experiences and know how to influence the centre of gravity of international rural development debates in relation to the main analytical pillars of the program.
79. In addition, LAC practitioners, policy-makers and researchers would benefit from wider and more systematic exposure to the ideas, know how and experiences of their counterparts in other regions of the world.

80. Considering that most of the existing international exchange and communication in which Latin Americans participate is with OECD countries, an ambitious and difficult objective is to at least start opening up South-South channels of communication and mutual learning, in particular with sub-regions and countries which are undergoing major rural transformations that are likely to have global impacts, such as India, China and South Africa.
81. To achieve these goals, the program will:
- a. Hold three international conferences in Latin America, with the participation of a significant number of international partners
  - b. Identify opportunities and funding options to co-organize workshops and conferences on the themes of the program, as satellite events to major international academic (agricultural economics, rural sociology, Latin American studies, regional science, political science) and non-academic meetings.
  - c. Identify opportunities and funding options to co-organize meetings of different types with international organizations that are important in shaping global ideas, perspectives and investments in rural development, such as for instance with the IADB, World Bank, OECD, EC/EU. A special effort will be made to link with the Ibero-American Summit of Chiefs of State and of Governments, following the model used in the past of the rural development seminars attached to the IADB's Annual Meetings.
  - d. Give a strong international dimension to the program's communication strategy, including the website, brochures, policy briefs, and other products targeted at general and specific international audiences. Executive summaries of program outputs will be translated into English<sup>1</sup>, and important products will be translated in full for distribution to international audiences. Specific "policy brief" type of products will be prepared for international audiences on issues directly related to them (e.g., development assistance policy and rural development, impact of OECD subsidies on rural territorial dynamics in LAC, etc.)

#### **Box 9**

#### **Results of component 3 - international networking and dialogue**

- International opinion leaders<sup>2</sup> are informed of LAC approaches and experiences on rural development, and opinion leaders in LAC are informed of international approaches and experiences on rural development
- Mechanisms for South-South dialogue and experience sharing on territorial rural development are established
- LAC opinion leaders actively contribute to shaping international thinking on rural development

#### **4.4. Component 4 – Postgraduate training**

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<sup>1</sup> The working language of the program will be Spanish. However, documents in Portuguese by Brazilian authors will also be acceptable. All document translations will be to English.

<sup>2</sup> Includes leading researchers, policy makers and practitioners

82. The program will make a targeted effort to strengthen the capacity of a few (2-4) carefully selected post-graduate programs on subjects directly pertinent to rural development, in Central America and the Andes. If successful, this could be a way to give continuity to the main results of the program in those regions, and also to enhancing the quality and effectiveness of rural development policies and programs.
83. The selected postgraduate programs should be located in “conducive environments”, that is, within universities that are functional and that manage reasonable well the basics of every day university life. In this way, the added value of the program will be to contribute to improving the quality of postgraduate training (contents and methods).
84. The main strategy of the component will be to support the improvement of the curricular quality (content and methods) by providing opportunities to a critical mass of the postgraduate programs’ professors to interact with colleagues and teams from leading international universities (including in LAC).
85. There will be three types of activities, all of which will be implemented to the extent that sufficient funding is mobilized to complement IDRC’s grant:
  - a. Engage MSc students in the research activities of the program in an organic form, that is, as part of the research teams that will work with in the different countries and territories. This means that the respective universities would have to accept that one of the researchers of the program acts as major professor, or at least as a thesis adviser.
  - b. Small grants to co-finance short (e.g., 2-4 month) internships of professors from these universities to visit leading universities and research institutes, in LAC or OECD countries. As a result, the visiting professor should commit him or herself to delivering a revised and updated plan for the course he/she teaches regularly, including both content and methods.
  - c. Small grants to co-finance short (e.g., up to 1 month) visits of professors from advanced universities and research institutes, in LAC or OECD countries, to teach seminars in the universities participating in the program.
  - d. Deliberate and pro-active effort to engage students from the participating universities in the main meetings of the program, following the very successful experience of the final international seminar of the Collaborative Program on Social Movements, Environmental Governance and Rural Territorial Development.
86. Given the need to raise funding for this component to be able to carry it out in a meaningful scale that will make a difference on the quality of the selected postgraduate programs, during the first year of the program we will “package” this component as a project that can be negotiated with other donors. Seed money will be provided from the IDRC grant to cover the preparatory activities (including perhaps a meeting with representatives from the selected universities and potential donor agencies).
87. To design, obtain funding and implement this component, Rimisp will engage two universities with world-class programs in subjects directly pertinent to the program. One of these universities will be located in Europe, most likely in the United Kingdom and another one in Canada<sup>1</sup>.

#### ***4.5. Component 5 – Rimisp organizational development***

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<sup>1</sup> Initial talks have been held with the University of Manchester’s Institute for Development Policy and Management. Different options have been assessed for Canada but no action has been taken so far.

88. The successful implementation of this program will benefit from the further development of Rimisp, as a world-class rural development knowledge center that can serve as an effective platform for the articulation with multiple partners, of a sound and viable pro-poor vision and strategy on how to revitalize Latin American rural societies, taking the current program as a point of departure. In December 2005 Rimisp started a process of critical reflection with this goal in mind.
89. The internal note that launched this process, stated: "As has been the case in other turning points in the life of our organization, we wish to reflect critically and to engage in a dialogue with our partners, about our specific contribution to the Latin American community of organizations and individuals committed to rural development.... as part of the process, we will think and make decisions about what we need to maintain and nurture, what we need to leave behind, and what we need to develop that is new, so that Rimisp can add value to this community and make a worthwhile contribution in the next five years or so". As part of this process, Rimisp contracted Prof. Anthony Bebbington to conduct an external institutional evaluation, that could "generate evidence and analysis that will help us improve the relevance, outcomes, cost efficiency, and sustainability of Rimisp as an organization, as well as the quality of its processes and products." Bebbington submitted its report<sup>1</sup> in June 2006.
90. In Latin America there is no center for knowledge generation that has the capacity to synthesize across the region in a way that links policy, practice and academic debate. This was generally agreed upon in the Rimisp evaluation by a number of distinguished commentators from all three spheres (Bebbington 2006). Furthermore, national knowledge generation centers are ever less able to engage in knowledge generation work for lack of resources. This just at a time when the need for new thinking on rural futures in LAC is urgent given the structural changes that are occurring in national and sub-national economies.
91. As consistently recognized by interviewees in the Bebbington evaluation, Rimisp is the closest there is to such a regional center, already the most agile compared with many of other organizations that could conceivably play this role, as well as the most rooted in the worlds of both policy and institutional practice. It is therefore not surprising that a range of actors work with Rimisp in efforts to synthesize knowledge, draw out lessons, elaborate platforms, promote and manage region-wide debates, etc. IDRC is one of these, but also the World Bank, IADB, IFAD, FAO, and others. These agencies need Rimisp; of course, they won't wither away without Rimisp, but their work and investments would be the weaker for it if Rimisp were not around.
92. The evaluation showed the value of Rimisp in this regard, but also that in performing these roles it is seriously overstretched and those who "use" Rimisp run the risk of loving the organization to death. Such overstretch can be seen in seriously eroded time available for Rimisp staff to write, to communicate and to participate in professional development activities; reduced space for internal discussion and synthesis, and an ever growing pressure to raise funds to sustain the vast networks that make Rimisp's work possible and attractive to donors and other partners<sup>2</sup>. Even more seriously, the evaluation detected instances of quality slippage that resulted from the inability of Rimisp to devote the time, resources and focus and attention to important projects at critical times.

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<sup>1</sup> Available at <http://www.rimisp.org/webpage.php?webid=6404>

<sup>2</sup> Over two thirds of the funding raised by Rimisp is passed on to networking partners; this means that on average each Rimisp senior staff needs to raise funding equivalent to between 3.5 and 10.3 times his/her full cost, depending on the year. At the same time, it is true that Rimisp receives as much or perhaps even more 'in kind' collaboration from its partners.

93. These and other findings led to a response to the Bebbington evaluation that committed Rimisp to progressively implementing 11 changes in a five year period starting in 2007:
- a. Improving our understanding of the core values and ideas that underpin our vision of the changes we work to promote in Latin American rural societies, as well as our capacity to communicate such vision. This will also make us more accountable to our partners and collaborators.
  - b. Renewing our thematic agenda to improve the way in which we can deliver on our long term focus on the transformations of rural societies and their effects and impacts in terms of social inclusiveness, competitiveness of the rural economies, and environmental sustainability
  - c. Developing the potential of our staff and investing in a new generation of Latin American researchers that can gradually take over the leadership of Rimisp.
  - d. Improving our capacity to do socially useful, high quality research, and achieving a better balance between the four basic functions of Rimisp.<sup>1</sup>
  - e. Creating new incentives and capacities to insure continued innovation in what Rimisp does, how it does it, and with whom it does it.
  - f. Significantly improving our capacity to assure the quality of Rimisp's processes and products, according to high international standards.
  - g. Improving the quality and effectiveness of our extended network of partners and collaborators, recognizing that this is one of our core organizational strengths.
  - h. Substantially reforming our governance and management systems according to international standards, our idiosyncrasy and our needs.
  - i. Improving the gender balance in the leadership and technical staff, and insuring that a gender perspective is effectively embedded in the new thematic areas.
  - j. Changing the emphasis of our work in Chile, towards a critical analysis of the rural transformations in this country.
  - k. Continuously seeking new ways in which to improve the efficient and transparent use of the resources entrusted to us by our partners and donors for the achievement of our common goals and objectives.
94. In the face of this need for an organization that has the capacity to synthesize across the region in a way that links policy, practice and academic debate, and in order to address its own capacity constraints, Rimisp requests a one-time financial investment to advance and accelerate the implementation of four priority elements of its change agenda:
- a. Governance and management. A new International Board (IB) will be put in place, independent of both staff and donors; the composition of this Board will reflect the diversity of partners with whom Rimisp collaborates, the types of functions which we carry out, and the regional scope of Rimisp. For the first time in our 20-year history, an Executive Director position has been established, a step deemed necessary and finally unavoidable for a center with 36 active projects, involving about 80 partner organizations in 17 countries, and with an annual revenue of USD 2.5 million in 2006. The number of active Rimisp projects per year has grown by 50 percent since the year 2000, and Rimisp needs to implement a portfolio and project management system and to upgrade its IT.
  - b. Program. Rimisp will establish three Thematic Groups (TG): Social Learning-Based Capacity development, Rural Territorial Dynamics, and Economic Liberalization, Trade and Changing Markets for Rural Products and Services. These TG will be

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<sup>1</sup> These are: (a) generating multi-partner platforms for the design and implementation of regional collaborative projects that simultaneously include research, social learning, communication, capacity development and policy incidence elements; (b) applied research; (c) design and facilitation of social learning processes; (d) promoting and facilitating regional dialogue and synthesis on issues that are relevant to rural development in Latin America.

platforms for learning, synthesis and integration, based on specific projects (operational units) and other carefully selected strategic activities. The TGs will also improve the efficiency of use of the very scarce time of our researchers and support staff. In keeping with Rimisp's networking modus operandi, external partners will be invited to participate in the Thematic Groups as Research Associates, hence consolidating Rimisp as a very "porous" organization. Rimisp will make certain that a gender perspective is embedded as an organic element of each Thematic Group's Prospectus.

- c. Staff development and incentives to innovation. Rimisp will make a major effort to support the professional development of our staff, including a systematic effort to develop a new generation of researchers that rejuvenate our organization and eventually can take over its leadership. A Competitive Innovation Fund will be established to pay for the time (up to three months per year) of staff and external partners to develop innovative project proposals, new approaches and methods, and/or new partnerships. Also to bring in new ideas, a Fellowship Program will be put in place so that external experts can work in Rimisp for short periods on projects of common interest.
- d. Networking and communications. In order to enhance the impact of our work, we need to markedly improve the effectiveness of our communications, starting with a determined effort to design and test a world-class communications strategy. Rimisp's networks are weaker in Central America; we see this as an important limitation for a network-based regional organization. We seek to gradually build our presence there by posting a few staff like we already do in Ecuador and Bolivia, and, eventually, by opening a sub-regional office.

95. These measures are designed to be financially self-sustainable within three to four years. No changes will be implemented that give rise to recurrent costs which cannot be financed through our regular overhead in a period of 3-4 years. To sustain these changes, Rimisp will: (a) grow modestly in number of Senior Researchers, to a maximum of about 12 to 14 by 2012 (compared to the current seven); (b) establish a ceiling of general and administration expenditures that need to be funded through overhead, of approximately US\$ 350,000 per year; (c) increase our annual revenue to about US\$ 4 million; (d) shift many project-related expenses that today are being financed with overhead income, to direct project funding.

#### **4.6. Component 6 - Communication**

96. From the Collaborative Program on Social Movements, Environmental Governance and Rural Territorial Development (Rimisp 2006) we learned that we need: (a) a realistic strategy and program to articulate research, dissemination of results, discussion and dialogue, and use of results; (b) a rapid turnover between research activities, research products, and contents and materials that can be used in capacity development; (c) an effective bridge between research teams and organizations and/or individuals who are communication, capacity development, and policy incidence specialists (meaning that researchers rarely have the capacity to perform well in these other fields).
97. These lessons point out in the direction of having a "multi-audience, multipurpose, and multimedia" communication strategy, professionally designed and managed, that provides effective, ongoing and cross-cutting support to all the activities and components of the program.
98. This is reinforced by the fact that given its desired outcome, this program is in essence an effort to facilitate communication and learning at multiple scales and between diverse stakeholders.

99. This implies developing basic capacities and skills in the different teams in the program’s network, engaging specialists and experts, adequately resourcing communication activities (persons with responsibilities, budgets, time in the schedules), and reaching out to the local and national media. It also implies that the products of the different activities, particularly including the research projects, need to be tailored to the needs of different users (local communities, decision makers, policy advisors, development practitioners, other researchers).
100. Beyond that, this program has one specific objective of facilitating dialogue and interaction between LAC practitioners, policy-makers and researchers in rural development and their counterparts in other regions of the world. Situating regional experience and knowledge in global radar screens, and learning from other regions’ debates and know how, requires a communication effort with an international capacity.
101. Last but not least, the program will be implemented by a broad network of diverse partners in a large number of countries. The outcome of the program largely depends on our capacity to stimulate, support and facilitate effective communication that actively involves all or most of the network partners.
102. Hence, the identification of communications as a program component is *solely* intended as a project management option. Communications need to be at the core of each program component and program activity. In this sense, Communications more than a component is a cross-cutting feature of the program.

4.6.1. *Communication products and services*

103. Table 3 describes the key communication products and services by project component and by types of audience.

Table 3. Communication products and services

<b>Component</b>	<b>Main audiences</b>	<b>Communication products and services<sup>1</sup></b>
Applied research	<ul style="list-style-type: none"> <li>• Governments</li> <li>• Development agencies</li> <li>• Social organizations and movements</li> <li>• Regional and national political organizations</li> <li>• Higher education and research centers</li> <li>• Public opinion makers</li> <li>• Public opinion</li> </ul>	<ul style="list-style-type: none"> <li>• Maps of network partners and strategic (actual and potential) collaborators for targeted communication</li> <li>• Data bases of wider audiences</li> <li>• Web portal (web 2.0)</li> <li>• International Conferences</li> <li>• Electronic conferences</li> <li>• Satellite events adjunct to leading international meetings</li> <li>• Electronic newsletter</li> <li>• Electronic working documents</li> <li>• Journal articles and books</li> <li>• “Policy briefs” with strategic recommendations for private and public policy makers and investors</li> <li>• Press conferences and press notes aimed at the main newspapers and periodicals in the countries in which the program is active</li> </ul>

<sup>1</sup> Several of these products and services can be used in different components. They have been tabulated in the component where they would in principle have a more important role to play.

<b>Component</b>	<b>Main audiences</b>	<b>Communication products and services<sup>1</sup></b>
Capacity development	<ul style="list-style-type: none"> <li>Local and regional governments</li> <li>Rural social and economic organizations, with emphasis on those of the poor</li> <li>Managers and staff of development projects</li> <li>Private sector organizations at territorial and local levels</li> <li>Civil society organizations</li> <li>Training centers</li> <li>Local political entities</li> <li>Local mass media</li> </ul>	<ul style="list-style-type: none"> <li>Periodically updated maps of territorial stakeholders, for each territory in which the program is active</li> <li>Thematic electronic fora</li> <li>Local public debates, workshops, and other meetings based on the program's results and strategic recommendations</li> <li>Internships of territorial-level stakeholders</li> <li>Learning routes of diverse territorial-level stakeholders</li> <li>Radio programs</li> <li>CD and DVD documenting the main results and experiences</li> <li>Booklets, manuals, guidelines in printed or electronic form, documenting methods and tools for rural territorial development programs</li> <li>Distance learning courses (Internet-based)</li> </ul>
International linkages	<ul style="list-style-type: none"> <li>International and LAC experts<sup>1</sup></li> <li>High-level national and international policy makers</li> <li>International agencies</li> </ul>	<ul style="list-style-type: none"> <li>International conferences of the program (3)</li> <li>Program of international visits and exchanges of experts from LAC ↔ other regions</li> <li>Participation of LAC experts in international meetings</li> <li>High-level international policy fora (i.e., seminars associated to Ibero-American Summit of Heads of State and Governments)</li> <li>Thematic fora with bilateral and multilateral agencies (WB, IADB, OECD, IFAD, DFID, DANIDA, etc.)</li> </ul>
Postgraduate training	<ul style="list-style-type: none"> <li>Postgraduate professors</li> <li>Postgraduate students</li> </ul>	<ul style="list-style-type: none"> <li>Postgraduate thesis and related publications</li> <li>Articles in university publications</li> </ul>

#### 4.6.2. Stages and key activities

104. The communication component will be implemented gradually in a series of stages:

- a. Stage 1 (months 1-12), will produce the following key results:
  - development and approval of a detailed communication strategy
  - the program's web portal (web 2.0)
  - The first international conference with selected partners from other parts of the world, to launch and situate the program regionally and internationally
  - Short workshops (1/2 day) with key potential network partners in each country in which the program intends to be active
  - Contacts with the mass media
- b. Stage 2 (months 13-24)
  - Systematic dissemination of program activities, results and other relevant information, by means of electronic communication tools (web sections made available to network partners, electronic conferences, videostreaming and webcasting, electronic newsletter, electronic publications of working documents)
  - Publication of the first substantive program documents: policy briefs, working documents, and, perhaps, journal articles (submitted)
  - Design of specific communication products and services for use by/with grassroots organizations in the network's territories (short radio messages, video, posters; learning routes, internships of grassroots leaders and experts)
  - Periodic access to mass media (radio programs, press articles, etc.)

<sup>1</sup> Includes leading researchers, policy makers and practitioners

- c. Stage 3 (months 25-48)
  - Midterm review and adjustment of the communication strategy
  - Continuity of lines of work stated in stage 2
  - At least one CD-Rom produced for each territory in the program's network, documenting its experience, results and products
  - Second international conference (midterm)
- d. Stage 4 (months 48-60)
  - Complete documentation in a CD library and in the web portal, of the program's experience, results and products
  - Preparation and dissemination of synthesis publications
  - Final international conference

#### **Box 10**

##### **Results of the communication component**

- Program network functions effectively, partners are informed and engaged and contribute to overall learning
- Stakeholders in the network territories are continuously well informed about program activities, results, products and opportunities for collaboration
- Leading international rural development stakeholders are informed about LAC ideas, know how and experiences, and LAC partners contribute to international debates
- A wide or diffuse audience of no less than 10,000 rural development stakeholders throughout LAC, is well informed about the program's activities, results and products

## **5. MONITORING AND EVALUATION**

105. The M&E system is structured around the following criteria: (a) simplicity and flexibility, so that it can actually contribute to adapting the program as it develops; (b) focused on the desired outcomes that are tracked by means of a small number of important indicators; (c) periodic external assessments by well-informed and knowledgeable experts, along the lines of critical reflection more than accountability; (d) an ongoing assessment of the program as a research-based policy advise and capacity development network, learning new ways to M&E these kinds of arrangements; (e) different reports (content and format) tailored to diverse audiences, including donors, partners, program coordinators, steering committee members, advisors, (f) a specific M&E procedure needs to be put in place to address the specific objective of the program of contributing to the development of Rimisp, (g) the effective inclusion of the gender dimension in the different components, will be an explicit and permanent question, one that will be integrated in the M&E procedures and tools.
106. A detailed M&E system will be designed within the first six months of the program. This will be a responsibility of the Program Coordination Unit, with the help of a qualified consultant (M&E Advisor) and, eventually, with the participation of an intern of IDRC's Evaluation Unit based for a period of time in the Rimisp office. The M&E design will deal with (a) outcomes; (b) product and process quality; (c) the value added of the program as a multi-stakeholder network; and (d) the performance of Rimisp.
107. Mid-term and final assessments. Two qualified external consultants will be contracted to carry out two in-depth assessments of the program. Their work will include field visits to a sample of the members of the program's network. The first review will take place between months 20 and 24, so that the recommendations can be used to adjust the program design and/or implementation during the second half. The second assessment will take place between months 44 and 48, so that the results are ready by the start of the last year of the

program and can be used to guide decisions on potential next steps. The reports will be submitted to the International Board of Rimisp, to the donors, and to the Coordination team. After the reports are approved, they will be made public in the program's web portal.

108. Rimisp has utilized user's and partners' opinion polls to answer specific M&E questions in some of its projects (e.g., Grupo Chorlaví and Fidamerica). Opinion polls focusing primarily on questions of relevance, usefulness, quality and utilization of program results, will be conducted annually. The results will be included in the annual reports.
109. Peer review, including double-blind peer review in the case of main research results, will be mandatory to assess the quality of specific proposals to be funded under the program, of research and capacity-building results, and of communication products and services. A standardized process will be put in place early on so that the results can be used to track changes along the life of the program.
110. A particularly problematic issue is the assessment of the value added generated by the program as a network. Making progress in this problem requires an action-research approach, to find ways to provide meaningful answers to such questions as: What type of value added? Value added by whom and for whom? At what cost? The collaboration of the Evaluation Unit of IDRC will be sought to design this activity, eventually by seconding an Intern to Rimisp where he/she can work on this problem with the support of the program's coordinator and of the M&E Advisor.
111. The institutional development of Rimisp needs to be assessed. A baseline is available (A. Bebbington's institutional evaluation of Rimisp, done in 2006), and the section describing Component 5 of the program highlights the key changes that want to be introduced in the period 2007-2012. The evaluation of Rimisp's institutional development could be based on answering the questions of how these changes have been implemented, and what differences have they made on Rimisp as an organization, compared to the situation described by Bebbington. A short review (ideally by Bebbington) could be undertaken in late 2008 or early 2009 to assess progress, and a full institutional evaluation could take place in mid-2011.
112. Technical and financial reports will be submitted annually by the Program Coordinator and the Executive Director of Rimisp, to the International Board of Rimisp and to the donors. External audits of the accounts will be included as part of the regular external audit of Rimisp; the audit report is submitted to Chile's Ministry of Justice after approval by the Board, and a copy will be made available to the donors (as a matter of Rimisp policy, all external audit reports are published in its web site).

## **6. LINKS TO IDRC'S CORPORATE STRATEGY AND PROGRAMS**

113. This program relates to IDRC's Corporate Strategy and Program Framework (2004) in a number of ways:
  - a. The program addresses the issues flagged by the Strategy when it states that "the health and development of cities continue to depend in large part on the vitality of rural communities and rural environments, which provide cities with food, fuel, water, and clear air, amongst other things. In many parts of the world, poverty remains predominantly rural... rural areas pose particular challenges for service delivery... the well-documented bias against rural areas in the allocation of R&D resources continues to be a major issue in most countries and regions (p. 2-5).
  - b. The program will take actively promote collaboration with Canadian partners to address challenges of common interest in a collaborative fashion. Areas of interest mentioned elsewhere in this proposal include intellectual and policy debate on rural

development approaches (e.g., between proponents of rural territorial development in Latin America and those engaged in the Canadian Community Futures and the Canadian Rural Dialogue programs)

- c. The program offers an opportunity for IDRC to support South-South links in the field of rural development. While the program does have a Latin American focus, it also explicitly seeks to link the Latin America communities of development practitioners, policy makers and researchers, to their counterparts in other regions of the world. It is quite clear that there is a large potential for dialogue between rural development approaches and other area-based approaches in use in Africa and Asia, such potential nowadays is not being exploited.
- d. The program offers IDRC an opportunity to participate in the development of an integral, cutting-edge approach to rural development, recognizing, as does the Strategy, that “development challenges facing poor countries are complex and interlinked” (p. 2-9). Bridges need to be built not only across disciplinary divides, but also across the urban-rural divide. As will be made explicit below, this program cuts across several of IDRC’s Program Areas and Program Initiatives, and hence can be a platform for integration and synthesis which can spur new visions and strategies within IDRC itself.
- e. Finally, the program offers IDRC an opportunity for establishing a new type of relationship with a long standing partner, Rimisp, and to make a substantial contribution to the organizational development of this center and the networks which it articulates.

114. This program is directly relevant to several of IDRC’s Program Initiatives. While it is more closely related to Rural Poverty and Environment (RPE), it has significant relevance to Globalization, Growth and Poverty (GGP), Women’s Rights and Citizenship (WRC), and Innovation, Technology and Society (ITS). In addition, the program also proposes to develop a close relationship with IDRC’s Evaluation Unit for the purpose of designing and implementing an action-research approach to some of our M&E needs, as was already explained in section 5 of this proposal (Monitoring and Evaluation).

115. *Rural Poverty and Environment*. The proposal directly addresses three of RPE’s Outcome Areas: building effective environmental governance, enhancing equitable access and use rights, and strengthening the capacity of communities to respond to and benefit from interaction with wider social and economic systems.

116. The approach of the program (social distributional coalitions, institutions, assets, development outcomes) provides a fresh angle to look at a number of the issues at the core of RPE:

- to what extent has decentralization created greater opportunities to the poor for more equitable access to natural resources
- the conditions under which collective action can contribute effectively to equity, efficiency and sustainability of resource use
- the types of governance innovations that can reduce conflict and enhance collaboration and innovation in natural resource use
- the impacts of poverty and inequality on institutional innovations that aim at modifying the access and use of natural resources
- the emergence of different patterns of resource distribution and the development outcomes associated to each
- the implications for natural resource access and use of the ways in which different territories respond to wider social and economic shocks, such as trade liberalization
- which environmental governance systems promote greater participation of the poor in the management of natural resources

117. *Globalization, Growth and Poverty*. This PI supports research on strategies for inclusive growth in developing countries, which is a concern at the core of the proposed program. Our work will contribute to two of the three GGP research areas: “Patterns and drivers of inclusive growth”, and “Markets, other institutions and inclusive growth”. In the domain of the first GGP research area, our program will carry out in depth analyses of patterns of growth (territorial dynamics) at the territorial level in a large number of countries, and their associated social and environmental outcomes. The program will look at distributional coalitions and the related institutions as determinants of growth, and in doing so it will add to GGP’s interest on engines of inclusive growth.
118. In the GGP research area on Markets, other institutions and inclusive growth, the program will directly address the effects on equity and poverty of various market and non-market institutional frameworks. In particular, the program will deal with the issue of how power, norms and values, and other informal non-market institutions, interact with contracts, regulatory frameworks, and other formal market institutions, in the context of the interactions between social actors and distributional coalitions in rural territories.
119. *Women’s Rights and Citizenship*. The program will directly address two of WRC’s thematic areas: women’s citizenship and governance, and economic rights. It is also likely that the program will deal with a third area (migration) in several of the 20 rural territories (10 countries) in which the program will concentrate much of its work. It has been explained in Box 2 that gender is a dimension that *will* be included in the analysis of each of the four key elements of our approach: (a) how men and women are differentially engaged as socioeconomic agents and in distributional coalitions, (b) the gendered institutions promoted by such coalitions, (c) how those institutions affect differentially men and women in the access and use of assets, and (d) the differential outcomes of territorial development dynamics between men and women. In the area of women’s citizenship and governance, the program can contribute to a better understanding of how formal and informal institutions, in particular in the context of decentralization, promote or constrain the participation of women in democratic processes, not only in local government but also in other spheres of public life, such as local organizations, rural social movements, etc. (Cos-Montiel 2006). In the area of economic rights, the program will look at the relationship between economic opportunities and outcomes and the spaces given (or not) by distributional coalitions and institutional frameworks for social and political empowerment of women. Also in this area, the program will address the relationship between social actors, institutional frameworks and the access to natural and productive resources, another topic of importance to WRC.
120. *Innovation, Technology and Society*. ITS defines innovation systems in a broad sense, and this opens space for a contribution from our program. Central concerns of the program include the characteristics of innovative social agents, how different sets of formal and informal rules interact to stimulate and sustain (or block) innovation processes at the territorial level. Social agents and institutional frameworks are by definition key elements of innovation systems. Thus, the program offers an unique opportunity to learn how different types of innovation systems condition different types of development dynamics at the level of rural territories. In addition, the program is also concerned with the distributional effects of these development dynamics, that is, with their effects on inequality and poverty. In doing so, the program will relate to two of the three research themes of ITS: Innovation System Actors, and Impacts and Inclusion.

## **7. GOVERNANCE AND MANAGEMENT**

121. The program has been designed and will be implemented by Rimisp in collaboration with four core partners: the Danish Institute for International Studies (DIIS), Grupo de Análisis para el Desarrollo (GRADE, Peru), Natural Resources Institute of the University of Greenwich

(NRI, UK), and the Departamento de Economia, Faculdade de Economia, Administração e Contabilidade, Universidade de São Paulo (Brasil (USP))<sup>1</sup>.

122. Rimisp is the organization ultimately responsible and accountable for the implementation of the program, the management of the budget, the quality of the processes and products, and, ultimately, the achievement of the objectives and outcomes. The four core partners support Rimisp by contributing to:
- a. The design of the program and the strategic review, planning and programming during implementation
  - b. The preparation of the annual work plans, the assessment of annual results and performance, and the preparation of technical reports to donors and partners
  - c. The review and assessment of specific research proposals to be supported by the program, the supervision of such projects during implementation, and the review of their intermediate and final technical reports, outputs and outcomes
  - d. The integration and synthesis of results at the program level
  - e. Networking, communication and policy dialogue on behalf of the program, within and outside Latin America
  - f. Fundraising to complete the program budget
  - g. Defining the profile of the program Coordinator in case a replacement is necessary during implementation
123. Three distinct governance and management functions will be fulfilled by separate entities:
- a. Oversight. Oversight over strategy, outcomes, program policies and processes, quality of outputs, and management and administration of the program budget. The International Board of Rimisp will be responsible for this level of governance, as is the case with all Rimisp projects starting in January 2007. A representative of IDRC can participate as observer in the Board sessions when it discusses the program.
  - b. Advice. There will be a Program Advisory Committee (PAC) to provide advice to the International Board and to the Coordination Unit on issues of relevance and focus of the program's work and of technical quality of methods and products. The PAC will have about ten members, plus IDCR representatives; nominees to the PAC will have the support of both IDRC and of Rimisp. There will be PAC members qualified to provide solid advice on gender issues. The members will be selected to broadly represent the perspectives of: (a) agents of territorial development processes, i.e., rural social movements, the private sector, national and sub-national governments, and international development agencies<sup>2</sup>; (b) researchers in key areas for the program, i.e. environmental management policy, economics, political science and sociology, gender and rural development. The PAC will meet once a year, usually<sup>3</sup> in coordination with meetings of research and capacity-building project coordinators or with the International Conferences in coordination, or with some other major activity of the program.
  - c. Implementation. This will be the responsibility of a Program Coordination Unit (PCU), composed of a Program Coordinator<sup>4</sup>, two Rimisp Senior Researchers as Assistant Coordinators<sup>5</sup>, and four core partners<sup>6</sup> and (all of them part-time, for a total of 1.3

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<sup>1</sup> We are aware we do not yet have a Mesoamerican core partner. We will make every effort to correct this imbalance very early in the life of the program, and perhaps even before the starting date.

<sup>2</sup> The perspectives of NGOs are already represented in the Program Coordination Unit.

<sup>3</sup> An exception will be a meeting jointly with the Program Coordination Unit at the very start of the program.

<sup>4</sup> Julio A. Berdegué.

<sup>5</sup> Alexander Schejtman (emphasis on the applied research component) and Manuel Chiriboga (emphasis on the capacity development and communication components).

<sup>6</sup> All in a personal capacity but each drawn from one of the organizations associated with Rimisp in the design of the program: DIIS, GRADE, NRI, Universidad de Sao Paulo.

person-year). The PCU will receive the support (a few days per year) of selected external advisors on such topics as M&E and Gender.

124. Because of the programmatic nature of this initiative –as opposed to a research project- it will be important to test new ways in which to engage in substantive dialogue with IDRC, and other donors. One alternative that we would favor is to organize 1-day annual meetings with key staff and managers from different Program Areas of IDRC to present the main partial results and identify issues of common interest that can be brought into the program’s agenda for the next period. Such an arrangement would be similar to the one IDRC has with the International Institute for Sustainable Development (IISD).

## **8. COFINANCING STRATEGY**

125. For its full implementation, the program will need the collaboration of several investors as well as partners willing to share the costs of specific activities. A prime responsibility of the Coordination Unit and of the Program Coordinator, will be to secure the necessary funding for the program. Rimisp will report on the actual achievements against the targets established in the budget of the program proposal and the eventual IDRC-approved amendments.
126. The strategy to achieve the full funding of the program includes:
- a. Submission of proposals to selected donors to co-fund the program as a whole or specific components and/or the work in specific countries in sub-regions. At the time of writing this proposal, initial contacts have been made with some European donors; the door is open to further discussions after the program is launched. The main priorities are to raise funding in this way for components 2 (Capacity-building) and 4 (Postgraduate training), and for the activities of the research component in about half of the 20 territories. Core support for Rimisp’s organizational development will also be sought from other investors (component 5). The target is to mobilize about US\$ 2.5 million over the first 30 months of the program; based on the results, a projection can be made for the second part of the program.
  - b. Cooperation agreements with other programs, that include shared funding of specific components. This is the case of Grupo Chorlaví; initial and fruitful discussions have been held with ICCO (The Netherlands) to closely coordinate the design of the new phase starting in 2008, with Component 2 (Capacity-building) of the program. A similar arrangement (Component 1- applied research) will be pursued by Rimisp with the Ford Foundation for the continuation and possible expansion of project on “Rural territorial development based on products and services with a cultural identity”. The target is to secure about US\$ 0.5 million in the first two years of the program, although part of that amount may be made available in later years.
  - c. Presentation of research proposals to national agencies to co-fund the research activities in their countries. Proposals will be submitted to at least CNPQ (Brazil) and CONICYT (Chile). No funding targets can be estimated at the present time.
  - d. Presentation of funding proposals and mobilization of co-payments for specific activities, on a one-to-one basis. Some of the proposed activities are amenable to co-funding in this manner, including co-payment by the direct participants. Examples (based on actual Rimisp practice in the recent past) include major international seminars, training events, study tours and internships, electronic conferences. Hence, we will make use of this mechanism to support components 2 (Capacity-building), 3 (International networking), and 6 (Communications). The target is to raise about US\$ 150,000 per year in this manner, starting in year 2.
  - e. Coordination with partners with independent funding. The notion of a program that operates as an open network, allows for the possibility of engaging partners that

want to become active participants with their own independent funding. This has been the case for example in recent Rimisp projects funded by the Ford Foundation (5 out of 9 case studies carried out with independent funding) or the Inter-American Development Bank (7 out of 11 case studies carried out with independent funding). We can inform that in the the workshops and meetings carried out in several countries as part of the preparation of this proposal, we have seen a very high interest on the part of many potential partners to become associates of the program. Judging from prior experience, these agreements should benefit primarily component 1 (applied research). We aim to make this sort of link to about 10 major research or action-research projects in at least five or six countries.

## 9. TIMETABLE

127. Annex 1 contains a detailed schedule of the program's main activities and milestones, by component.

## 10. BUDGET

128. The estimated budget of the program amounts to USD 9 million, and the requested IDRC grant to USD 4.3 million (48%). Table 4 presents the major budget categories.

Table 4. Budget in US dollars, major categories and sub-categories of research expenses  
Exchange rate 12 Jan 2007: USD 1 = CAD 1.17 = CLP 539.5

Item	Total	IDRC	Rimisp	Others
Personnel	868,200	520,200	0	348,000
Consultants	244,550	244,550	0	0
Equipment	10,750	0	10,750	0
International travel	105,625	105,625	0	0
Research Expenses	6,830,000	2,972,500	30,000	3,827,500
▪ <i>Component 1 – Applied research</i>	2,182,000	1,249,300	0	932,700
▪ <i>Component 2 – Capacity development</i>	2,039,000	396,000	0	1,643,000
▪ <i>Component 3 – International networking</i>	294,000	105,000	0	189,000
▪ <i>Component 4 – Postgraduate training</i>	773,550	42,750	0	730,800
▪ <i>Component 5 – Rimisp development</i>	605,950	500,950	30,000	75,000
▪ <i>Component 6 – Communications</i>	899,500	642,500	0	257,000
▪ <i>Other direct research expenses</i>	36,000	36,000	0	0
Evaluation	156,250	130,250	26,000	0
Indirect Costs	798,990	364,578		430,553
<b>Total</b>	<b>9,014,365</b>	<b>4,337,703</b>	<b>66,750</b>	<b>4,606,053</b>

129. By order of importance, the IDRC contribution is allocated to

- Research Expenses - 69%
- Personnel - 12%
- Indirect Costs - 8%
- Consultants - 6%

- e. Evaluation - 3%
- f. International travel – 2%

130. The IDRC contribution to Research Expenses is allocated to the program components as follows:

- a. Component 1 – Applied research – 42%
- b. Component 2 – Capacity development -13%
- c. Component 3 – International networking – 4%
- d. Component 4 – Postgraduate training – 1%
- e. Component 5 – Rimisp organizational development – 17%
- f. Component 6 – Communications – 22%
- g. Other direct research expenses – 1%

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