







Rural Territorial Dynamics Program





Presentation

In 2007, Rimisp started a process that has made a substantive impact on its institutional agenda: it implemented a program to identify and learn from processes of socially inclusive and environmentally sustainable territorial development in 11 Latin American countries.

This annual report of the Rural Territorial Dynamics (RTD) program summarizes a long and revealing record of processes and activities that Rimisp has undertaken in partnership with a wide network of partners. These processes and activities have sought to achieve a broader goal: to contribute to the design and implementation of public policies that foster rural territorial dynamics leading to economic growth, a reduction of poverty and inequality, and environmental sustainability.

The year 2010 was decisive because it marked the end of a cycle focused on conducting territorial studies and gave way to a demanding phase where data and information were reviewed, analyzed and synthesized in pursuit of insights to better understand territorial dynamics. This has been a challenge for the network of partners of the RTD program, who now possess a vivid panorama of territorial realities (based on maps that identify different types of socio-economic growth at the territorial level), as well as a wide range of case studies.

This information has been used to achieve two broader goals: to enhance interpretations about rural territorial realities and to improve the design of policies. The task of learning and synthesizing such an extensive research process constitutes a challenge that the RTD program has met successfully. The Program has worked collectively and incrementally, progressing step-by-step in the discussion of explanatory hypotheses about sustainable and inclusive territorial processes. These discussion are still ongoing and, so far, have strengthened a large cohort of researchers, research centers, universities, and development agents – a community of social scientists and both public and private organizations that, throughout Latin America, are interested in situating rural territorial development in a relevant position of our countries' economic and social agenda.



The Rural Territorial Dynamics program is an interdisciplinary effort that combines research and mobilization of actors. It has attracted the trust and support of the International Development Research Center (IDRC), the New Zealand Aid Programme (NZAP) and the International Fund for Agricultural Development (IFAD), all of which have once again shown their commitment to the agenda of overcoming poverty and inequality for the sake of progress toward the wellbeing of our people.

The year 2010 was intense and productive. Challenges for 2011, however, are greater and they will need to materialize in the development of theoretical frameworks and policy recommendations that effectively engender the transformation we seek in our societies.

Claudia Serrano Executive Director

Table of Contents

2010, A Plentiful Harvest	. 6
SECTION 1: A FIRST SYNTHESIS OF FINDINGS	. 8
Why do some territories achieve socially inclusive and environmentally sustainable economic growth?	. 10
SECTION 2: SCOPE OF RESEARCH IN 19 TERRITORIES	14
El Salvador - Northern edge of the Cerron Grande wetland: boosting human and natural capital	17
Guatemala -The Ostua-Guija basin: four successful municipalities	19
${\sf Nicaragua-The\ Penas\ Blancas\ Massif\ Nature\ Reserve:\ environmental\ sustainability\ for\ economic\ development\ \dots}$	21
Ecuador-Tungurahua: a territory with divergent paths	23
Chile - Central Chiloe: dynamics triggered by the salmon industry	25
Chile - Interior Drylands of the O'Higgins region: on the edge of agro-industrial transformation	27
Honduras - Olancho: the development of forestry and farming in the face of environmental degradation	29
Bolivia - Tarija: sustainability challenges of an extractive industry	31
Brazil - Jiquirica Valley: the challenge of socially inclusive growth	33
Ecuador - Loja: the importance of territories for provincial development	35
Peru - South Valley-Ocongate: between a successful past and incipient divergent trajectories	37
Mexico - Yucatan: from agave monoculture to economic diversification	39
Brazil - Cariri of Paraiba: beyond public transfers	41
Brazil - Santa Catarina: culture as an opportunity for a sustainable territorial project	43
Mexico - The Mezcal belt of Oaxaca: trade with a seal of identity	45
Nicaragua - Santo Tomas: economic growth without social inclusion or environmental sustainability	47
Peru - Cuatro Lagunas: the role of external agents	49
Peru - Jauja: from potato boom to growth with caution	51
Colombia - Susa and Simijaca: growth from the outside-in, unevenly distributed	53
SECTION THREE: CAPACITY BUILDING	56
Capacity building for rural development	58
Master's degrees in RTD: the network gains strength	61
SECTION FOUR: ACHIEVING CHANGE	64
Advocacy Fund: an instrument that energizes contributions	66
Impact on public policies aimed at overcoming rural poverty	67
Chile: the evolution of poverty examined through the territorial lens	68

SECTION FIVE: TRANSVERSAL PERSPECTIVES	70
Gender systems in rural territorial dynamics	72
The environmental dimension of territory: a focus for institutional action	74
Climate change and rural territorial development	76
SECTION SIX: MEETINGS	78
Annual Meeting 2010 – Rural Territories in Motion	80
Coordinators' meeting: an effort toward synthesis	81
Conference in India: rural transformation in emerging economies	82
International seminar on "Intermediate cities and territorial development"	84
Sharing research insights at LASA 2010	85
Active Participation in the Virtual Congress on Family Farming	86
Dissemination of gender study in Scandinavia	86
Congress of the Brazilian Society of Rural Economics and Sociology	87
SECTION SEVEN: COMMUNICATIONS	88
Strengthening of digital media to expand dissemination efforts	90
Equitierra: a point of reference on rural territorial development	93
RTD in the media: a focus on quality and opinion formation	94
More RTD news in the media 2010	96
Publications in 2008, 2009 and 2010	97
Working papers published in 2010	00
SECTION EIGHT: MONITORING AND EVALUATION	02
Explaining, capitalizing on, and sustaining a plentiful harvest	04
Mid-Term Review: an opportunity for innovation1	10
Strengthened actors who promote visions and actions in territories	12
SECTION NINE: MANAGEMENT	14
Rimisp: strengthening its programmatic commitments	16
Reflections and contributions from the Advisory Board	18
FINANCIAL SUMMARY	25
Income and expenditures in 2010	26
Details of expenditures in 2010	27
Direct and indirect contributions to the program	29

2010, A Plentiful Harvest

The year 2010 was very productive. Partners of the Rural Territorial Dynamics (RTD) program produced an extraordinary volume of results for each of its components. Their work supported or stimulated concrete changes in different public domains, from the provision of inputs to decision-making of international agencies, to humble contributions toward building better capacities to generate productive and institutional transformations within their territories. Toward the end of the year, we produced a first synthesis of the lessons acquired, one enriched by different proposals to promote socially inclusive and environmentally sustainable growth in the rural territories of Latin America.

The 2010 harvest is plentiful. It is the partners and collaborators of the program who deserve the most credit. How can we to accurately convey the extent of their commitment and the reliability and quality of their work? They have done and contributed far more than what they initially committed to do; in all certainty, the value of their contributions exceeds the financial support they received from the program. After participating in a meeting with the partners of the program, the representative of an important European research agency put it thus: "This network is a luxury." And truly it is.

The following are some of the most important results of 2010, which we expand on in more detail throughout this report:

A new understanding of rural change at the territorial level in Latin America. Research in 19 territories within 11 countries has concluded and the respective reports are in the process of being published. From this research effort emerges a first synthesis that offers answers to the program's initial questions, for instance: Are there any rural areas in Latin America that show socially inclusive and environmentally sustainable economic growth? What factors determine successful territorial dynamics? What can public policy and other areas of public action do to stimulate and promote these types of territorial dynamics?

A strategy to influence public policy. During the program's 2008 meeting, a debate about the strategies to impact public policy was initiated. With a growing awareness that the program's approach and instruments needed to be significantly strengthened in this regard, the discussion gained strength during the first months of 2009. At the time, the program's Advisory Board

offered some important recommendations. This led to the implementation of two new instruments in 2010: an Advocacy Fund to support projects with territorial-scale goals, and the project, Knowledge and Change in Rural Poverty and Development, an initiative co-financed by the International Fund for Agricultural Development (IFAD) that works at the national level through its Working Groups on Poverty and Development. Another project, focused on support processes for regional governments' public policy, is currently being evaluated by another agency. The funds invested in these three initiatives entail over USD 3 million that have been designated to linking the program's results with specific public policy processes in various countries of the region.

A response to the demand for strategies to manage territorial development.

Program partners in six countries made substantial progress toward developing a proposal on "how to do" territorial development. This proposal is based on the concrete experience of active participation in development processes in territories of El Salvador, Nicaragua, Honduras, Guatemala, Ecuador and Chile. In addition to contributing to the formulation of concepts and methods, this experience developed and strengthened new social capacities at the territorial scale, for instance, the construction of multi-stakeholder platforms and the development of government plans focused on territorial competitiveness.

Communications to make a difference. Complementing initiatives to influence public policy, in 2010 the program's communications paid more attention to strategies which not only disseminate what we do or support the collaboration between partners, but also spark or contribute to the public debate on rural territorial dynamics. The lessons we have learned will be used to position our results from 2010 within public debates at the domestic and Latin American levels.

Territorial dynamics from a gender perspective. A team made up of various program partners successfully completed its work in territories of Mexico, Guatemala, El Salvador, Ecuador and Chile. Professor Susan Paulson and a group of master's students from Lund University (Sweden) played a prominent role in the coordination and implementation of these projects. Among the achievements are a conceptual framework and a validated method to analyze gender within territorial dynamics, as well as a number of reports that are in the process of being published. Some of these research papers have already been presented in important international meetings.



South-South linkages and learning. Together with government agencies in India, China, South Africa and Brazil, the program brought together over 200 participants for an international conference on rural transformation in emerging countries. The Head of State of India, as well as Ministers and other senior officials from the four emerging powers, exchanged viewpoints with delegates from academic institutions and civil society organizations during the three-day conference. The resulting New Delhi Declaration has already inspired a number of actions in participating countries, including an active South-South support for the new rural development policy that the South African government is designing.

efforts among the rural territorial development master's programs in six Central American and Andean countries are slowly beginning to bear fruit. In 2010, two new master's programs were launched by the Ecuador office of the Latin American School of Social Sciences (FLACSO) and National Autonomous University of Nicaragua (UNAN), assisted by the collaboration between the RTD program and some of its partners. The current board of the Network of Master's in Rural Territorial Development, which already includes 10 post-graduate programs, is seeking funding to take forward a project to deepen and continue this collaboration.

A critical look at our trajectory. The main objective of the evaluation process launched in the second half of 2010 has been to guide the design and management of the program during its final phase. Through a self-evaluation document, we examined in detail the major achievements and difficulties involved in the production of applied research, as well as capacity building, program management and learning capacity, communications, advocacy, and monitoring and evaluation associated with the program. An external team will critically examine and supplement this document, in order to issue recommendations during the early part of 2011.

On the verge of a new phase: Program goals

Like any harvest, the year 2010 closes an era and begins another. We are prepared and well positioned to enter into the final stretch of the program. Ahead of us lie 18 months to transform the results obtained thus far into fulfilled objectives and substantive effects of the program. Our compass continues to point in the direction of three programmatic outcomes that we aspire to materialize by mid-2012:

- A diverse group of Latin American organizations are linked together for collective action and the promotion of a vision and strategies that renew rural development policies from a territorial perspective. While this group includes our current program partners, success will ultimately depend on our ability to incorporate both organizations outside the "rural neighborhood" and the very actors who implement territorial development in each of our countries.
- A middle-range theory that explains why there are successful territories and identifies the strategies and policies which can achieve this purpose with efficacy. To be deemed successful, this set of propositions should attract not just important intellectual attention within the region, but also the interest of government agencies and private or social organizations that are directly involved in territorial development.
- A number of important cases that substantively demonstrate our ability to influence decision-making related to public policies or the public action strategies of non-state actors. In this way, we will demonstrate that the network built around the RTD program, as well as the body of knowledge and practical experience it has systematized and synthesized, have the potential to become real instruments of social change.



SECTION 01



A first synthesis of findings

Why do some territories achieve socially inclusive and environmentally sustainable economic growth?

In 2009, results from research conducted by program partners enabled us to conclude that around 12% of the rural municipalities in Latin America (where 10% of the region's population lives) have witnessed dynamics of change that simultaneously engendered economic growth, poverty reduction, and a more equitable distribution of income. We hypothesized, with less certainty, that the dynamics taking place in some of these territories could also be environmentally sustainable. Finding support for this observation has demanded the program's best efforts.

Although the answer to the question "Why are there territories with economic growth, social inclusion, and sustainable development?" is not yet final, we do have an indication that is sufficiently well-supported to warrant public debate. A team of thirteen program partners developed this proposal, based on the comparative study of results from the first four projects focused on the analysis of territorial dynamics. Critical discussion of a draft of this proposal took place during a meeting between project coordinators representing the 11 countries where the program is acting. This first synthesis will have a short shelf-life: during the first half of 2011 we expect to develop an updated answer to our question, enriched by the results of nearly 40 reports produced by 32 projects that will reach their conclusion in the final weeks of 2010. Notwithstanding, below we offer a summary of our first synthesis.

In search of an explanation...

The aspiration that Latin American rural areas simultaneously achieve economic growth, social inclusion, and environmental sustainability has for many years encouraged the public strategies and policies of numerous agents interested in rural development. However, until now we have lacked a robust set of propositions that explain why some areas are able to generate successful economic, social, and environmental dynamics, while others do so only partially or not at all.

Much is known about the relationship between economic growth and poverty reduction. In the past 15 years, many Latin American countries have managed to implement a set of policies and institutions which in different contexts have effectively achieved these goals. It is well established that there is an inverse correlation between economic growth

and the incidence of poverty: without economic growth it is not possible to reduce poverty significantly or enduringly. In addition, economic growth loses its efficiency and efficacy as a means of reducing poverty in the absence of appropriate and pro-active public policies.

We know far less (and lack political consensus) about the relationship between economic growth, poverty, and the distribution of income. There are those who continue to advocate the hypothesis proposed by the economist Simon Kuznets that growth must precede redistribution. On the other hand, evidence exists that:

- in developing countries, extreme inequality reduces growth rates;
- the concentration of political power associated with social inequality leads to development policies that are sub-optimal when their economic efficiency is considered;
- inequality reduces the impact of growth on poverty;
- inequality of opportunities (i.e. unequal access to assets) is even more damaging than inequality of income distribution;
- the interaction between market failures and unequal access to assets is particularly damaging for growth opportunities; and
- in unequal societies, elites have an undue influence on both political processes and institutions and, as such, tend to reproduce inequality.
- Lastly, it is known that the positive feedback loops between the institutions and policies that cause inequality can go so far as to lead societies into veritable inequality traps.

Fortunately, we also know that there are solutions to inequality. Included here are growth-led structural changes, external institutional pressures, and social mobilization and collective action, all of which are sometimes supported by the reform efforts of state agents.

The initial hypothesis of the RTD program, formulated in 2007, was that the relations between social actors, institutions and tangible and intangible assets within specific territories determine the dynamics of territorial development and its effects on economic growth, social inclusion, and environmental sustainability. Those territories with dynamics that are successful in these three dimensions would be those in which social actors have built institutions that favor certain distributions and uses of available assets.

At first glance, this hypothesis would lead us to believe that territorial dynamics and their effects are determined by what is taking place inside a given territory. However, the results of the program's first projects indicate otherwise. They suggest that major economic, political, cultural, and environmental trends are intensified by globalization and actually reduce territorial autonomy. Societies in these territories have a limited range of options, and the rural domain is increasingly less determined by rules whose specificity sets them apart from the rules structuring development in general. However, the fact that we observe successful cases where we did not expect to find them and, conversely, that we find a lack of success in cases where we expected otherwise, shows that the last word on the matter has not been spoken. These cases highlight that local societies retain an important margin of influence on their development trajectories. Hence, the answer to our question does not depend exclusively on what happens inside the territories but also on the ways in which territories interact with their environs. What local societies can build socially is their ability and their power to interact with the broader forces of development, or, if you will, with globalization. As the first four projects reach their end, therefore, we are in a position to refine our hypothesis.

The proposal of the RTD program is that trajectories of territorial development in Latin America are an outcome of historical interactions between seven factors. The role that each of these factors plays in rural development is well understood. What we advance here is the hypothesis that the interaction between them is a necessary and sufficient condition to explain the extent to which the dynamics taking place in a territory will lead to socially inclusive and environmentally sustainable economic growth. The seven factors are:

- Natural capital and ecosystem services
- Agrarian Structure
- · Links to dynamic markets
- Production structure
- Intermediate cities
- · Public investment in public goods
- Social coalitions

Below we provide an overview of these factors.

1. Natural capital and ecosystem services

The natural capital that a territory is endowed with narrows the development options that are available to the society that inhabits it. The livelihoods of much of the population in rural areas rely heavily on ecosystem services. The way in which a territory manages its natural capital, as well as the ecosystem services that are derived from it, directly determines the different combinations of economic growth, social inclusion, and environmental sustainability.

Institutional frameworks, social actors and social coalitions mediate the relationship between natural capital and territorial dynamics, as well as their effects. Therefore, there is no one-to-one relationship between natural capital and the effects of territorial dynamics. Consequently, it is not always true that greater endowments of natural capital will lead to dynamics of economic growth with social inclusion and environmental sustainability. Social interactions over access and use of natural resources, including processes of both conflict and cooperation, play an increasingly prominent role in the emergence of social coalitions and in the consolidation of their discourses and territorial projects.

2. Agrarian Structure

Agrarian structure touches upon forms of land (and water) tenancy and their associated social structures. All other factors being equal, the more equitable the distribution of land has been in the history of a territory's development, the greater the probability of witnessing dynamics characterized by socially inclusive economic growth. This is so because more equality in the access to opportunities, that is, more equality in access to assets, favors both growth and poverty reduction. Increased access also facilitates a greater and wider access to networks, relations, and additional assets in order to take advantage of or manage opportunities to achieve economic growth and impact the distribution of income.

To phrase it in non-economic terms, it is well established that tenure and access to land and water resources condition the



projects and the political and cultural discourses of both the owners and the dispossessed, as well as the power relations that exist between them. Thus, tenure and access to land and water affect territorial projects. Like each of the other seven factors, agrarian structure does not act in isolation, but rather through the interactions that are established with other factors.

3. Links to dynamic markets

This factor pertains to the extent of a territory's access and exchange with different types of markets (of jobs, goods, services, consumption, and credit), which are sufficiently large to stimulate significant rates of sustained, long-term growth. In general, these markets are not part of rural areas and tend to be of regional, national, or international scope. Other conditions being equal, links to dynamic markets from early on can favor dynamics of accumulation and growth. Once again, it is the combination of these factors which is truly decisive: fundamental for socially inclusive economic growth is a prolonged interaction between strong markets and actors from territories characterized by more equitable agrarian and production structures.

To phrase it in non-economic terms, we find that greater involvement of people in significant markets strengthens their position as citizens. This is the situation of rural women who have avoided parceled labor in favor of other job markets, of peasants who successfully sell their produce to supermarkets through cooperatives, and of small-scale entrepreneurs who are able to access financial services. In the same way, within the context of relations between markets and territories, social coalitions do not only accrue economic capital; they also attract social, cultural, and political capital that feeds into discourse building and, thereby, resonates in the development of territorial projects.

4. Production structure

Under production structure, we include the degree of diversification of the economy, the presence of inter-sectoral linkages within a territory, and different types of enterprises (ranked by their size and weight of local versus extra-territorial capital). All other conditions being equal, territories with more diversified economies, with a higher density of inter-sectoral linkages within the territory, with solid participation of small- and medium-sized businesses, and with significant weight in their

local capital economies, have better opportunities to foster dynamics of socially inclusive economic growth.

This type of production structure will offer more channels for economic participation to a wider range of groups within the population; it will lead to a larger proportion of economic surpluses being reinvested, saved or spent within the territory; it will foster a higher diversification of assets, the decentralization of links with consumer or job markets, and a more diversified social fabric. In addition, these structures should be more resilient to economic or environmental shocks.

The diversification of the production structure clearly depends on favorable interactions between the agrarian structure and access to markets; at the same time, it feeds back into the economy and expands the support base of social actors who are the actual protagonists of territorial dynamics. This kind of economic structure, it should be pointed out, does not necessarily lead to higher rates of growth or increased environmental sustainability.

5. Intermediate cities within the territory

The condition of intermediate city within a territory does not refer only to a city's location within the boundaries of a territory, but also to the existence of mutual dependence between a city (or sufficiently large town) and its rural environs. The urban context facilitates access to more and better public services, provides more diverse employment opportunities to a broader array of peoples within the territory, and is both a condition and an outcome of the diversification of production. Intermediate cities allow for a higher proportion of the total economic surplus produced inside a territory to be retained, consumed, saved, and invested within its boundaries. When the activities of urban economic actors rely on their relationship with the rural sector, it will be more likely that they support the better distribution of public and private investments within the different sub-spaces that make up the territory.

To phrase it in non-economic terms, the presence of a city within a territory leads to a higher diversity of social, political, cultural and economic actors, which in turn facilitates the emergence of non-traditional social coalitions. Finally, the presence of a sufficiently large city within a given territory increases the latter's political and bargaining power with respect to other areas of the State and other sectors of society.



6. Public investment in public goods

Public investment in goods such as roads, electricity, education and health can potentially become a transformative force in rural territories. The point to bear in mind here is that these investments and these changes do not always constitute a direct and positive antecedent to socially inclusive and environmentally sustainable economic growth. The effects of these kinds of investments are mediated by formal and informal institutions operating within a territory, as well as by the role which different coalitions play in attracting, regulating and/or controlling the type, location and flow of such investments.

7. Social coalitions

Territorial dynamics are affected by the action of groups of social actors who make up coalitions. These coalitions can be discourse-based (actors share a discourse based on common values and beliefs; this tacitly encourages them to orient their actions toward a similar direction) or political (in addition to sharing a discourse, actors organize and coordinate in order to explicitly promote certain objectives). Coalitions also have economic, social, and political capital.

The power of a coalition depends on the capital that is available to it and the extent to which its constituent groups will rally in support of a specific discourse. There are territories which possess a social coalition and others which at best have interest groups that promote narrowly defined sector-based interests. Even when social coalitions are present in a territory, their effects on growth dynamics and their consequences (more or less growth with more or less social inclusion and more or less environmental sustainability) depend on four factors:

- The social representation of groups making up the coalition.
- The relationship between coalition members and their territory, particularly that of dominant groups within the coalition.
- The extent to which a coalition's discourse or project is truly territorial, as opposed to sector-oriented projects and discourses.
- The role that local governments play within social coalitions.

The relative power of a coalition is a critical condition to define the ground rules on investment flows, the ways in which the territory produces income, and the allocation and distribution of this income. A coalition's project will, or will not, value a territory as a function of how central the territory is for the social reproduction of the coalition's constituent groups. Compared to those territories in which economic, social and political opportunities are concentrated in a few hands, coalitions can count on a wider social base in territories where production and agrarian structures offer new opportunities to a larger proportion of the population. Relationships between territories and dynamic markets facilitate the accrual of different types of capital among groups that make up coalitions. More diversified production structures and the presence of intermediate cities entail higher social diversity and, within the territory, encourage types of actors that can provide social, human, political, economic, and symbolic capital to the coalitions they support.

A Developing Analysis

This synthesis constitutes a hypothesis that can be tested empirically. The program will need to analyze the extent to which these observations, which have been derived from exploratory projects taking place in four countries, are confirmed by the research results from an additional 15 territories (in 11 countries) where the program has acted. In 2011 and until mid-2012, each of these factors and the mechanisms that foster economic growth, social inclusion and environmental sustainability will be discussed in greater detail. At the same time, the program will attempt to use the factors discussed previously to determine which strategies, policies, and other types of public action are effective in promoting successful territorial dynamics.



SECTION 02



Scope of research in 19 territories

Territories studied and the presence, within each project, of policy advocacy, gender, environment and capacity building components:

Country	Study of rural territorial dynamics in:	Advocacy	Gender	Environment	Capacity building
Bolivia	Chaco Tarija			•	
Brazil	Cariri Paraiba				
Brazil	Coast of Santa Catarina*				
Brazil	Jiquirica Valley, Bahia			•	
Chile	Central Chiloe*	•	•		
Chile	Interior Drylands of the O'Higgins region			•	•
Colombia	Suarez Alto basin and Fuquene Lake				
Ecuador	Loja		•		
Ecuador	Tungurahua	•			•
El Salvador	Northern shore of the Cerron Grande wetland, Chalatenango	•	•	•	•
Guatemala	Southeast territory, Jutiapa and Jalapa, in the Ostua Guija basin	•	•		•
Honduras	Olancho			•	•
Mexico	Mezcal belt of Oaxaca*				
Mexico	South Central Yucatan		•		
Nicaragua	Penas Blancas Massif, La Dalia	•		•	•
Nicaragua	Dairy region, Santo Tomas				
Peru	Cuatro Lagunas, Cusco				
Peru	Sierra de Jauja, Junin				
Peru	South Valley-Ocongate, Cusco*	•			

^{*} Studies co-funded by the Rural Territorial Development with Cultural Identity project, sponsored by the Ford Foundation and coordinated by Rimisp.

Northern edge of the Cerron Grande wetland: boosting human and natural capital

Partner: PRISMA Foundation

This territory includes eight municipalities (Tejutla, El Paraiso, Santa Rita, Chalatenango, Azacualpa, San Luis del Carmen, San Rafael and San Francisco Lempa) at the northern edge of the Cerron Grande wetland, in the Chalatenango department, northern El Salvador. Between 1992 and 2007, poverty and income indicators in this territory witnessed clear improvement. However, improvements to the distribution of income were only observed in two of these municipalities (Azacualpa and Santa Rita). The institutional changes that have impacted this territory are associated with:

- The implementation of an endogenous development agenda by local organizations. This agenda, which is supported by international cooperation efforts, aims to strengthen the production base of families, the culture of community organization, and environmental protection.
- An official agenda which, despite being decided at the extraterritorial level, emphasizes the role of the territory in terms of both connectivity and as a provider of regional logistics services.

NEGLECT OF THE NATURAL RESOURCE BASE. Rather than a reflection of productive dynamics or a sustainable use of natural resources, the improvement of this territory's indices can be attributed to foreign remittances and investments in education, health and basic infrastructure. However, a productive dynamic and a sustainable use of natural resources are crucial to ensure the provision of ecosystem services to the country (for instance, hydroelectric power generation). They also constitute the livelihood base for part of the population (fishing, tourism and other activities).

At present, the territory lacks a backbone of economic activity: the three main sectors – agriculture, commerce, and administration and public services – only employ about half of the economically active population. Domestic policy has been designed with the urban economy in mind; thus it favors lending to the construction and commercial sectors and neglects the provision of similar services to farmers. Initiatives to strengthen productive or environmental components have been limited. Overall, the State has dissociated itself from small landholders. Thus, despite the role that NGOs and international cooperation have had in offsetting a dearth of policy aimed at this sector, the territory lacks a comprehensive approach toward its own development.

SOCIAL CAPITAL. Within the territory's municipalities, one observes the gradual development of a participatory culture. Worthy of note is the formation of multi-stakeholder coalitions, such as the Environmental Committee of Chalatenango (CACH), the Cerron Grande Wetland Inter-Agency Committee (CIHCG), and the Association of Organizations of the Grande de Tilapa and Soyate Rivers (ASOCTISO). However, the territory's social capital – the sum total of its organizational capacities, its social coalitions, and its existing institutional arrangements – have lacked sufficient advocacy strength to counterbalance the lack of national-level political will to institutionalize proposals originating from within the territory. Hence, it has not been able to influence this policy agenda toward fueling an endogenous dynamic of socially inclusive and environmentally sustainable growth.

The capacities of these social actors, on the other hand, helped facilitate the adoption of counterpart roles in territorial programs and projects, and also created conditions to channel cooperation funds to the territory. This allowed for addressing crucial aspects of rural livelihoods in the aftermath of the 1980s armed conflict and its agricultural crisis, in turn securing the basis for the population's reproduction. These actions also permitted the development of a vision that links this territory to national-level economic and environmental dynamics. However, the territory's stakeholders have yet to achieve a position of active and mutual engagement between themselves and the central government. The government, in turn, lacks a policy to foster interaction with a social base organized at the territorial level. Consequently, it is limited in its ability to develop and foster consensus regarding more strategic territorial visions.

Coalitions epitomize territorial social capital because they articulate different sectors of society based on common interests, which can overcome (but not eliminate) partisan ideological differences. Greater decision-making power about territorial development policies and programs among social actors fosters economic growth, progress toward overcoming poverty, and a better distribution of income.

El Salvador El Salvador

Gender Dynamics.- Through workshops focused on local livelihoods, the project showed that gender roles define economic, social and environmental dynamics in the territory. Among these are land use, access to loans, and access to technology and know-how. The systems and institutions that provide social, technical, and financial capital generally target men and hence constrain the opportunities and contribution of half the population. This situation was analyzed particularly within the domains of agriculture, fishing and livestock farming. It was noted, for instance, that the National Census of El Salvador uses categories that render invisible much of the productive and reproductive labor, which is important for the existence, and essential for the sustainability, of territorial dynamics.

A key conclusion we have drawn is the need to incorporate into our research and analytical tools a consideration of secondary and reproductive activities of both men and women. The visibility of these roles and responsibilities can positively impact inclusiveness within the platforms of local coalitions. In fact, the project worked with relevant consultation and organizational platforms within the territory — such as the Environmental Committee of Chalatenango (CACH) and the Cerron Grande Wetland Inter-Agency Committee (CIHCG) — in order to analyze what they perceive as gender and stimulate gender-awareness within their activities.

Environment: between threats and opportunities.— Agro-environmental dynamics of the northern edge of the Cerron Grande wetland were subjected to a more specific analysis. This analysis detected the simultaneous existence of degradation and restoration processes (such as the production of honey along the upper reaches of the Tilapa River). Despite restoration initiatives implemented by social coalitions, the overall trend is toward increased environmental degradation due to water pollution, loss of plant coverage, and soil degradation. This underscores the shallow reach of the State, or at least highlights the poor support that state institutions provide to local initiatives.

One observes that a close relationship exists between productive dynamics (many of which are not environmentally friendly and are overly focused on the short term) and the availability and state of natural capital. A strong focus on farming and fishing within the territory, coupled with a lack of other productive alternatives, has placed strong pressure on ecosystems. This is clearly seen in the wetland's fishing sector, which employs 2,700 fishermen from 27 communities. From 1998 to 2009 its total output contracted from 1.7 million to only 734 thousand kilograms per year.

Notwithstanding, this decreased output is not the main barrier to use of the reservoir's resources. Other factors, such as strong pollution originating from other territories, are far more important: the wetland currently receives sewage from 18 untreated blackwater systems in the San Salvador metropolitan region, as well as pollutants from at least 154 pollutant sources. The FOMILENIO project in El Salvador seeks to reduce poverty in the northern region by developing human and productive capital and by increasing connectivity through the road network. This project constitutes an opportunity to implement programs and actions that can foster social equity and which can contribute to the conservation and restoration of natural resources.



Rendering visible the contribution of rural community tourism.— The goal of the project implemented by the PRISMA Foundation, and which is supported by the Advocacy Fund of the RTD program, is to incorporate community-based rural tourism (CBRT) into the agenda of El Salvador's tourism policy.

For this purpose, the Roundtable of Community-Based Rural Tourism was created. The roundtable provides a means to coordinate work toward strengthening the overall sector. For instance, participation in the Ministry of Agriculture and Livestock's Program for Rural Reconstruction and Modernization (PREMODER) led to the creation of an alliance which mapped CBRT experiences in the north of the country. The Foreign Ministry has also committed to fostering the establishment of links between rural tourism initiatives of small farmers and entrepreneurs and foreign and Salvadoran investors abroad. The involvement of the Andres Bello University, the El Salvador National University, and the Matias Delgado University has led to several partnerships between members of the roundtable and academic institutions.

Among its activities were audiences with the Minister of Tourism and a Member of Parliament to discuss the concept of CBRT and the means to strengthen it. Participation in fairs and meetings has helped to mainstream the topic among public officials and society at large, helped CBRT practitioners to revalue their own work, and facilitated networking of actors to materialize future initiatives. Also worthy of note was the organization's first National Meeting on Community-Based Rural Tourism and the drafting of a document that summarizes the National Tourism Policy and helps to clarify the institutional framework within which CBRT would be inserted. These activities are rendering visible community-based rural tourism as an option for sustainable tourism. The next step will be to formulate a proposal to include CBRT in the plans of the Ministry of Tourism.

The Ostua-Guija basin: four successful municipalities

Partner: Institute of Economic and Social Research of the Rafael Landivar University

The four municipalities of the Ostua-Guija basin in southeast Guatemala – Monjas (Jalapa department), Asuncion Mita, El Progreso and Santa Catarina Mita (Jutiapa department) – show evidence of dynamics that are improving welfare (well-being). In this territory, the program has not only pursued research but also advocacy efforts to strengthen strategies and partnerships that favor virtuous cycles of poverty reduction, social inclusion, and environmental sustainability (see Box 1- next page).

Although over 56% of the income of the territory's population derives from the industry, commerce, and services sectors rather than agriculture, 64% of the economically active population is employed in the agriculture and mining sectors. Recent years have witnessed a strong diversification of agriculture, especially a focus on fruits (mainly melons) and vegetables (particularly tomatoes). This has led to a boost in the demand for labor, which has increased economic dynamism. The sector has also witnessed significant investment associated with irrigation technologies, pest control and improved seeds. Foreign remittances are not the main source of the region's total income. However, the average income per household from remittances is almost double the income from agricultural activity.

FEATURED TRENDS. The territory's development dynamic is characterized by a number of aspects. These include:

- Productive diversification based on comparative advantages derived from its physical geography and links to extra-territorial markets (national and international).
- A key difference between this region and others that have started to supply the external market and/or diversified their crop production, is the importance of its internal markets; the latter are strongly supported by the existence of a sector of small- and medium-sized landowners. If land ownership had been highly concentrated and if agricultural diversification had been substitutive rather than complementary, the Ostua-Guija basin might have walked a very different path.

 It is likely that the presence of small and medium producers alongside large landowners, as well as the stability and continuity of its municipal institutions and policies, has permitted the development of formal and informal alliances, agreements and social networks that foster (or make feasible) the conditions for development: human capacity building (related to training, education, and entrepreneurship, among others), infrastructure (roads, irrigation), and technology.

INSTITUTIONS AND ACTORS. A look at this territory's institutions and actors, as well as insights gained by accompanying the platform of territorial actors, confirms the importance of identifying and organizing individual skills into collective initiatives that can promote processes of territorial development. Institutions' current intermediary role within economic development is explained by:

- The existence of a commercial and productive ethic that values and generally respects verbal agreements, such that savings are made in transaction costs associated with loans for the purchase of agricultural supplies and the sale of produce.
- The implicit trust ingrained in the local tradition of "producing half and half," which reduces transaction costs (e.g. no need for formal contracts) and facilitates small farmers' access to productive resources.
- Opportunities to establish relations of cooperation and trust between social organizations and local governments. In this respect, the fact that some collective remittances are earmarked for public works (in one of the municipalities) attests to the development potential of these inflows and also exemplifies the key role of local governments in promoting trust.
- The key potential of local governments to link actors and processes associated with rural territorial development.
- The mobilization of actors around a common goal. For instance, agricultural producers have directly managed projects to maintain and build roads, which are jointly financed by their own and municipal funds.



At the same time, the territory's institutions and social capital relations face threats that limit processes of territorial development. For instance: economic power-based structures which permeate different sectors of the government, influence political parties (through funding), condition policy decisions, control safety within the territories and even within commercial channels; limitations in the management of municipalities being "moved upward," i.e. toward departmental and national levels; out-migration of household heads leading to discontinuity in traditional farming practices (e.g. "producing half and half").

CONFLICT POTENTIAL. Despite the view of some actors – who described the territory as a vibrant economy with plenty of trade, a diverse range of marketable products, high-tech irrigation, high productivity, low poverty levels, and a lack of important conflicts – the program detected situations with sufficient potential to become social conflicts. These are principally to do with struggles over power and influence within public institutions; disputes relating to deficient public services and/or social policies; citizens' lack of safety; issues in the agrarian sector (e.g. low wages); and tensions associated with pollution and the degradation of natural resources.

Territorial Development Roundtable

The project helped bring together the mayors of two municipalities (Monjas and Santa Catarina Mita), two municipal councilors (El Progreso and Asuncion Mita), farmers' associations, unaffiliated smallholders, peasant associations, agricultural commodity brokers, community development councils (COCODES), universities (Rafael Landivar University and the Rural University), and female leaders from the field of agricultural production and/or local governments, by organizing a Territorial Development Roundtable.

The Roundtable became a forum for dialogue, learning and monitoring of development policies, one that allowed participants to expand their knowledge and to strengthen networking between colleagues and organizations promoting territorial development. The Roundtable will not execute or be responsible for managing projects directly but instead will help to establish linkages and facilitate the development of policies which are guided by a consensual vision about sustainability that emanates from the experience and vision of actors themselves.

The views of young students

The use of a questionnaire to survey the opinions of female social worker students provided the program with an opportunity to learn more about their perceptions about a range of territorial issues, for instance, violence and lack of safety, problems arising from nonexistent or deficient basic services, unemployment, and inequality. Respondents see these issues more as "challenges" to overcome than as migration expulsion factors: among surveyed students the intention to abandon their communities and out-migrate was low. They instead identify strongly with a perception of the territory as a space undergoing change, and they see themselves as active subjects of this transformation.

It is believed that women in recent years have gained a wider space in the job market, and that they are taking up a more prominent role in the agricultural sector (where they used to be discriminated against), and are earning wages equivalent to those of men. In most cases, it is women who take up temporary seasonal jobs during the tomato harvest season (they are considered to be "more careful" than men). In contrast, men continue to be preferred for sowing and spraying activities.



The Penas Blancas Massif Nature Reserve: environmental sustainability for economic development

Partners: Nitlapan Institute (Central American University, Nicaragua), Danish Institute for International Studies (DIIS, Denmark)

The Penas Blancas Massif Nature Reserve is a coffee-producing region. Among its towns are El Cua, Tuma-La Dalia and Rancho Grande. Various indicators do not reveal significant changes in per capita consumption or poverty, and only the Gini coefficient of consumption shows a slight decrease in inequality, probably as a result of falling coffee prices in the early 2000s. This region's dynamics are strongly marked by natural resource management, which has seen a number of important changes:

FORCES OF CHANGE. Biodiversity, landscape and climate have generated lucrative ecosystem services at the Penas Blancas Massif. Although for many years the perception existed that conservation imperatives limited revenues from natural resources, this view has waned as a result of the coffee crisis and due to an intersection of internal and external factors:

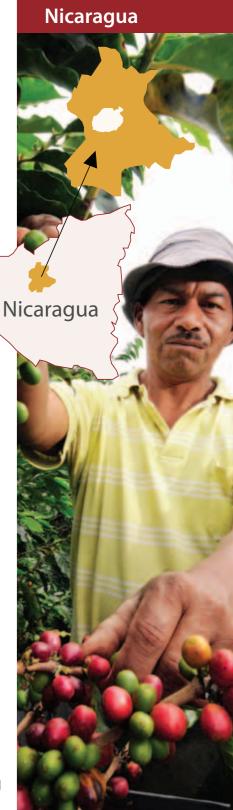
- After famine followed in the steps of the coffee crisis, international cooperation and NGOs, in conjunction with local partners, sought to safeguard food security by fostering the diversification of sources of income, as well as stronger links between small producers and markets. These interventions went in hand with technical assistance to prevent soil degradation and preserve water resources. The process brought about economic benefits for some residents. However, it also attracted environmental damage due to the need to employ polluting agrochemicals for growing new crops. Food security is still a goal that needs to be achieved.
- The crisis increased producers' interest in new markets. By favoring socially- and environmentally-certified products (i.e. produced under a regime of fair wages and with occupational safety; with reinvestment of profits in social improvements; ensuring forest management and reforestation with native species; and securing stocks and due care of water sources, to name but a few), buyers influenced farmers' decisions as

regards natural resources and social justice.

 Demand for drinking water in intermediate cities and rural communities has put pressure on municipal authorities to act against deterioration and contamination of water sources, deforestation and burning. Here the source of change has been the tightening of environmental regulations.

FIELDS OF CONFLICT. Conflicts over land and water constitute the major sources of natural resource conflicts in the territory. Conflicts take the form of disputes regarding property rights, planting, irrigation, and contamination of water sources with toxic substances, among others. In order to maximize gains from the natural richness of the territory (its forests and waters), land tenure is key. Pollution of waters as a result of coffee plants' discharge and the use of harmful agro-chemicals in potato and vegetable crops led to conflicts between farmers and other actors (such as urban water users). There is also no agreement among different actors regarding the main uses of the territory's forests, in terms of access to timber and firewood.

SOCIAL COALITIONS AND MORE FRAGILE ACTORS. Changes have been made possible by the formation of social coalitions, such as producer cooperatives that are supported by international cooperation and partake in alliances with coffee certifiers (something that agribusiness companies have also done); local NGOs and international cooperation that foster diversification of income sources; the filling of council positions with local leaders that promote legislation to control negative environmental impacts; the land management plan implemented by the Management Committee of the Penas Blancas Nature Reserve, made up of local and foreign parties; the Association of Municipalities of the Northern Penas Blancas Massif (AMUPUEBLAN); urban water users and community leaders that demand the introduction of rules to control the use of forests and water.



A future challenge is to render visible the invisible: at present all initiatives are directed toward those who possess means, but they exclude those that live in hardship and are landless. It is the latter who suffer from the most precarious access to the benefits generated by ecosystems: the poor must ask for water from their neighbors and must forage for firewood in the

large land holdings near their house lots. However, there are those who have reaped the benefits from the improvements required by produce certification: access to dignified dwellings with latrines and drinking water, as well as rights to collect firewood.

Progress and challenges for environmental management

Among the territory's most important environmental breakthroughs are the introduction of inter-municipal management of protected areas of national interest and the certification of coffee production.

The establishment of municipalities in 1989 led to the formation of local committees integrated by different institutions and citizens' organizations that structured the land management plan. After the Penas Blancas Massif was declared a Protected Area by the national government, there was a surge in activities that use the landscape and its biodiversity to generate revenue, among both large and small landholders. The territory's significant potential to generate hydroelectric power, owing to the steep slope of local rivers, attracted public and private investment for this purpose.

In parallel, municipalities and urban actors are determined to decontaminate waters polluted by coffee plant discharges, herbicides, pesticides, fungicides and nitrogen-based fertilizers. However, the matter still awaits full resolution.

The search for new markets and processes of marketing, which fomented certification and good cropping, social, and environmental practices, have contributed to the development of organic agriculture and fair trade. Many rural inhabitants found stable sources of income in the production of shade-grown coffee, livestock, staple cereals, and bananas.

Key to producing and sustaining these virtuous cycles is know-how to generate revenue that minimally impacts natural capital and avoids decreasing the flow of ecosystem services. Research, experimental work, and development geared toward generating this kind of revenue should be a priority for public and private actors. In the future, the capacity building of the RTD program might well concentrate its efforts in this direction.



The goal of the advocacy plan for this territory, currently being implemented by the Nitlapan Research and Development Institute and other public and private institutions, is to strengthen community-based rural tourism (CBRT) as a sustainable strategy to reduce poverty within nature reserves.

By late 2010, progress toward creating a tourist circuit around the massif had been made through a survey of tourism potential at the Penas Blancas Massif and the villages located in the vicinity of the reserve. The survey has collected information about those already developing rural tourism initiatives (horseback riding, trekking, coffee tourism, accommodation, meals, etc.) as well as those who might eventually join, such as some of the larger estates. For this purpose, a questionnaire was developed and applied during visits to each of the sites. The survey identifies: the places with most potential for tourism and their current use; the degree of horizontal and vertical integration of tourism service providers; and the main characteristics of resource use and integration.



Tungurahua: a territory with divergent paths¹

Partner: Simon Bolivar Andean University

Over the last few decades, the economic dynamic of the better part of Tungurahua – Ecuador's smallest yet most densely populated province - has been characterized by its moderate economic growth, a certain reduction of inequality, and a more significant reduction of poverty. What conditions make this possible within a national context that has witnessed over 20 years of economic stagnation and increase of social inequalities?

STRUCTURAL CHARACTERISTICS. There are five features of the territory that help to explain its current dynamics:

- Since it is located in the center of the country, the province has close trade ties with the entire national territory and is the spatial hub of routes and flows linking all regions of Ecuador. Also noteworthy is the diversification of its production, which includes a variety of small and medium enterprises devoted to a wide range of activities such as farming, manufacturing, and crafts production.
- The territory is very heterogeneous, with some parishes dominated by indigenous peasant farming, others characterized by a highly productive capitalist agriculture, and still others showing a productive diversification that includes manufacturing and services.
- Its agrarian structure is relatively egalitarian and large estates are rare. However, there has recently been some consolidation of larger properties and also a "pulverization" in the size of smaller properties.
- The territory's environmental endowment has no special advantages over other regions (i.e. this factor does not explain its greater relative success).

FIVE EXPLANATIONS. An analysis of the components that explain the economic dynamics of Tungurahua reached the following conclusions:

- The network of open-air markets in the province, which is centered on the city of Ambato, is a powerful incentive to production. It allows agricultural producers and manufacturers to establish long-distance trade links.
- This vast regional market did not lead to productive specialization but, instead, to economic diversification in the surrounding territory. Two aspects have influenced this: (i) the market is oriented toward low- and middle-income households that consume products which require little investment in equipment, personnel and raw materials - consequently, barriers to entry for small entrepreneurs are low; and (ii) there are specific social sectors - such as merchants and women who have become critical agents in the diversification of the economy.
- · Historically there has been a tight symbiosis between merchants and producers: these roles originally resided in families engaged in production and trade along the network of openair markets; despite the latter's large size, it never came to be monopolized by merchants from large landowning families. This has reinforced the redistributive effects: not only is production distributed among many producers, but also trade is fragmented among many merchants.
- The structure of the commercial network helps to explain why some areas become "winners" and others "losers" within a single territory in which the same network of open-air markets operates. Commercial networks linking medium and large farmers with medium and large merchants are "rigid" and are based on strong preexistent ties: they are more permanent, are

¹ Research in Tungurahua was funded by the project "Institutions for Pro-Poor Growth", coordinated by the University of Manchester and sponsored by the UK Department for International Development.



mutually beneficial, and are based on trust and collaboration. In contrast, small farmers and merchants are sporadically related, with less trust and regularity, leading to weaker links.

• The socially redistributive effects of the region's network of markets are a function of both the intervention guidelines of organizations, as well as the way in which local institutions operate. Deliberate state action was significant (albeit moderately so) along three lines: a long-standing process geared toward expanding education and productive infrastructure services (mainly electricity and roads) went in hand with a number of protectionist economic policies oriented toward the internal market. The latter boosted agricultural production and manufacturing activities. Civil organizations, in turn, contributed to establishing structural conditions that produced specific rules and norms for the Tungurahua markets. Examples of this

are a relatively more equitable land tenure structure and an expanded irrigation network developed by farmers and merchants from the late 19th century onwards. Both factors extended the negotiating skills of small and medium producers vis-à-vis merchants.

Beyond the relative success of the province, there are aspects that demand some attention. First, there is a growing economic gap between the diversified lowlands and the more impoverished indigenous highlands that are peripheral to crop and livestock production. The latter have become integrated into dominant dynamics at a distinct disadvantage. Second, there is evidence that regional economic dynamics are not environmentally sustainable, as evidenced by the exhaustion of usable water, overuse of soils, and an expansion of the agricultural front onto the paramos (moors).

Women: engines of innovation

Tungurahua records the highest female presence within the economically active population of the highlands (39% in 2001), well above comparable national figures (30%). Compared to men, however, their income levels are among the lowest in the country. What explains this high participation under conditions of blatant discrimination?

First, women are crucial during the early stages of the production of many crafts and play an important role in many of the province's small businesses. In Huachi, for instance, women own 89% of the small businesses producing the famous "Ambato chocolates" (however, two of the five companies with the greatest volume of production are owned by men). In the wholesale market of Ambato, 86% of fixed-stand merchants are women. The more capital that is involved in family businesses, however, the lower the participation of women as business heads. The same pattern is observed in the booming business of breeding guinea pigs and other small animals, as well as in domestic services and the small-scale manufacture of footwear, leathers and textiles.

It is precisely because of women's subordinate role within family social relations that they are assigned to complementary jobs, small autonomous experimental businesses, and activities where uncertainty prevails above real possibilities of success. If a business does prosper, it becomes "primary" and men are more likely to take over, at least formally. Despite this social disadvantage, women are essential as engines of innovation in the diversification of the province's production.

Support for the Competitiveness Agenda and for the Farming Strategy

In late 2010, the Advocacy Fund funded the start-up of a project to support capacity building in Tungurahua. This project was led by the Simon Bolivar Andean University (UASB) in partnership with the Provincial Government of Tungurahua (GPT), CORPOAMBATO, and the Tungurahua Farming Strategy Committee (EAT).

The initiative is tied to the capacity building project started in Tungurahua in October 2009. It aims to contribute to the implementation of the Provincial Farming Strategy by assessing its achievements and limitations, in order to improve methods to support the associative work of farmer organizations among six networks or consortia of small agriculturalists. It also continues previously undertaken consultancy work supporting the design of the province's Competitiveness Agenda.

A technical team to implement the Agenda for Competitiveness is in place and meetings have been held with representatives of the productive sectors of prioritized consortia (textiles, metallurgy and footwear). In addition, actions were defined to motivate and socially disseminate the Agenda.



Chiloe: dynamics triggered by the salmon industry²

Partner: Rimisp - Latin American Center for Rural Development

During the last two decades, the Chiloe archipelago underwent one of the most striking productive transformations that Chile has witnessed. A set of technological successes, entrepreneurship, and a public-private partnership led to the strong and rapid development of the salmon farming industry in this territory. By the mid 2000s, the industry employed over 50,000 people, i.e. a third of the economically active population of Chiloe. In Central Chiloe, the territory that this study focuses on, the salmon industry in 1990 accounted for 15% of the workforce. This figure had risen to 25% by 2008. The development of fish farming in the 1990s led to both increased income and poverty reduction, particularly in the municipalities of Castro and Quinchao, where income grew by more than 30%. However, income distribution did not improve significantly.

PRODUCTIVE TRANSFORMATION. When household employment strategies between 1990 and 2008 were examined, a steady growth was observed in the industrial sector and, especially, in the services sector compared to more traditional activities such as potato farming, livestock farming, forestry, and traditional fishing. This productive transformation brought irreversible changes to the territory's social relations, environment, and landscape. It also fostered conflicts and doubts about the feasibility of taking forward development strategies based on Chiloe's cultural identity.

LIVING WITH SALMON. Barriers to employment in the salmon industry are not high since the demand for jobs is focused on low-skilled workers. This allowed economically vulnerable groups, such as women and young people, to readily join the job market, in turn fueling strong poverty reduction throughout the territory. The 2008 salmon industry sanitary crisis – which led to the loss of

over 20,000 jobs – demonstrated that Chiloe is not prepared to live without the salmon industry: in its aftermath, traditional productive activities failed to become a substantive axis of development despite a significant proportion of households remaining linked to them. But the crisis also showed that in order to be a territory with more environmentally sustainable and socially inclusive growth, Chiloe needs to foster and consolidate other livelihood strategies, particularly those related to its identity, culture and history. For this scenario to become possible, it is necessary for new social coalitions to bring together local actors, the industry, and the public sector. This is the challenge for the next 20 years.

SOCIO-ENVIRONMENTAL SUSTAINABILITY. Central Chiloe constitutes an example of a highly vulnerable process of economic growth, lacking strategies to strengthen local society and to protect its natural environs and cultural heritage. The social coalition that supports the salmon industry is dominated by extra-territorial actors, who have taken advantage of the political capital accrued through the creation of thousands of jobs and have imposed an industry-focused development strategy. As such, this coalition has yet to internalize the environmental costs of their race for productivity. The sanitary crisis forced the salmon industry and the government to implement corrective measures in an attempt to deal with the matter. However, in order to maintain its position as global leader and reduce the likelihood of a future crisis (which will be of a social nature the next time around), the Chilean salmon industry needs to set its gaze on the territory, its cultural wealth, its natural capital, and its people. Chiloe's cultural identity can become an asset for the local community, one that helps to consolidate local strategies of socially inclusive economic development.

² The work was funded by the Rural Territorial Development with Cultural Identity project, sponsored by the Ford Foundation and coordinated by Rimisp.



A gender system that interacts with territorial dynamics

In Chiloe, gender has interacted with the expansion of the salmon industry and, therefore, has helped to shape territorial dynamics.

On the one hand, the salmon industry accelerated the modernization of the territory, emphasizing new models of femininity and masculinity, modifying daily practices, cultural meanings, and relations between men and women in Chiloe. The salmon industry offered women the ability to overcome their isolation and to socialize with other women and men on a daily basis. As one industry worker put it: "women's perception of work, family life, money and fertility changed."

On the other hand, existing gender values — which emerged in an era where men often migrated seasonally for work and women were in charge of the tasks left behind by their partners — contributed to the success of the salmon industry. Both men and women redirected their skills and knowledge to the industry and became a cheap source of labor. Here the manual skills of women are appreciated, but not specifically remunerated.

The division of labor retained the traditional gender hierarchy such that men filled better-paid positions. Gender differences are also evident in the transformation in men and women's cultural knowledge and social participation. Although more women are taking up leadership roles within organizations, men continue to inspire more respect in the public sphere. Thus, despite suggestions that men and women in Chiloe have achieved greater "gender equality" through equal opportunities to earn an income, the results of the study show that cultural knowledge and social participation are increasingly, rather than less, differentiated by sex. Chiloe, in short, demonstrates that more economic capital does not necessarily lead to an increase other types of capital (such as social and symbolic capital). Gender norms and expectations in Chiloe have been resilient even in the context of economic and social transformations, such as industrialization and the integration of women into the labor force. The matriarcado machista ("machista matriarchy") gender system of the territory, a normative force shaping the behavior of men and women, seems to remain in place.





A sustainable territorial development policy

Supported by the Advocacy Fund, during 2011 we will work with government agencies, local actors, and extra-territorial parties present on the island, to develop policy proposals for sustainable territorial development in Chiloe.

To this end we have contacted authorities of the Regional Government, the Regional Ministerial Secretariat of Agriculture, the Undersecretary of Regional Development (SUBDERE) for Chiloe province, the Provincial Government, the Association of Municipalities of Chiloe, and actors dedicated to traditional fishing, tourism, and crafts, as well as farmers, salmon industry workers and entrepreneurs, among others.

In December, in conjunction with the Governor Authority of Chiloe and SUBDERE, we organized a meeting to exchange viewpoints, present the results of our research, and begin a survey of proposals for territorial work in Chiloe. In parallel, the strategy was mainstreamed through publication of two newspaper articles.



Interior Drylands of the O'Higgins region: on the edge of agro-industrial transformation

Partner: Rimisp - Latin American Center for Rural Development

In the early 1990s, rural municipalities of the Interior Drylands of the O'Higgins region – for instance Litueche, La Estrella, Marchigüe and Pumanque – were among the poorest in the country. This territory lacks the right conditions to foster high-value agriculture: soils are poor and the region experiences long periods of drought. Its local society is not noted for being active or for having innovative or entrepreneurial social actors. The territory also lacks urban centers that can add dynamism to its rural environs. However, between 1992 and 2002 these municipalities grew economically, reduced their poverty and improved income distribution. How does a territory lacking evident comparative advantages manage to improve its welfare indicators?

The drivers of economic growth in the territory were a strong public investment in both infrastructure and the provision of basic services, as well as regulatory changes to the access and management of water resources. Among the regulatory changes that nurtured the territory's economic take-off are the Water Code, which encourages private use of water resources, and the enactment of a law to promote irrigation and drainage. This regulatory framework attracted new capital, especially large investments in vineyards and olive tree plantations. This fueled dynamism and created jobs in the agriculture sector, offering new income opportunities for households and, thereby, providing the means to rise above poverty.

LOW CEILING. The O'Higgins region is following in the steps of fruit- and wine-producing territories of Chile's Central Valley. However, in a scenario characterized by status quo, growth has a low potential ceiling for a number of reasons:

· Regulatory weaknesses and lack of collective action in water management prevent the reconciliation of short-term private goals with sustainable and equitable water usage. The overexploitation of aguifers already makes the territory's development vulnerable (Box 1- next page).

- This productive transformation has been led by extra-territorial agents. Local society has won jobs, income, and the provision of economic and social opportunities for some of its actors (namely, young people and women, as described in Box 2 next page). However, local society has given up control over strategic resources and, thereby, control over the tools that are necessary to manage its own long-term development.
- Beyond specific success stories, it has not been possible to develop small-scale agriculture in the territory. Instead, questions are raised about how inclusive this development process has been, since surpluses resulting from the growth of the sector are reportedly being transferred outside of the territory.

POLICY LESSONS. This case study offers insights that can orient territorial development initiatives. It demonstrates that:

- By enhancing ties to dynamic markets, place-based policies can help stimulate processes of growth and development in territories that lack natural comparative advantages.
- Policy guidelines that are implemented through regulatory frameworks that perpetuate social inequalities at different levels (clear examples are water management, state promotion of production, and the workings of environmental institutions) may limit or even abort the potential for inclusiveness of economic growth.
- Policies aimed at encouraging the private sector by economically valuing a territory's ecosystem assets and services can end up "killing the goose that laid the golden eggs," especially when the shortcomings of institutions and a lack of collective action prevents better management of the dilemma between growth and environmental sustainability.
- Beyond controversies surrounding the matter, it is clear that well-targeted public investment in private goods can in some cases help to redress inequalities implicit in existing



regulatory frameworks. This is evidenced by public efforts to ensure access to irrigation by small farmers in the territory.

CAPACITY BUILDING. Public action can do much more to establish conditions that foster better management of development in the Interior Drylands of the O'Higgins region. Investment in some of the following areas is key to support not only economic activity, but also internal capacity building among actors and the territory itself as a social construction: the provision of information, strategic planning, the development of management platforms, social leadership, the improvement of participation capabilities and consensus building, public-private coordination, and linkages across sectors and between levels of governmental, among others.

The project sought to contribute to this as follows. By the beginning of 2010 it had identified the main territorial development demands and

was preparing to convene a multi-stakeholder platform to address them. However the earthquake of 27 February changed things: the existing plan was refocused on capacity building in order to assist reconstruction efforts. Stakeholders making up the platform – public sector officials, private agents and civil society representatives – came together for the first time in April. The platform proceeded to develop a project that creates a Productive Development Office for the Cardenal Caro province. This office seeks to strengthen small-scale farmers; provide technical training for productive activities; support education and better health care for the elderly; and develop projects for the sectors most damaged by the earthquake. This project was initially implemented by three municipalities and has since been put into operation by all the mayors in the province. Recently it was submitted to the regional government to obtain funding.

Water: the critical factor

Latent conflicts around water resources exist in the territory — resources that are key to its future development. Mechanisms to facilitate access by small farmers to groundwater have, generally speaking, worked reasonably well. This is largely due to the intervention of the Government Agency for Agricultural Development (INDAP), which in 2005 put into motion an active plan to provide smallholders with property deeds for wells in the face of increasing control of the main watercourses by large producers. However, this regulatory framework was incapable of ensuring a sustainable use of the resource. At present it is already showing signs of depletion due to a rapid rise in groundwater extraction. In some cases, this affects even the availability of water for human consumption.

The situation is made worse by a lack of collective action to monitor various processes and correct their shortcomings. A lack of organization in water resource management is in many ways a reflection of inequalities that from the very onset have restricted the participation of traditionally excluded actors. This is visible in the information asymmetries that the Water Code establishes and also in unequal access to conflict resolution instances.



Participation of women in the workforce

The territory's higher employment rate is largely due to increased incorporation of women into the workforce outside the household. While male employment fell by 2.7% in the period 1992-2002, female employment increased by 47%. Higher female labor in the agriculture and food industry, mainly in crops and fruit packing, accounts for nearly 24% of the total change recorded in the territory's employment figures.

Statements suggest that wage labor has led to forms of empowerment that are valued by female seasonal agricultural workers, among other sectors. These accounts highlight that the availability of income has provided them with greater autonomy in their homes and given a new social status within their communities. However, there is much room for improvement in labor standards associated with the seasonal agricultural market.



Honduras

Olancho: the development of forestry and farming in the face of environmental degradation

Partner: Sustainable Development Network



In Honduras, only four of the country's 298 municipalities recorded a simultaneous decrease in poverty and a reduction of inequality in income distribution between 1988 and 2001. Three of those municipalities are part of the Olancho department: Campamento, Salama, and Francisco de la Paz.

In order to explain the virtuous dynamic observed here, our work focused on the territory of Campamento and Salama. Our research also extended to Concordia, a municipality in the Olancho department that likewise improved its income, yet did not reduce its poverty or the inequality of income distribution.

PUBLIC AND PRIVATE INVESTMENT. The economy of the Olancho department is principally based on forestry and timber production (mainly pine) as well as on livestock farming and agriculture (corn, beans and coffee, among others). Over the course of the last thirteen years, both public and private investment contributed to improve the socio-economic situation of the territory's population. The State invested in forestry and farming through several centralized and regional institutions. These were charged with implementing processes of training and technical assistance. The private sector, on the other hand, invested in the timber industry and this led to job creation and the opening of a road network to remove harvested wood. Meanwhile, NGOs, such as the Guayape Project, PROLANCHO, FORCUENCAS, and the Caritas charity organization, implemented initiatives to develop farming and forestry.

DETERIORATION OF NATURAL CAPITAL. Forestry and farming in Olancho are not immune to social conflict, which both in the past and at present have pitted different sectors of society against each other. There are groups inside and outside the territory focused on forestry, wood milling and the processing of timber; there are also local social groups who regard natural resources as a local capital that is necessary for, and complementary to, farming.

Despite the wealth of natural resources, their deterioration is increasingly evident and puts the sustainability of development at risk. Deforestation, soil degradation and erosion associated with continuous slash and burn, and the expansion of the agricultural frontier are producing untold damage. Consequently, agricultural production and forestry have decreased over the years in favor of commercial and urban growth and smallholder dairy production.

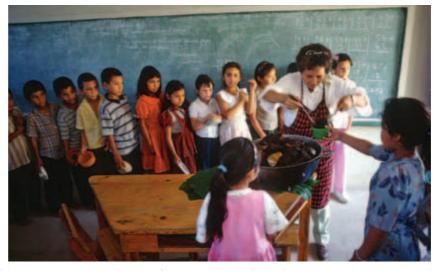
Given past and present conflicts associated with forestry and agriculture, a clear need exists for a coalition that brings together different development-related sectors and actors to coordinate actions in order to provide a veritable economic transformation that is also socially and environmentally sustainable.



Multi-stakeholder coordination and capacity building

While agriculture and forestry could be the main drivers of successful dynamics in the territory, at present they are not because the vast majority of local actors lack sufficient capacities to mobilize resources. The latter is a result of a low management capacity and scant participation in development processes within the territory, among other factors.

This takes place within an institutional context where municipal governments have little or no control of the territory's resources; where municipal strategic development plans are strongly biased in favor of infrastructure and, in consequence, provide very little support



to promote the productive transformation of the territory or strengthening of its institutions; where there is scant participation and monitoring of territorial actors in the implementation of envisaged activities; where actors lack dialogue and coordination spaces to produce and fuel development ideas; and where there exist a considerable number of local organizations which, nevertheless, barely interact with one another.

The capacity building component of the project is focused on strengthening the situation of the poorest actors and on attracting actors that have traditionally shunned participation in territorial instances, such as entrepreneurs.

For this purpose, a Multi-stakeholder Coordination Mechanism was formed. This platform has already met and taken some steps toward bringing together actors' positions and planning future joint actions. The Platform is meant to (i) enable a diagnosis of the territory's state of affairs as regards its economic, social, political, cultural and environmental aspects, thus acknowledging its problems, needs, potential and barriers from the perspective of actors; (ii) design a development planning strategy for participatory planning, monitoring and evaluation of activities; and (iii) manage processes in environmentally sustainable and socially inclusive ways. An important step in this direction was to bring together local authorities, entrepreneurs of the forestry sector (which until then had not participated) and environmentalists (who confront forestry companies) to find points in common.

Among the expected outcome of this effort are the drafting of a Strategic Plan for Territorial Development (which at present only exists at the municipal level) and the formulation of proposals for public and private investment that are coherent with this plan.



Tarija: sustainability challenges of an extractive industry

Partners: University of Manchester, Tierra Foundation and the Center for Regional Development Research of Tarija (CER-DET)

In the early 2000s, the Tarija department – which concentrates 30% of oil and nearly 85% of gas reserves in the country - promoted a growth strategy based on increasing gas production in order to supply mainly the Mexican and US markets. This resulted in direct effects associated with the installation of large-scale exploration and production companies, as well as indirect effects as increased revenue has fostered increased public action by the State.

BETWEEN BENEFITS AND CONFLICT. In the last decade, economic dynamics have led to:

- Increased diversification of productive activities.
- Poverty reduction, particularly addressing basic needs, though this trend can be observed as far back as the early 1990s.
- Improved signs of distribution of certain assets, especially in favor of indigenous peoples.

In parallel, these dynamics have also reactivated intra-regional conflicts around land tenure and natural resources. Confrontation has begun to be visible among different rural actors (livestock farmers, peasant farmers, Mennonites, indigenous groups, and the landless peasant movement), who have sought support for their demands, and in some cases have partnered with local elites.

EXPLAINING CHANGE. Seeking to understand change in this territory, the project focused its activities on two municipalities deemed representative of the territory as a whole: Villamontes, located in the Chaco region, and Entre Rios, located between the Tarija valley and the Chaco region. The study concluded that:

• Economic growth and poverty reduction in Tarija are the result of deliberate action by the sub-national government. Through social policy the latter has created a foundation that allows social wellbeing to foster economic growth, and vice versa.

- New forms of interaction between social and political actors led to the establishment of new alliances. Although this process has fostered resource leverage and, to some extent, modified certain power structures through the involvement of hitherto excluded groups, its weaknesses are manifest in its inability to link political and social capital. The influence of the gas industry in this process has been twofold: on the one hand, it has helped to bring actors together - either because of the need to stand united against the adverse effects of the industry's expansion, or because the industry has facilitated access to financial and physical assets, thus allowing the participation of new actors.
- On the other hand, the territory has witnessed institutional change that facilitates both the expansion of the industry and local and regional attempts to use the benefits of industrial expansion to strengthen territorial dynamics. Put another way, institutional change has been organized around territorial projects, and part of the success of territorial dynamics can be understood from the vantage point of processes to decentralize and devolve administrative power. At the same time, top-down institutional change has introduced external factors into processes of territory formation, and these have distorted territorial projects and complicated the scenario in which territorial dynamics can be sustainably successful.
- Whilst the expansion of the hydrocarbon industry has not produced significant environmental changes, those changes that indicate a deterioration of the natural resource base - and whose causes must be sought beyond the extractive industry and territorial dynamics - have reportedly had more of an affect on those areas inhabited by more vulnerable populations. This last issue led us to conduct an additional study, which is summarized in the box.



The socio-environmental dimension

As oil and gas drilling have expanded, the allocation of gas and oil reserves and the distribution of revenues resulting from their exploitation has led to tensions between the business sector and the government, as well as between the national government and regional groups. Communities that have been impacted by oil exploitation have also complained about damage to the natural resource base that supports their families and, consequently, about direct and indirect negative impacts on the sustainability of ecosystems.

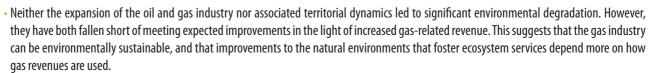
In order to assess this environmental dimension in Entre Rios and Villamontes, we investigated how natural capital conditions rural territorial dynamics; how the expansion of the industry has transformed natural capital and ecosystem services; what conflicts arise from access and use of natural capital; and how institutional structures influence the sustainability of natural capital and an equitable access and use.

On the one hand, we evaluated changes observed in environmental conditions between 2001 and 2008 (availability of water, forest, of land usable for settlement, of physical space for roads and their connectivity, aptitude for cattle and crop production, erosion control, natural diversity, promotion of cultural diversity, oil and gas mineral resources, and resilience to oil and gas pollution).

On the other hand, we surveyed local actors' perceptions and assessments of change and the factors that induce change, and also examined institutional and organizational dimensions that shed light on sustainability and environmental governance (control of water, oil, gas, and land resources).

We conclude that:





• However, we noted that the distribution of change in the studied territories is quite uneven. Change is more common in areas that were already at a relative disadvantage, for instance, the more remote areas of eastern Villamontes or the northern areas of Entre Rios.

In other words, when a viewpoint that is strictly focused on natural assets is broadened to also include social aspects, conclusions about the socio-environmental sustainability of gas-fueled growth strategies appear less optimistic.

This case study contributes to discussions about environmental governance. It reaffirms the need to conceptualize the natural environment in a broad sense, i.e. to not only include a natural capital and ecosystem services approach but also a perspective that examines how social and power relations govern the use, exchange and processing of natural assets.

Among the policy implications that can be advanced from this study, two are worthy of note: first, the need to consider natural assets and ecosystem services beyond their economic value and thus as elements that require regulation by both society and the State. Second, ownership over natural assets, a long-debated topic that is poorly attended to in the Bolivian context (and which deserves special attention as autonomies are defined institutionally), is at the base of tensions and conflicts both within territories and between local and extra-territorial actors.



Jiquirica Valley: the challenge of socially inclusive growth

Partners: Natural Resources Institute - University of Greenwich (United Kingdom), Recôncavo da Bahia Federal University (Brazil), State University of Bahia (Brazil)

Over the past 30-40 years, family farming has consolidated the production of cash crops in the Jiquirica Valley, Bahia state, Brazil. In the past two decades, this territory (made up of 21 municipalities) has achieved a growth in income as well as a reduction in poverty and inequality. This project investigates the factors that influence developmental trajectories and also examines their public policy implications. The study analyzes the territory as a whole and also examines in further detail a group of five contiguous municipalities - Mutuipe, Jiquirica, Ubaira, Santa Ines and Cravolandia – that represent the territory's economic and environmental diversity.

THE ENGINES OF DEVELOPMENT. The engines of development dynamics in the Jiquirica Valley include linkages between smalland medium-scale agriculture and regional markets. They also incorporate social policies (for instance those of conditional transfers) and, since 1995, public investment by progressive governments. Owing to the interactions with local geography and history, these factors have had varying impacts on different parts of the territory. Favorable agricultural conditions, widespread access to land, and efficient transfer of social spending and public investment in the more humid and fertile regions resulted in a development process characterized by relative social inclusiveness. Together, these factors stimulated the emergence of a thriving business sector. In contrast, semi-arid regions dominated by large landowners witnessed stagnation due to the decline in coffee production and livestock farming. The social impact of the slowdown was mitigated by transfers of federal funds and spontaneous migration.

PROCESSES AT DIFFERENT SCALES. The diversity observed in the Jiquirica Valley highlights the need to shed further light on interrelated processes occurring at different scales:

· Regional social and economic changes in northeastern Brazil are the result of a historically gradual transformation of

economic and social power structures. This transformation can be linked to processes of democratization, improvements in education, and increased national and global integration. They imply changes in the attitudes and behaviors among the poor and the young generations of the most affluent families, in response to new opportunities as Brazil becomes a more egalitarian society. This gradual process constitutes the backdrop of more localized territorial dynamics.

- Federally supported changes to production in some municipalities have resulted in local innovations to production, market access, and governance of the development process. In the forested regions, social mobilization and the growing influence of rural unions have strengthened collective organization and set the cornerstones of a social coalition in which the rural poor have a greater voice. Prosperity and improvement to people's material conditions has also contributed to the gradual emergence of a new middle class. These processes – which have influenced political change and innovation in Mutuipe, but have had a limited impact in neighboring municipalities - have yet to run their full course and do not explain development improvements observed at a broader territorial scale.
- Inter-municipal initiatives by local government and civil society are still at an early stage. Their success depends on collective commitment and on the incentives they offer to a wider array of territorial actors. The lack of a strongly shared identity or common purpose between local governments and civil society fails to encourage the creation of supra-municipal institutions. The Brazilian State, moreover, provides neither a consistent juridical and political framework, nor appropriate incentives or resources toward this purpose.

COMMON CHALLENGES. Despite their diversity, the people of the watershed share a number of problems and opportunities associated with development:



- Except in isolated cases, improvements in income, health and education resulting from state-sponsored transfers and public investment in infrastructure and services have not led to new economic opportunities. Improved road access to basic services and markets continues to be the most significant development that isolated rural communities need.
- There is little experience of collective action among producer associations or at the community level. The centralized structure of value chains for major crops has allowed local businesses to expand their operations successfully. However, very little added value is retained or invested locally. As a result, villages have developed mainly as trade and public administration centers rather than as hubs for processing and transforming goods.
- Given that the territory is within a single watershed, land and natural resource use is interdependent throughout. Soil degradation and water contamination undermines productivity and directly affects downstream users. Despite the success of small-scale agriculture, the sustainability of land use and of production is reaching its limit due to land parceling. Agricultural policy and technical support for farmers have not been designed to meet local needs, or to fully incorporate the challenges of environmental sustainability. There are no effective planning or implementation mechanisms capable of organizing land use at the appropriate territorial scale, or of preserving key natural resources such as remnant forests and waterways.

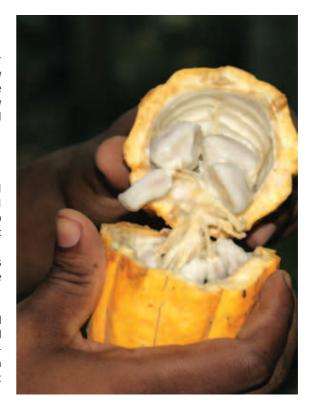
Policy Implications

The municipal scale at which the local government operates is not coherent with the broader territorial level at which economic development and environmental changes take place. New institutions and policies developed around common territorial needs are therefore required. The challenge that municipalities confront is to pool resources and make joint investments, especially in roads, transport, and infrastructure for the processing of produce, education, and environmental management.

The main policy implications are:

- For the state government of Bahia, the need to harmonize territorial and sectoral development policies and to invest in institutional development to facilitate parallel initiatives promoted jointly by municipal leaders, citizens, and the State. It is crucial to link this with the more effective and participatory environmental resource management system that is beginning to develop in the watershed of the Jiquirica Valley.
- For the federal government, the need to direct a growing proportion of public transfers toward financially accountable programs that stimulate regional development and are beyond the discretionary control of mayors.

The project also identified some priority areas for investment: access to markets for small- and medium-scale agricultural industries which add value to local products; regional branding and marketing of goods and services produced locally by associations of producers, farmers, and small- and medium-scale agribusinesses; a territorial framework to promote rural tourism, eco-tourism and agro-tourism; and technical and vocational education geared toward supporting rural economic development and local industries.





Loja: the importance of territories for provincial development

Partner: Simon Bolivar Andean University

The program's maps of territorial dynamics in Ecuador found that amid a national context characterized by modest economic growth and increasing social inequality, some regions behaved completely differently. One such case is the Loja province, a territory characterized by humid valleys conducive to agriculture. Despite a history of deficient connectivity within and beyond the territory, in recent years the province witnessed economic growth, a reduction in poverty, and improvements of its income distribution. What were the dynamics that fostered this scenario?

THE ADVANTAGES OF MIGRATION. Between 1990 and 2006 the crisis in Ecuador led to a stream of out-migration (particularly to Spain), which decreased the rate of population growth in the Loja province compared to previous decades. Migration led to a flow of remittances, which, according to data from 2004, amounted to USD 228 per family per month, i.e. twice the national average. Among the main sectors that benefited from this flow were commerce, public investment, construction, real estate, agriculture, and industry. Out-migration was also favored by two characteristics of the territory: people have a slightly higher level of education than the national average (including growing numbers of those with a university education), and its economic structure is not highly diversified.

DIFFERENCES AMONG PARISHES. In 28 of the 89 parishes of the province (accounting for over half of its population), some positive change was observed, whether in economic growth, poverty reduction, and/or improvements in income distribution (among them are Bellavista, New Fatima, Utuana, and Cruzpamba). Each of the province's sub-regions shows particular characteristics and dynamics that have influenced local economies. Thus:

• Parishes that are dependent, influenced by, or are located in the vicinity of the city of Loja witnessed economic growth and reduction of poverty and inequality.

- The territory surrounding Alamor witnessed economic growth and poverty reduction yet also recorded a fall in its social equality indices. A determining factor here was increased cropping of yellow corn, stimulated by a booming national meat industry. This increased the influence of extra-territorial actors who promoted technologies to boost the performance of the highly diversified traditional farming systems, leading to greater productivity in livestock farming.
- The catchment area of Cariamanga, in contrast, witnessed minimal changes to per capita consumption, a small decline in poverty, and a slight worsening of social inequality indicators. In this scenario, coffee was a key factor: starting in the late 1990s, an alternative coalition of coffee producers (an industry that forms the basis of this sub-territory's economy) succeeded in creating a profitable new commercialization channel based on direct links with emerging organic markets.

TWO CASE STUDIES. In order to deepen our analysis, we studied in further detail two instances where growth dynamics could be linked to farming: the Pindal corn belt and the Cariamanga coffee zone. Overall, economic dynamics associated to corn production generate more economic growth, less redistribution, a loss of local control over the economy, more productive specialization, and more environmental degradation. The dynamics associated with coffee production, in contrast, produce less income, more income redistribution, increased local control over the economic process, increased productive diversification, and increased environmental sustainability. In the future, economic opportunities available in both areas will increasingly face two important constraints: market weakness associated with these regions' productive specialization, and a shortage of labor. These constraints raise questions about whether growth is sustainable or fleeting.



Gender systems: corn and coffee are not the same

As part of the program, we analyzed gender dimensions associated with coffee and corn production in the province of Loja. Our goal was to assess how gender systems affect access to and control of assets, as well as the formation of coalitions among social actors and among regional institutions; to understand whether gender systems condition or are transformed by the territorial dynamics under study; to establish whether significant gender differences exist between the coffee- and corn-producing sectors; and, to identify how these differences impact the social, environmental and economic sustainability of analyzed territorial dynamics.

In the coffee belt, changes oriented toward technologically intensive polyculture and collective marketing, resulting from coalitions between producers and NGOs, have resulted in increased female participation (in household and salaried jobs, as well as in women's organizations). On the other hand, women more frequently demonstrate practices and discourses related to agro-biodiversity, in line with greater environmental sustainability of coffee production.

In the corn belt, by contrast, the increased productivity and profitability of maize monoculture has strengthened male participation due to reduced temporary migration (reflecting higher revenue at the local level), which has further relegated women to reproductive sphere. Nevertheless, the combination of higher economic benefits and the formation of social coalitions marks the beginning of processes of organization, training, and economic and agro-ecological diversification, in which women are becoming more visible.

All evidence suggests that the inclusion of women in social organization and coalitions that have recently helped to diversify coffee and corn production will result in more economically and ecologically sustainable dynamics. Their integration into the spheres of production, technical assistance, and marketing implies not only more room for their socially allocated needs (especially within the household) but also a diversification of household economies and better income distribution within the territory. If women are marginalized from productive activities, on the other hand, men will need to replace their contribution with either increased investment in equipment or labor from outside the territory.









South Valley-Ocongate: between a successful past and incipient divergent trajectories³

Partner: Institute of Peruvian Studies (IEP)

South Valley-Ocongate (Cuzco) is, in relative terms, a territorial success story. In recent decades, it witnessed an increase in the coverage of household basic services, education and health. Although still very high, between 1993 and 2005, monetary poverty steadily decreased. Even more surprising is a positive public perception regarding the population's economic situation: 56% think they now live better or much better than ten years ago, while only 12% say they are worse or much worse off. This perception is rooted even among the poorest populations (46% feel they are better or much better off; 15% feel they are worse or much worse off).

The research conducted in this territory has taught us two lessons:

- The need to understand territorial development as a gear system with processes operating at different levels, e.g. national, regional and local; and
- The importance of enduring coalitions with actors who are internal and external to the territory. These coalitions are not necessarily explicit, yet they develop new common perspectives regarding local development and its priorities.

This case study records evidence of a variety of interesting topics that help to understand the unfolding of territorial dynamics, e.g. the importance of the road infrastructure for both settlement patterns and trade; the role that local governments play in addressing bottlenecks which impact the poor (especially in the case of governments with resources, legal capacities to foster development, and specific agendas); and, the opportunities and risks that arise from an approach to development based around cultural assets.

LONG-HAUL PROCESSES. Changes in this territory are a result of processes which have increased the social and political capital of peasants, strengthened ties with intermediate cities, fostered new institutional agreements to distribute local Peru products, and diversified domestic economies. Between the 1970s and 1980s, there were changes to the local power base as a result of land reform. Peasant communities obtained control of key resources such as land and water, leading to a gradual strengthening of rural populations. Over time, the latter began to get gradually more involved in decision-making within the territory. To this must be added the prominent role of municipalities – increasingly controlled by mayors of rural origin – over the last decade. Larger budgets lead to changes in the municipal agenda, investment in the hiring of technical personnel, and the promotion of productive activities, especially farming. These changes nurtured the formation of a new coalition formed by technical personnel from NGOs and state agencies, as well as intellectuals from Cusco, who helped legitimize the new situation by disseminating throughout the territory a discourse about cultural and social renaissance.

THE SEAL OF IDENTITY. This coalition is supported by a discourse that positively reclaims territorial identity. This discourse grounds economic dynamics endogenously and suffuses them in ways that foster concrete policies to favor territorial actors. An example of this are the raymi, celebrations that combine the affirmation of identity with spaces for trade, in which the territory's vendors and consumers participate. These have gone in hand with ventures focused on cultural assets, the latter responding to a growing demand for cultural goods in Cusco. Thus on the one hand consumers are tourists (of which over a million per year are foreigners) and, on the other, Cusco inhabitants are showing an increasing interest in cultural goods.



³ The work was funded by the Rural Territorial Development with Cultural Identity project, sponsored by the Ford Foundation and coordinated by Rimisp.

A case in point is Huatanay Valley, which is now becoming established as a recreational zone for the people of Cusco. Its strength, in terms of offer, lies in its gastronomy. Something similar is taking place at Huasao and Ccatcca, which attract those interested in Andean "spiritual services." Such shifts underscore opportunities of diversification, of reinvesting in products and services within the territory, and of recuperating "idle" resources such as female labor and the territory's own cultural assets.

FARMING ACTIVITY. The main dynamic of the territory continues to be farming, its main products being corn, potatoes and beef cattle.

An incipient diversification of productive activities can be seen, as well as changes in the conditions to produce and sell traditional products. For instance, new farmers' fairs, created as an alternative to traditional markets, provide a controlled transaction environment that favors producers rather than brokers. In evidence here are structural changes promoted from outside of the territory: land reform, changes to municipal regulations, larger budgets for local governments, investments in the road infrastructure, and the articulation of discourses that revalue local culture for urban consumers, etc.

Increasingly divergent paths

Changes observed in the territory of South Valley-Ocongate produce two increasingly divergent pathways:

- The first is within urban areas and takes place between those whose income continues to rely on farming vis-à-vis those who are now dedicated to other activities.
- The second is within rural areas and takes place between successful and less successful producers who manage, or fail, to take advantage of emergent dynamics.

This increase in social differences within the territory has not translated into higher social tensions, so far. There exists the perception that collective wellbeing is being improved and that this will mitigate potential negative impacts arising from more marked social differences. An important factor is the municipalities of the territory, who voice a cohesive discourse and provide ample support opportunities for rural inhabitants. A key theme is the extent to which these cushioning factors will continue to operate in the future, especially as social differences in the territory become more entrenched. We observed that politically fragile local governments (supported by grassroots movements that are too local and politically isolated, thus leading to infrequent re-election) constitute a factor that can weigh negatively.



Steps toward valuing cultural assets

The Advocacy Fund of the RTD program provided support for the "Rural Territorial Development with Cultural Identity" project at South Valley-Ocongate, thus making use of technology to influence the public agenda. Within the context of the local and regional elections in Peru (3 October), we encouraged debates about the potential of cultural activities in the territory, using the "South Valley-Ocongate Map of Products and Services with Cultural Identity" (www.mapavallesurocongate.com).

Led by the Institute of Peruvian Studies and working with a number of institutions, such as the NGO Asociacion Jesus Obrero (Cusco), the Regional Center for the Safeguarding of Intangible Heritage in Latin America (CRESPIAL, UN), the Puno-Cusco program (Ministry of Agriculture), and grassroots organizations and municipalities from five districts, public debates were organized. Mayoral candidates from four districts and one province south of Cusco participated in the debates and between 350 and 600 people attended each event.

In parallel, we prepared a booklet aimed at municipal officials of Local Economic Development Offices about initiatives to enhance the value of cultural assets as well as their role in

In parallel, we prepared a booklet aimed at municipal officials of Local Economic Development Offices about initiatives to enhance the value of cultural assets as well as their role in territorial development. The plan is to disseminate this booklet to create a working basis with the newly elected authorities in early 2011.



Yucatan: from agave monoculture to economic diversification

Partners: Study Program for Sustainability and Economic Change in Mexican Farming (PRECESAM), Centre for Economic Studies of the College of Mexico, Autonomous University of Yucatan.

Between 1990 and 2005, a manifest improvement was recorded in household welfare indicators in four municipalities of Yucatan state (Cuzama, Huhi, Acanceh and Homun). This prompted us to investigate the dynamics of a territory we called CHAH (an acronym formed by the initials of each of the municipalities involved). The main events driving increased wellbeing are linked to the growth in demand for labor associated with maquiladoras (at the industrial, SME, and family-owned scales) which have become established in the territory as part of the process of productive diversification; increased demand for services in rural CHAH and at the seat of the Acanceh y Merida municipality; and processes promoted by improvements to the road infrastructure and transport services and facilitated by the physical geography of the region (an unbroken plain). To the latter we can add the growth of productive activities in which women participate (see box at the next page).

DIVERSIFICATION OF PRODUCTION. The transformation of territorial dynamics has been influenced by several factors:

- The decline of the monoculture of agave plants (henequen), which were used in the manufacture of fibers to produce textiles. For decades this was the backbone of the economy of the CHAH. In the 1980s the conditions of the domestic and international markets changed as the country's economic model embraced a neo-liberal logic. Since then, total produce and the surface area harvested gradually dropped: 63,000 tons in the period 1980-1985; 27,000 tons in the period 1996-2000; and 8,000 tons between 2001 and 2005. The collapse of Yucatan's henequen production was assisted by the closure of the parastatal company Cordemex.
- The plunge in production led to a diversification of economic activities. This shift from agriculture to new sources of income (milpa farming, beekeeping, livestock breeding; wage employment in pig and poultry farms, building, work at assembly plants, and trades such as mechanics, upholstery,

and services) has influenced the logic of societal organization and revealed an age-based development scenario.

- Elderly households are typically involved in farming, have a lower levels of education, and are poor; in contrast younger households have a higher level of education and are more involved in better-paid manufacturing and services activities.
- Maize production also stands out as a determining factor in territorial dynamics. Maize continues to be produced throughout Mexico, including the CHAH, mostly for home consumption. However, maize cultivation does occupy the same amount of land as henequen.

ECO-TOURISM. Starting in 2000, the territory's natural heritage (mainly sinkholes or cenotes) has been exploited through eco-tourism, providing its inhabitants with tangible income opportunities from supporting services, such as restaurants and visitor transportation (cycle rickshaws). If the consolidation of these sectors is supported, potential for new eco-tourism jobs would expand to lodging, healthcare, handicrafts, and others services. This would lead to increased opportunities of cooperatives run by local inhabitants. Realizing this potential requires addressing a number of issues and shortcomings: ongoing struggles to retain the control and operation of the three cenotes; the needs of new players who wish to enter this activity; resources to improve access roads; the need to create social coalitions which promote an equitable division of proceeds; training needs of local inhabitants in eco-tourism; and economic resources needed to implement various projects.

NEW ACTIVITIES. At present, children and grandchildren of the generations who were traditionally dedicated to farming have access to a wide range of activities beyond the exploitation of natural resources, for instance work in the various assembly and manufacturing plants. Workshops and assembly plants



have developed locally and are based on existing know-how (e.g. the manufacture of bags in Huhi with synthetic fiber by those who previously used locally-grown henequen). The closure of Cordemex – a federal and state decision – coupled with Maquiladora Programs and NAFTA, on the other hand, facilitated the arrival of foreign-owned maquiladoras. In the 1990s, Lee Manufacturing of Mexico, a Variable Capital Corporation, initiated its activities in three municipalities of Yucatan (Izamal, Tekax and Acanceh). In 2005 and 2007, two other foreign-owned assembly plants were started at Homun. Foreign-owned maquiladoras have cultivated good relations with the government given the existence of federal policies to attract foreign capital to Mexico. In contrast, locally owned assembly plants complain about the lack of government support to increase investments and improve organization.

POVERTY AND INEQUALITY. The decrease in household poverty is partly due to government social programs, notably "Opportunities," the first Latin American program of conditional cash transfers. Estimates of food poverty (the proportion of households whose income per capita is less than the amount necessary to meet food requirements) within

the CHAH are around 30%, a figure somewhat lower than comparable figures for the whole of rural Mexico in 2008 (32%). As regards inequality, the Gini coefficient for CHAH for 2009 was 0.33, which is low compared to Yucatan state, which posted 0.49 in 2008. However, improvements to the wellbeing of CHAH inhabitants have not been totally inclusive. For instance, 42% of the most affluent households own cattle and horses compared to a lack of ownership among poor households. This dearth of social inclusiveness is explained by the heterogeneity of actor know-how that can be redirected to new economic activities; difficulties of adaptation of some local inhabitants to globalization; and the sluggish and limited recovery ability of those inhabitants who have been most affected by natural disasters.

In order for the CHAH territory to develop in more socially inclusive and environmentally sustainable ways, it must address issues such as the limited development of its local institutions, the lack of cooperation, exclusive social coalitions and political processes, and reduced government investment in the provision of public goods and productive projects.



Turkey breeders and Chili pepper growers

The territory's women play an important role in attracting income to family households. They have successfully managed to make visible their roles as agents who foster dynamism within their communities.

In 2005, women at Cuzama and Homun started breeding turkeys. They received support to buy animals and feed but bore the costs of building pens and were not advised about how to fatten turkeys. Over time, these women have incorporated their partners into these activities, especially to help with veterinary and vaccination tasks, and also to access new markets for their produce. The main obstacles they face are the upkeep and maintenance of their pens; lack of financing to buy feed, vaccination and medicine; and the scant support of municipal and state authorities. Despite this, they continue ahead with the breeding program, contributing to the diverse array of activities that foster dynamism in the CHAH territory.

In 2007, this group of "turkey-breeders" ventured into another business: cultivation of habanero chili peppers. This led them to become known also as "chileras": they harvest quarterly and sell their produce within their municipalities and to supermarket chains. Similar to turkey breeding, financial constraints limit these women's ability to increase chili pepper production, likewise to control pests such as whiteflies. While at present they lack support, the Yucatan state qovernment has plans to look into their difficulties.

In addition to the cultivation of chili peppers and the breeding of turkeys, women have traditionally performed other activities that complement household income, such as the embroidery of hipiles and suits. For the purpose of both home consumption and selling, they also cultivate radish, coriander, papaya, sapote, plum, nance, and guava in their household gardens.





Cariri of Paraiba: beyond public transfers

Partner: Federal University of ABC, University of Sao Paulo

In the 1990s, one in five Brazilian municipalities reported a positive and synchronized increase in growth, poverty reduction and inequality indicators. One region where this trend was most evident was the municipality of Cariri, Paraiba state, northeastern Brazil.

EXOGENOUS INFLUENCE. The convergence between these improvements is the result of two processes originating outside of the Cariri region. On the one hand, in the 1970s and more so in the 1980s, traditional production systems, which were based around a combination of cotton and cattle and run by large landowners, were affected by an acute crisis. The crisis resulted from competition from synthetic fibers and other producer regions, the appearance of pests that nearly wiped out cotton farming, and the failure of the state's support mechanisms, which, until then, had always allowed local elites to recuperate their power. Unlike other regions of Brazil, the crisis did not lead to a restructuring of economic activities led by local elites. On the other hand, starting in the 1990s, government programs and policies led to massive transfers of income to the interior of the Brazil. The result of spending was a growth in household income, poverty reduction, and a decrease of income inequality.

While traditional economic structures of domination (the dependence of poor farmers on old landowners for job and services) were transformed, the process of boosting economic and social life is not entirely promising. Rising economic activity, such as trade in consumer goods and an emerging dairy market (stimulated by government demand), are still very incipient and heavily dependent on the State of Brazil.

EXPLANATORY FACTORS. The analysis of the behavior of local coalitions, including here the assets deployed in their strategies and the institutions that regulate the territory's

social and economic life, suggest four factors are key to understanding the trajectory of these rural zones: agrarian structure; linkages to markets; the relationship with urban centers; and the characteristics of the local production structure.

- The highly concentrated agrarian structure acted as a blockade to prevent the poorest sectors of the population from taking up employment activities alternative to the poorly remunerated jobs of the cotton and livestock sectors.
- This economic structure concentrated power in agrarian elites whose social reproduction did not demand the valuing of the territory's attributes: traditionally the latter relied on the exploitation of land and labor and typically transferred productive surpluses outside of the region.
- Relations with urban centers placed priority on linkages with Campina Grande, a municipality close to Cariri. However, they did not stimulate relations of mutual dependence. As a result the countryside became a net exporter while the urban core remained as a provider of goods and services.
- The productive structure of Cariri remained highly concentrated and poorly diversified. This not only made it vulnerable to crisis situations (such as the cotton crisis), but also left it devoid of the local economic, cultural and social capital needed to restructure production or to seize on recent opportunities resulting from massive public spending.

Even in situations where major government efforts seek to create new conditions (e.g. the development of a dairy market), long-standing structures limit the scope and dynamism of such initiatives. Public spending resulting from transfers undoubtedly improves the living standards of the poor. However, aside from its impact on retail and its role in fostering the production of goats' milk, it has had little impact on the economic dynamic of the region.







Lessons for public policy

The Cariri project in Paraiba state provides at least three lessons for territorial development policies:

- First, the design of realistic intervention strategies needs to engage with the social structures that the territories have inherited. Policies act upon structures that offer strong resistance. The matter reaches beyond the design of policy: effects of the latter will always be a conflict-laden outcome of tensions between goals and the inertia of long-standing structures embedded in a territory's history.
- Second, policies for rural development must go beyond agricultural and agrarian policies. Even though the region has strong rural characteristics, at present other economic sectors which represent the largest contributors to income and job creation are decisive to the dynamism of the region's economy.
- Third, a new generation of development policies for rural areas needs to adopt a truly territorial approach. It should combine expertise, resources and skills that at present are spread thin within rural, urban and regional development policies. Social policies are an inseparable component of the government's contributions to the region. However, even if they add dynamism to the sales of food, utensils and electrical appliances, building materials, and others, their resources ultimately originate outside of the region. It is necessary to identify how to encourage the interlinking of new production activities in order to seize the initial impetus from public spending. It is also necessary to think about which innovations need to be introduced for current policy to continue having positive effects. This is particularly important when dealing with regions that do not have strong comparative advantages. This case study suggests that a promising way forward is to diversify and decentralize local economic activity, such that stronger ties with adjacent or intra-territorial markets and urban centers are developed.



Santa Catarina: culture as an opportunity for a sustainable territorial project⁴

Partners: Centre for International Cooperation in Agricultural Research for Development (CIRAD), Federal University of Santa Catarina

To what extent can the valuation of cultural heritage become essential to create better economic, social and political inclusion opportunities for traditional communities? This is the main question that the project undertaken in two coastal territories of the Santa Catarina state, southern Brazil, attempts to tackle. The territories are the north-central and the south-central littoral areas, comprising five and three municipalities, respectively.

A SUCCESSFUL MODEL, BUTWITH LIMITATIONS. Santa Catarina is well known for its strong, endogenously developed economic dynamism; for its flexible capacity of specialization; and for the particular lifestyles of its traditional communities. These communities, which retain the cultural characteristics of the Azores and Madeira migrants who originally settled the region, are mainly farmers and fisherfolk. Their model of economic and social reproduction has allowed them to adapt to the modernization process, alternating between temporary wage employment, provision of services for tourism, construction and manufacturing, and selling agricultural products and handicrafts.

However, rapid development created significant economic, social and environmental impacts that ultimately question the sustainability of the model. These impacts can be witnessed, among other things, in a progressive loss of economic sector competitiveness, intensive urbanization and population concentration in the coastal areas, and other social and environmental costs. Despite improved standards of living, 16% of the nearly two million people living in the rural coastal sector of Santa Catarina still do not have enough income to ensure their own food needs.

Moreover, negative environmental impacts of the development model can be observed, such as intensive use of soils, heavy use of agrochemicals, and degradation of the biological quality of water resources, among others. The model also has limitations because it supports an asymmetric system of power relations between a dominant agrarian elite and rural communities, the latter barely influencing the political project of the territories. This leads us to conclude that the economic model of flexible specialization is unable to meet the challenges of social inclusion of rural communities and of preserving rural areas along the coastline.

CONSOLIDATED AND EMERGING DYNAMICS. The project identified three well-established dynamics in the territory under study:

- The urbanization and development of tourist resorts, residential sectors, and industrial complexes.
- The "greening" of the territory, with a growing number of parks and areas set aside for conservation and sustainable use.
- Fishing and family farming.

In addition, the project identified two emerging dynamics:

- An economic development with environmental and social legitimacy (which draws on the first two well-established dvnamics).
- A territorial development with cultural identity, evident in the nascent, but growing, initiatives in this area (see box at the next page).

cultural and Natural Heritage. A first observation would suggest that the main factor underlying the territory's development is not its natural and cultural heritage. Noteworthy, however, are a number of small-scale initiatives in the coastal areas that increasingly value cultural and natural heritage. These are enriched by recent tourism and urban developments, in turn leading to new opportunities in the territory.



⁴ The work was funded by the Rural Territorial Development with Cultural Identity, sponsored by the Ford Foundation and coordinated by Rimisp.

The emerging dynamic of development with cultural identity

The territory registers more than 50 initiatives that promote rural development with cultural identity. These are very diverse and small-scale initiatives that are still limited in their ability to impact the creation of new political projects for rural areas. Some are promoted by federal and state public programs and policies; others by government institutions in the territory; and still others have been community-based initiatives, involving both individual and collective action.

In the north-central coastal area, the initiatives are undertaken and managed by the communities themselves (community leaders, local women, groups of friends, local fishermen, etc.) in collaboration with governmental and non-governmental bodies. Among those most relevant and coherent with a territorial perspective are: handicrafts; shrimp and fish processing (in Porto Belo, Bombay, Itapema and Camboriu), and the sale of organic agricultural products (Porto Belo).

There is also a diverse array of associations and organizations whose scale ranges from the whole north-central coastal area down to a specific municipality (e.g. a resident association centered on a neighborhood or a beach). This includes neighborhood and producers' associations, and local unions. The main NGOs working in the area are environmental organizations, which promote environmental education along with integrated and participatory natural resource management models.

Some of the more significant innovations in the south-central coastal are: an emerging agro-ecological production network involving agro-forestry, dairy farming, freshwater fish farming, and decentralized bio-industrial experiments; handicrafts; and community-based educational tourism initiatives.

In short, there are signs in both territories of viable and innovative local productive systems. The latter integrate: networked agro-ecological production units and sustainable fishing and fish farming cooperatives; community-based educational tourism programs, involving professional training opportunities for rural youth (this is supported by various state ministries); and a network of councils, community associations, and environmental citizen organizations that are sensitive to initiatives of rural territorial development with cultural identity.

The limits of these initiatives are mainly a function of their size and radius of action. Micro-initiatives, those with poor connections to other organizations, and those that involve local government actors, cannot easily be classified as development instruments.









The Mezcal belt of Oaxaca: trade with a seal of identity⁵

Partner: AC Environmental Studies Group

With an economy based on regional commerce and tourism, the districts of Ocotlan and Tlacolula, in the Central Valleys region of Oaxaca (south-eastern Mexico), have in recent decades witnessed sustained dynamics of economic growth with poverty reduction. In part this is due to an increase in employment in the secondary, services and construction sectors, changes within rural areas (for example, in the structure of local government, tourism development and handcraft production), and a constant and long-hauled migration process. Even though some of the changes in productive policy have been detrimental to agricultural production, these districts have never abandoned subsistence agriculture.

Although the initial hypothesis of the project team regarded mezcal (a distilled spirit made from the agave plant) as a product that fostered dynamism, it was noted that the situation was much more complex since other cultural assets weighed in more significantly in the economic development of the region. It should be noted that while mezcal production is not a driving economic force for rural areas at the regional level, it is significant in municipalities where production of mezcal is concentrated. However, the industry is not particularly inclusive (see box, "The effects of migration").

economic growth paired with a strong sense of cultural identity. This is a predominantly rural territory with a high number of cultural assets, such as handicraft traditions and an archaeological and historical heritage. It is a territory where ethnic identity is salient. Most of the inhabitants of this area are of Zapotec and mixed descent, although there are also people belonging to

the Mixtec and Mixe indigenous groups. Local inhabitants first identify themselves by their ethnic origin and then as being Oaxaquenos (natives of Oaxaca). Handicraft production can also be distinguished by community, given that historically each has specialized in certain types of product: textiles (both on backstrap and standing looms); alebrijes (brightly colored folk art sculptures of fantastical creatures); everyday products such as grinding stones and mats; and mezcal. In most households, the production of handicrafts provides an additional source of income. It is an activity mainly undertaken by women and which often involves intermediaries that provide raw materials for production and who bring the final products to markets. Handicraft sales contribute to increased tourism in the region.

MORE EDUCATION, BETTER PERSPECTIVES. Education levels among men and women increased significantly in the region (especially in those municipalities with closer links to urban areas). The number of people who had no formal education fell by 22% compared to 1990. There has been a 40% increase in completed primary education, while the number of people who have been exposed to at least some secondary, upper secondary, and higher education has risen by 166%, 334% and 219%, respectively.

MAIN ACTORS. Politically, the region of Ocotlan and Tlacolula is characterized by both high levels of organization and of conflict.

The relationship between the rural population of the region and state and federal agencies has been strongly mediated by political actors of various kinds. In 1995, the procedural reform of municipal elections reinforced the figure of municipal mayors, increasing their powers, and



⁵ The work was funded by the Rural Territorial Development with Cultural Identity project, sponsored by the Ford Foundation and coordinated by Rimisp.

- strengthening their role as intermediaries between the community and state authorities. Regulatory powers also enable them to address environmental issues. The municipality has the ability to establish reserve areas, to participate in territorial planning, and to establish associations with other municipal authorities about such matters.
- Handicraft coalitions have also made significant contributions to the
 development of enterprises dedicated to the production and sale of crafts.
 Such coalitions are formed by local producers, individual buyers, collectors,
 wholesalers, and gallery owners outside the territory (both within Mexico
 and abroad). Craft-based ventures have received support (loans, training,
 and invitations to exhibitions and fairs) from bodies such as FONART, the
 Casa de las Artesanias (House of Handicrafts), CDI and FONAES. In the city
- of Oaxaca, the Oaxaca Institute of Handicrafts and ARIPO have provided assistance to market products. At the local level, municipalities have provided support to market products and also provisioned sales outlets.
- In the case of mezcal, the development of industry and the implementation of the Mezcal Denomination of Origin (DOM, see the box, "Development of Mezcal") have significantly altered the map of stakeholders. In less than half a century, agave and mezcal production went from being an industry in which decisions were made at the family and community level, to an activity involving numerous public and private institutions at both local and global levels. This has created a complex network of procedures and funding opportunities to which, in practice, access is selective.

The effects of migration

Present-day migrants use social networks formed by family or community members with migration experience in order to successfully relocate and find new jobs. While few households admit that remittances are their main source of income, migration has had a strong impact on the region's productive activities and the local demand for services and jobs. This both strengthens and weakens local social capital, as a result of the new identities that migrants acquire, their loss of interest in local traditions and knowledge, the new distinctions that are generated, and the tensions and divisions that manifest within the territory. Remittances are mainly used to finance house building, although in some cases they are also used to fund family production projects. Such is the case of many mezcal producers, for example, who require an initial investment that is greater than that needed by handicraft producers in order to kick-start their business.



Development of the mezcal sector

Since 1994, the declaration of the Mezcal Denomination of Origin (DOM) has had an impact on the two districts under consideration, given that both include municipalities that produce the drink (the DOM, however, covers a wider area). One of the arguments supporting a DOM application was the goal to improve the economic and social welfare of the population involved in the production of mezcal, the majority of which lives in the Central Valleys. However, the study shows that the new institutions and regulations of this industry have been developed without the inclusion of local actors and without a territorial vision. The new regulations favored intermediaries; created impediments for local actors with limited resources to access resulting surpluses; and has not overcome problems that affect the integration of the industry. In a region that has not seen any improvement in levels of inequality, the main effect of the new regulations has been to concentrate benefits in the hands of a few.



Santo Tomas: economic growth without social inclusion or environmental sustainability

Partners: Danish Institute for International Studies (DIIS, Denmark); Nitlapan Research and Development Institute of the Central American University (Nicaragua)

During the past two decades, economic policy and international cooperation with Nicaragua have created an institutional framework to promote investment in the dairy sector, with the objective of turning it into a driver of economic growth and poverty reduction. The main goals have been to boost national cattle farming, the volume of milk production, and the scale of cheese exports; to increase national milk consumption; to intensify the production and export of beef; to promote environmental sustainability; and to improve roads, the electrical power network, and water supplies in areas dedicated to livestock activities.

Between 1998 and 2005, 34 of the 153 municipalities in Nicaragua recorded significant growth in average per capita consumption. Seven of these municipalities form part of the livestock belt. Noteworthy among these is the municipality of Santo Tomas, which acts as a service center on the "milk route." Here, the percentage of the population whose annual consumption was below the poverty line fell from 56% in 1998 to 38% in 2005. Changes in Santo Tomas are the result of several factors (see box). The program focused on the dynamics of the dairy zone in the Chontales department, including also the municipalities of San Pedro de Lovago and Villa Sandino.

A RELATIVE SUCCESS. The boom in the dairy region has not been without its negative side:

• In environmental terms, economic growth has gone in hand with increased deforestation linked to extensive livestock production systems and subsistence farming of staple cereal crops. This has involved the burning of forests to open up land for pastures and cereals and also resulted in soil compaction, and a consequent loss of soil fertility, in large areas affected by cattle herding. This, in turn, has lessened the potential of natural regeneration of former forested areas, which are now scrubland.

- Water sources have been contaminated by the by-products of dairy farming, agro-chemicals, and residues from the La Libertad and Santo Domingo gold mines in the upper sector of the Mico River. According to the Ministry of Health, the water is contaminated with cyanide and in the last 15 years, there has been an annual average of 3,400 cases of acute diarrhea, especially in rural areas, where people drink water collected directly from rivers and streams.
- An index of natural capital was estimated and shows that the territory has suffered severe degradation.

INEQUITY. Moreover, it appears that the local context is characterized by high levels of inequity, for example, in land distribution and political power. This is to say that economic growth has neither been a factor nor a sufficient condition to generate social inclusion. This is shown by the fact that those who benefit most from increasing milk demand are producers who have both land and investment capacity. Or rather, the "non-poor." This situation has been reinforced by the opening of the market in El Salvador and its growing demand for dairy products, as well as by public spending which originates directly or indirectly from international cooperation.

In the territory, it is necessary to invest at least a thousand dollars per producer to ensure the minimum quality standards demanded by the growing dairy industry. Although 41% of households in the area have livestock (all "non-poor" households are home to livestock farmers, which is one of the ways to define wellbeing in the territory), only 12% of the poorest households have economically productive livestock herds.

A key process to understand changes in regional dynamics is the land reform of the Sandinista government. Although land was divided during the reform, over the years the large



estates have resurfaced: many of the former landowners are again in dominant positions, this time around as modern dairy entrepreneurs. The other side of the coin is that many of those who benefited from the agrarian reform sold their land, and either took up non-agricultural activities in Santo Tomas and other towns in the region, migrated to the agricultural frontier areas where land was cheaper, or emigrated abroad. Consequently, the decrease in the territory's poverty rate, as registered by statistics, reflects

a hidden process of expulsion of large segments of the poor population.

In order to implement territorial dynamics that are socially inclusive and environmentally appropriate, as well as to ensure equitable access to public investment and a uniform application of the law, there is a need to strengthen the structural capacity of democratic and public management bodies, taking into account the multi-level interactions among them.





Understanding territorial dynamics in Santo Tomas...

In the dairy zone of Santo Tomas, organizational or economic practices of most of the local actors revolve around access to and use of land, livestock, and the marketing chain for milk and its secondary products. They also revolve around the institutions that regulate, sanction, encourage or permit access to and use of these resources. Within this territory, there are three flows of resources and actions that in the past two decades have been central to the practices of social actors, and which help us to understand the changes that have taken place in economic (growth), social (poverty reduction without changes to the distribution of consumption) and environmental (deterioration of ecosystem services) terms. These are:

- Migration flows: thanks to migrations to the new agricultural frontier, which took place several decades ago, relationships of trust and mutual dependence have been established between actors from different territories, which now allow for extensive ranching practices based on transhumance.
- The flow of international cooperation: through public institutions such as municipalities, and private bodies, such as cooperatives, a partnership has been developed that provides, on the one hand, the necessary conditions in terms of basic infrastructure and organizational capacity for reactivation of the livestock sector, and, on the other, has inserted public issues into the governmental agenda, as is the case of environmental issues, democracy and good governance, and social inclusion.
- Flow of private investment: from 1988 onwards, private investment has increased the territory's capacity for dairy production.

Today, with the capitalization of cooperatives and private dairies, extraterritorial relationships with central government institutions and international agencies have assumed greater importance than similar relationships at the territorial level.



Cuatro Lagunas: the role of external agents

Partner: Group for the Analysis of Development (GRADE)

Located in the southern highlands of Peru near Cusco, the territory of Cuatro Lagunas is characterized by its traditional rural economy, with low levels of monetization, few linkages with regional markets, a population that predominantly speaks Quechua, low levels of education and economic activities linked to agriculture, livestock, fishing, commerce and small-scale mining. Historically, this mountainous area, which includes the districts of Mosocllacta, Sangarara, Pomacanchi and Acopia in the Acomayo province, and the districts of Pampamarca and Tupac Amaru in the Canas province, has reported the highest monetary poverty levels in the country, even though in the last 15 years per capita spending has increased, quality of life has improved, and the percentage of households that are unable to satisfy basic needs has fallen.

INTERNAL ACTORS, GENERATORS OF IDENTITY. There are five types of actors that stand out in Cuatro Lagunas: rural farming communities; specialized committees; district municipalities; international cooperation and non-governmental development agencies; and state programs. The first ones represent the main stakeholders in the social and economic life of the territory, given that from a legal perspective, they are the owners of most of the resources, including land, pasture and water. They are also key interlocutors with the State as regards the implementation of policies to alleviate poverty and provide basic services.

Today, many of the main roles of productive activities have been transferred to other entities, known as specialized committees, some of which only maintain a nominal dependence on community directives. However, communities continue to be a source for the definition of primary identity. Among the most important committees in Cuatro Lagunas is that of irrigators, which play a key role in the distribution of water.

The district municipalities are also important actors: in the absence of strong provincial municipalities, these are the bodies which interact with the local inhabitants on a day-to-day basis, especially as regards accessing public resources, regulatory changes, and allocation of resources.

EXTERNAL ACTORS, AGENTS OF CHANGE. A flagship initiative for rural development in the highlands of Peru was the Rural Development Project in Micro-regions (PRODERM). Its implementation, which promoted technological change as a central mechanism for raising agricultural productivity, increased the natural resource base of the territory. As a result, the income of rural communities increased. The strategies promoted by PRODERM were implemented in the territory between 1979 and 1991. Initially, it was funded exclusively by the government of the Netherlands; from 1986, the European Union co-funded the project. The investments amounted to nearly USD 25 million and were used for the construction of irrigation and drainage infrastructure, roads and agricultural installations, and processing facilities (warehouses, vats, mills). The program found that some of the learning processes generated by PRODERM and other institutions with strong presence in the territory contributed toward strengthening social capital when adopted by new generations of local actors. This included awareness of the fragility of ecosystems, the importance of water as a finite and productive resource, and, generally speaking, the need for environmental conservation. Thus, since the late 1990s, small- and medium-sized projects to convert drylands into thriving irrigated farmland have multiplied in the territory.

External interventions and the emergence of other actors and institutions that are considered more flexible by the inhabitants of the territory, especially in regard to economic and productive activities, have weakened the power of community institutions.



For example, the exponential growth of the budget of district municipalities and the implementation of a Participatory Budget have created a significant opportunity for specialized committees and other territorial actors to take part in the planning of municipal projects. This dynamic of empowerment was introduced, once again, by an external actor: the Central Government.

FUNDAMENTAL TRANSITIONS. Over the past three decades, two major transitions have taken place in the Cuatro Lagunas territory. These were both strongly linked to the change in the structure of relative prices, caused by the economic crisis in Peru, which began in the 1980s:

• The first transition in the 1980s was the shift from a subsistence economy with a high livestock component to a much more integrated market economy based on the intensification of agricultural land.

 The second transition in the 1990s was from an economy with a large agricultural component to a more diversified economy where the agricultural aspect became less important.

In this second transition, a shift was also noted from agricultural production back to livestock farming. This process was rooted in a changing structure of relative prices and costs in the early 1990s, with the collapse of cheap loans, the termination of subsidies for agricultural inputs, and increased fuel prices. This shift was supported by public and private institutions, which in recent years have encouraged the improvement of animal sheds and the cultivation of improved pastures. Intensive livestock production is seen as a more reliable way of increasing family income in a relatively short time. As a result, tracts of land previously set aside for agriculture have been transformed into pastures.

Inequality of opportunities

Despite finding evidence of economic growth and the reduction of unmet basic needs over the past two decades, we observe a growing inequality of opportunities in the territory. There is a common discourse among local inhabitants related to the importance of initial conditions when developing production strategies (whether individual or collective), and awareness that these differences are leading to a process of increasing differentiation, both between communities and within them. The main factor of this change would be the boom in livestock farming. While it offers individual and collective opportunities, it is not necessarily open to everyone and exacerbates tensions over the use of resources, particularly water.





Jauja: from potato boom to growth with caution

Partner: Group for the Analysis of Development – GRADE

The territory of Jauja, in the Junin department, was historically considered a privileged region of the central Peruvian Sierra due to its connections with Lima through the central highway and central railway, the fertility of its soils, and a long-standing tradition of smallholdings within a highly fluid context of labor and land markets. At the beginning of the 1980s, when the industrial production of potatoes and milk prospered, everything indicated that producers of the province possessed natural advantages to make the most of an expanding market in Lima (in fact, demand in the capital city and the exports market have in fact become highly dynamic as domestic annual growth over the last 15 years posted figures exceeding 5%).

Nevertheless, following the potato boom of the 1980s, economic growth in Jauja has been below the national average for the last two decades. In addition, its population growth has shown clear signs of stagnation, with significant numbers of inhabitants migrating to Lima, Huancayo and other cities. This has resulted in a 1% annual drop in the territory's population (1993-2006 inter-census period) compared to the national population, which grew at a rate of 1.6%.

WHAT HAPPENED? At least four underlying reasons can be mentioned:

- The emergence of other, relatively more competitive territories (with respect to Jauja): the comparative advantages of Jauja were affected by the disruption of railway cargo at the end of the 1980s and by increasing competition in potato production from other regions. Among other factors, the latter regions improved their access to Lima's market and innovated their crop varieties and water management.
- It is difficult to redress the absence of a sufficiently large intermediate city that could fuel a growing demand (which could be met by the surrounding rural area) and foster

economic diversification. Thus, value chains produced by a given dynamic activity fail to encourage other value chains that could enhance dynamism within the whole territory. The main city of the territory, Jauja (pop. 30,000), does not manage to achieve this effect.

- A territory with weak social coalitions that are lacking in the participation of a political elite associated with the economic elite; limited collective action due to a high degree of political-administrative fragmentation; and weak institutions that are incapable of regulating access and intensity of use of natural resources in ways that are compatible with sustainable and inclusive growth.
- A growing environmental vulnerability, caused by the intensification of production and the impact of climate change (see box at the next page).

THE FALL OF THE POTATO. The expansive dynamic of the 1980s, centered on the production of potatoes for consumer markets in Huancayo and Lima, and driven by technological changes and intensification in the use of natural resources, lost its impetus because of the domestic economic crisis. increasing environmental vulnerability, and the emergence of other suppliers to the Lima market. This loss of relative competitiveness forced the province's producers to diversify toward other economic activities. No activities have replaced potato production as an engine of development and the study shows that at best only a few producers have managed to service market niches nurtured by new entrepreneurial investments within the territory (e.g. artichokes for export, native or capiro potatos for the snack industry).

On the other hand, a dearth of complementary or related activities with low access barriers and with linkages to dynamic markets (e.g. services, transport, equipment and machinery repair, among others) has prevented the territory's growth from being more inclusive.



Environmental degradation and climate change

The problems faced by the territory include a significant degradation of basic natural resources, a growing deficit of water for agricultural use, a high risk of flooding due to inadequate systems of flood protection and flow control, and an increasingly unpredictable climate due to global climate change, all in a scenario that exacerbates socio-environmental vulnerability.

Incipient economic dynamism after the 1980s placed greater pressure on natural resources, particularly water resources. This pressure reflects the demands of the most profitable activities, such as livestock farming (which uses cultivated grasslands as one of its main inputs), and artichoke farming for export markets (which requires technology-intensive irrigation).

In a territory which has historically relied on dryland farming, and where regulations governing the use of and access to water are still in their infancy, this greater demand for irrigation water fosters growing conditions for conflict. Moreover, the territory's conflict over water also has an urban aspect: the community of Qeros, where water consumed in the city of Jauja originates, has started claiming payments from the city for the right to use the resource. Although local farmers have tried to adapt to new challenges created by climate change, the margin of action and probability of success of such strategies are strongly conditioned by the material resources at farmers' disposal and by their capacity to seize the opportunities offered by the territory's institutions. In this context, it is no surprise that economic diversification beyond agriculture and temporary or permanent out-migration become options for that part of Jauja's population that is above the poverty line.





Susa and Simijaca: growth from the outside-in, unevenly distributed

Partners: Economic Development Research Center (CEDE) of Los Andes University, in collaboration with Rosario University

The municipalities of Simijaca and Susa are located in one of the country's main dairy farming regions, the Ubate Valley (about 120 km from Bogota), in the Colombian department of Cundinamarca. Between 1993 and 2005, they witnessed economic growth that went in hand with a drop in poverty rates (to 16% and 19% respectively) and inequality (to 4% and 6%, respectively). Nevertheless, the wealth and benefits derived from this growth have widened the gap between these two municipalities: they are concentrated in the lowlands (principally Simijaca), which is dominated by large farming estates, and are far less evident in the highlands (Susa), where small farmer settlements prevail.

The project focused on the role of history, geography and social institutions as determinants of territorial configuration, the distribution of wealth, social coalitions, and productive processes. For this purpose, the project carried out 53 interviews among key village actors, 17 life histories, and two focus groups. It also processed data from the Colombian Longitudinal Survey carried out by Los Andes University, along with 407 household and village surveys within 22 veredas (territorial divisions).

THE INFLUENCE OF EXTERNAL FACTORS: Changes that resulted in an increased income for the inhabitants of Susa and Simijaca are the result of external factors, rather than endogenous territorial dynamics:

- First, the proximity of the country's capital city, the fertility of the lowlands, and rising national milk prices created a favorable scenario to consolidate the territory's dairy farming industry.
- Second, the agricultural transition toward livestock farming in the highlands accelerated due to the consolidation of dairy farming as well as uncertainties associated with agricultural income, the latter a consequence of volatile prices of agricultural

products, the high price of equipment, and risks inherent to harvests.

• Third, deteriorating security in the nearby region of Western Boyaca stimulated immigration of a higher-earning population to Simijaca.

UNEVEN DEVELOPMENT. In spite of the fact that the changes that took place during the study period increased the overall income of the population, the historical divisions between highlands and lowlands, new territorial identities created between urban and rural areas, and the geographical advantages of Simijaca over Susa, all led to an unequal distribution of this new prosperity. Among the data which highlight these differences are:

- An average size of 2.2 hectares for properties in Simijaca compared to 1.67 hectares in Susa (smallholdings are predominant in both municipalities) during 2010.
- Milk productivity per cow in Simijaca is 12-16 liters per day compared to 8-12 liters in Susa. Moreover, milk prices are higher in the lowlands.
- Average household income in Simijaca is 1.5 times greater than that in Susa. The ratio between their per capita expenditures is equivalent.
- Simijaca also possess advantages in infrastructure, state social spending, economic opportunities, access to markets of goods and finance, as well as an edge in certain household characteristics (i.e. social capital) and denser social networks.
- Simijaca women dedicate more time to produce income in their own or others' smallholdings compared to Susa women, although traditional gender roles predominate in both municipalities.



HOW CANTHESE DIFFERENCES BE EXPLAINED? The lowlands, which have better access routes and more fertile soils, consolidated their position as specialized dairy farmers by adopting new technologies, establishing direct relations with agribusiness, and improving livestock breeds. Higher milk demand and slow adoption of some of these new technologies led highland farmers to shift from crop to livestock farming, benefiting collaterally from the consolidation of the lowland industry. However, the lower quality of their milk, distance to collection centers (forcing them to depend on intermediaries), and low levels of associative relations in the region, have become obstacles to capitalize on the new profits generated by dairy farming.

On the other hand, the immigration of Western Boyaca peoples has focused on Simijaca due to geographical proximity, greater availability of public institutions, and a welcoming local disposition toward migrants. Higher investments, urban expansion, and a thriving commerce in urban areas have contributed to the growth of the municipality, although violence and social conflicts have also increased. Around 10% of the inhabitants of Simijaca (pop. 11,000) are migrants from other areas. In Susa (pop. 9,800) only 3.7% are migrants.



Environmental threats

According to the perceptions of interviewees, the two municipalities share similar environmental difficulties:

- Among the main problems are the contamination of water sources and the reduction of the surface area of Fuquene Lagoon. Some inhabitants also speculate that groundwater extraction from deep wells by the dairy industry in Simijaca has reduced water availability in the highlands, increasing in turn the deterioration of soil fertility.
- Coal mining has led to the indiscriminate felling of forests and also to air pollution.
- Potato cultivation has been linked to an expansion of the agricultural frontier in the paramos (moors), to improper disposal of waste, and to excessive crop fumigation.
- The overuse of soil, leading to a fall in land fertility, is one concern constantly mentioned by the population.
- Climate change problems, such as global warming and successive El Nino-Southern Oscillation (ENSO) events, have also affected production.

All of the above are seen as threats to the productive activities that constitute the economic backbone of these two municipalities.





Rural Territorial Dynamics Program Researchers

1. Bolivia: Chaco Tarija

Leonith Hinojosa; Juan Pablo Chumacero; Guido Cortez; Karl Hennermann; Anthony Bebbington; Denise

Humphreys Bebbington

2. Brazil: Cariri Paraiba

Arilson Favareto: Ricardo Abramovay; Maria do Carmo D'Oliveira; Joao Fabio Diniz; Beatriz Saes

3. Brazil: Coast of Santa Catarina

Claire Cerdan (Coordinator); Mariana Policarpo; Melissa Vivacqua; Adinor Capellesso; Helio Castro Rodrigues; Benjamin Martinel; Anais Lesage; Katherine Schmidt; Caetano Beber; Francisca Meynard; Aglair Pedrosa; Maria Aparecida Ferreira; Sergio Pinheiro; Paulo Freire Vieira

12. Honduras: Olancho

Pedro Quiel; Glenda Pineda

Emilia Pool-Illsley;

Catarina IIIsley Granich

Oaxaca

4. Brazil: Jiquirica Valley, Bahia

Julian Quan; Alicia Ruiz Olalde: Valdirene Santos Rocha Sousa

5. Chile: Chiloe

Eduardo Ramirez; Felix Modrego; Rodrigo Yanez; Julie Claire Mace; Teresa Bornschlegl

14. Mexico: South Central Yucatan

13. Mexico: Mezcal belt of

Antonio Yunez Naude; Leticia Paredes; Jimena Mendez; Ivett Estrada; Alejandra Espana; Javier Becerril; Rafael Vaisman; Susan Paulson

6. Chile: Interior Drylands of the O'Higgins region

Eduardo Ramirez; Felix Modrego; Rodrigo Yanez; Mariela Ramirez; Daniela Acuna; Manuela Mendoza

15. Nicaragua: Penas Blancas Massif, La Dalia

Ligia Gomez; Helle Munk Ravnborg; Edgard Castillo; Karla Bayres; Gema Lorio: Lilliam Flores

7. Colombia: Suarez Alto basin and Fuguene lake

Maria Alejandra Arias; Diana Bocarejo; Ana Maria Ibanez; Christian Jaramillo; Manuel Fernandez; Jessica Kisner

16. Nicaragua: Dairy region, Santo Tomas

Ligia Gomez; Helle Munk Ravnborg; Karla Bayres; Rikke Broegaard; Francisco Paiz

9

18

19

Pablo Ospina (coordinator); Marcela Alvarado; Gloria Camacho; Diego Carrion; Manuel Chiriboga; Patric Hollenstein; Carlos Larrea; Ana Isabel Larrea: Silvia Matuk: Ana Lucia Torres

Pablo Ospina (coordinator); Diego Andrade; Sinda Castro; Manuel Chiriboga; Patric Hollenstein; Carlos Larrea; Ana Isabel Larrea; Jose Poma Loja; Bruno Portillo; Lorena Rodriguez

17. Peru: Cuatro Lagunas, Cusco

Javier Escobal; Carmen Ponce; Raul Hernandez Asensio

9. Ecuador: Tungurahua

10. El Salvador: Northern shore of the Cerron Grande wetland, Chalatenango

Ileana Gomez; Rafael Cartagena; Oscar Diaz; Elias Escobar; Maritza Florian; Carina Emanuelsson, Susan Paulson

18. Peru: Sierra de Jauja, Junin

Javier Escobal: Carmen Ponce: Raul Hernandez Asensio

11. Guatemala: Southeast territory, Jutiapa and Jalapa, in the Ostua-Guija basin

Wilson Romero; Ana Victoria Pelaez; Maria Frausto; Maritza Florian; Carina Emanuelsson; Susan Paulson

8. Ecuador: Loja

19. Peru: South Valley-Ocongate, Cusco

Raul Hernandez Asensio: Carolina Trivelli



SECTION 03



Capacity Building

Capacity building for rural development

During 2010, territorial work in Central America was strengthened as a result of experiences in four territories: the Penas Blancas Massif in Nicaragua, Chalatenango in El Salvador, Ostua-Guija in Guatemala and Olancho in Honduras. The work was coordinated by the following program partners: Nitlapan Institute in Nicaragua, Prisma Foundation in El Salvador, Rafael Landivar University in Guatemala, and the Sustainable Development Network in Honduras.

The same work was undertaken concurrently in South America within two territories: in Tungurahua, Ecuador, led by the Simon Bolivar Andean University; and in the O'Higgins region of Chile, led by Rimisp.

Each one of these experiences was built on the basis of a particular socio-economic and agro-ecological reality. On the whole they are contributing toward formulating a proposal about how to achieve territorial development with economic growth, equity and environmental sustainability.



The Central American work group maintained a constant dialogue, supported by two participatory meetings (Managua in January 2010 and San Salvador in August 2010), as well as the RTD Program meeting in Bogota during March 2010. To this can be added the virtual discussion based on specific tasks for each one of the territories, which generated territorial progress reports as well as documents about the capacities that have been best developed. Work in the South American territories was conducted separately owing to the distances involved and differences in territorial strengths. However, it contributed significantly to the methodological framework and the generation of evidence relating to "how to do" rural territorial development.

Progress was made in the drafting of a proposal to carry out rural territorial development, responding to the question: what is needed and what should be done to foster virtuous dynamics that generate economic growth with poverty reduction, greater equity, and environmental sustainability? This led to the production of a document that contains a methodological and conceptual framework, as well as the contributions gained from experiences of territorial work.

This document discusses the conditions necessary to take forward a successful process of rural territorial development, one which involves an understanding and systematization of processes which take place in a given territory; the capacity of development agencies to foster territorial transformations; and the capacity of local actors to create opportunities for dialogue and agreement, to develop proposals, and to gain access to resources – all factors that can enable collective action to achieve socially inclusive and environmentally sustainable economic growth.

Another fundamental lesson is how to deal with the growing complexity of rural reality, where transformation processes need to take into account the cross-sectoral nature of production, growing urban-rural interdependence, relations between public and private parties, and the multi-scale coordination between local, regional and national levels.

In order to advance toward a shared vision, efforts were made to set up working groups (or platforms) in the six territories. In some cases, this was done by strengthening bodies which already existed (for instance in Tungurahua, Ecuador, and Chalatenango, El Salvador); in others, this was achieved by promoting the formation of these platforms (Ostua-Guija in Guatemala, Penas Blancas Massif in Nicaragua, the O'Higgins region in Chile). These roundtables proved to be effective in formulating work proposals that provide citizens with results in the middle term. This process benefited from the use of a

methodology to identify and position stakeholders, and consultation processes.

During 2010, discussion within the platforms contributed to the creation of work plans in the six territories. Differences in the depth of these plans reflect the strength of social capital and of leaderships. In all cases, the work plans sought to enhance the contributions of the territories, which fosters a sense of shared unity and a common project among stakeholders. This is the case of Chalatenango, where it has been pointed out that the PADEMA (the Departmental Plan for Environmental Management and Human Development) constitutes a veritable survey of the ecosystem services offered by Chalatenango and the northern region of the country.

Leadership in the territory and access to funding are key factors for these plans to be sustainable in the long term. In most of the territories, it is municipalities that adopt leadership positions. The municipal commonwealths or associations have

positions. The municipal commonwealths or associations have become the basic articulators, providing a political foundation and the ability to bring people together. This is particularly true in Central America, where strong provincial or departmental governments are lacking; however, it is also true of Chile, where regional governments possess significant capacities and powers. Such is the case of the Municipal Commonwealth of Güija, in Guatemala, the Municipal Association of the Interior Drylands of the O'Higgins region in Chile, and AMUPEBLAN (Municipal Association of Penas Blancas del Norte) in Nicaragua. In Ecuador, leadership is provided by the Provincial Government of Tungurahua. In all cases it is recognized that strength mustered to dialogue with regional and national bodies not only requires a plan, but also a political intermediary.

Once the central themes have been identified, the key actors needed to solve problems have been brought together, and a



working agenda has been established, the task of securing access to funding is being taken up more vigorously. It is here where we observe the greatest obstacles to agreements between the territorial perspective and governments, whose policies, budgets, and territorial visions are designed and managed with a clear orientation to sectors. It is thus fundamental to learn how to manage the frictions between territorial and sectoral logics and to develop the capacities of collective, public-private or government actors to link up, intermediate or negotiate between both these logics. These capacities are needed for two reasons: first, they are one way to obtain funds to achieve the objectives prioritized by a territory's organized community. Second, they serve to regulate and condition investment originating from outside a given territory. This last point has become increasingly

important. For example, the territorial roundtable of Ostua-Guija detected that: "The lack of transparency in public and private investment leads to natural disasters; such is the case of road and bridge construction."

An interesting example is the identification of projects to supply water to settlements located in the Penas Blancas Massif, Nicaragua, as part of the environmental management plan. Territorial leaders, who support such projects, have been able to access funding for their implementation.

An issue of increasing importance in the territories is the form and content of agreements with economically powerful actors. This has been a permanent challenge in all of the territories, one in which we have not been able to make any decisive progress. Consequently, as a program we still lack a coherent and validated proposal regarding the issue. The problem would seem to lie in the fact that actors with economic power can effectively turn institutional weaknesses or use informal institutions to their benefit (this includes family, social or political relations, or more directly, corruption) in order to gain direct access to those who have political power and from whose decisions they can benefit. These powerful actors within a territory often have no need, or obligation, to take part in discussions or participate with other actors in multi-stakeholder development platforms. Thus, greater institutional development of nations, including the practice of such basic principles as equality in the eyes of the law, accountability of government decisions, and reduced corruption, would appear to be factors that increase the viability of multi-agent coordination processes at the territorial level.

Mechanisms need to be put into place in order to identify specific incentives that encourage more powerful actors to take part in coalition processes with other agents of territorial development. In spite of the aforementioned problems and restrictions, this is possible (albeit to a lesser degree than desired). The cases where most progress has been made are found at the Penas Blancas Massif (Nicaragua) and Olancho (Honduras). In the former case, progress has been made in negotiations with large coffee growers to install a treatment system for "honey waters" (polluting discharge

associated with rinsing coffee after fermentation), as well as in an agreement whereby coffee growers will fund a group of community forest wardens to protect the local reserve. In Olancho, a mediation process is underway between previously antagonistic groups, in this case timber merchants and environmentalists.

Another challenge that also deserves greater attention is the integration within these processes of those belonging to the poorest and most socially excluded sectors of society. Here the obstacle lies in the fact that such sectors have low or null levels of organization and representation, lack any power, and to a certain extent are "invisible" to other agents involved in the development process. Achieving their effective representation and participation requires a systematic effort of organization, social mobilization and collective action, without which their presence in multi-stakeholder platforms is little more than decorative.

It is clear, therefore, that territorial development strategies, in the sense proposed by the program (promoting socially inclusive and environmentally sustainable economic growth), are more feasible in territories that have produced basic levels of social capital and, particularly, where the poorest and most socially marginalized have at least acquired the basic capacities for collective action.

To summarize...

In order to implement rural territorial development, substantial progress has been made to set up coalition mechanisms (platforms or working groups). Municipalities take up a leadership role that is key for bringing together social actors and to develop working agreements that become territorial development plans. Although progress has been made, in order to obtain the best results there is still a need to go further in the integration of medium and large businesses, the inclusion of marginalized sectors, and the creation of funding strategies for development plans.

Master's degrees in RTD: the network gains strength

In 2008, the Latin American Network of Postgraduate Studies in Rural Territorial Development was established with the support of the program. The network began with six affiliates, and today includes nine master's degrees:

- Master's in Local and Territorial Development and Master's in Rural Territorial Development, both offered by FLACSO (Ecuador)
- Specialization in Rural Development, National University of Colombia
- Master's in Rural Development, National University (Costa Rica)
- Master's in Local Development, Jose Simeon Canas Central American University (El Salvador)
- Master's in Sustainable Rural Development, FLACSO (Guatemala)
- Master's in Rural Development, Central American University (Nicaragua)
- Master's in Public Economics and Development, National Autonomous University of Nicaragua
- Master's in Rural Territorial Dynamics, National Autonomous University of Nicaragua

For two years, the network worked on building relationships between the six universities that originally integrated the program, and more recently, with those that joined in 2010. Meetings have been held to exchange experiences and to discuss the curricula of participating master's and postgraduate programs.

In September 2010, the network's second Summer School took place in Managua (Nicaragua). This meeting opened up discussion about key elements of the territorial approach (intermediate cities, access to markets, innovation in agricultural food chains, institutions, etc.) and their incorporation into the curricula of master's degrees. At the same time, reflections were



offered about how to strengthen links between research and teaching. In a regional context characterized by a rise in food prices, the analysis of linkages between food security and territorial development was also given priority, especially in countries and territories where people live in poverty. As regards the relationship between teaching and research, a comparison was made between processes and trends in Spain and other European countries vis-à-vis Latin America. In the work methodology proposed as a result of this discussion, reflection and debate on the principle of "learning by doing" prevailed, promoting close and frequent contact with reality through case studies and workshops.

Also within the framework of the Summer School, a meeting of the network set out the basic guidelines of the work plan for the following year:

- Consolidation of the network, including the establishment of a baseline to find common ground as regards the research agenda.
- Teaching. A number of potential collaborative activities were agreed upon, including work on the curriculum, a shared document center, teacher training, academic exchanges, and a regional RTD training program, among others.
- Research. Emphasis was placed on linking research undertaken by master's programs with work being undertaken in RTD territories.
- Social outreach and coordination with the territory.

Some of the issues which were discussed, and which determine the identity of the network, include the exchange of knowledge, experiences, methodologies and best practices that help strengthen the academic opportunities being offered; knowledge management at the service of advocacy to create change and transformations in the territories; and public policy advocacy to produce changes and inputs for the entire public policy process.

The network developed and approved a project proposal that would allow for its consolidation as a space for shared learning. At present, funding

to take this project forward is being sought. The aim is to improve the provision of postgraduate education in order to contribute toward the generation of human capital qualified in the design, implementation and follow-up of development policies, strategies and projects for rural areas. In another significant initiative, the network has scheduled a teleconference on rural development experiences in Colombia.

New master's degrees

As part of the network, there have been two new master's degrees aimed at training professionals in the territorial rural development approach:

- The Master's in Rural Territorial Development offered by FLACSO (Ecuador), which aims to train specialized researchers knowledgeable in issues related to rural territorial development, as well as regional government advisers trained in issues of land use.
- The Master's in Sustainable Rural Territorial Development of the National Autonomous University of Nicaragua UNAN-CUR Matagalpa has applied to join the network with a postgraduate program based on a systemic and critical approach that seeks to strengthen the capacities of Nicaraguan professionals involved in the management of rural territorial development. The aim is to increase the efficiency and effectiveness of territorial actors in the construction of a new institutional framework for development.



Reflections

"What possibilities do rural societies have to meet the demands and requirements stemming from their environs and their own composition? This is a matter that touches upon the daily work of universities. To answer this question requires the generation of information, capacity building, and technical, administrative and political skills. It is here where so much work remains to be done, both in rural areas themselves and with organizations that we wish to contribute to and cooperate with."

"There is a need to recapitulate the knowledge and experience accumulated by the universities that have participated in this project, thus providing opportunities and tools that allow for exchange and joint implementation of research projects on those key territorial dynamics needed to foster territorial development that effectively improves the quality of life and contributes to environmental sustainability at the local and rural scale."

(Excerpts of the proposal, Strengthening of Academic Capacity and Advocacy of the RTD Latin American Postgraduate Network)



SECTION 04



Achieving change

Advocacy Fund: an instrument that energizes contributions

The program has committed itself to significantly improving its capacity to support concrete and significant changes in public policy, as well as in other areas vital for territorial development. To this end, a new instrument was launched in mid-2010: the Advocacy Fund.

This is a mechanism that allows program partners to bid for up to USD 40,000 to fund initiatives that implement concrete changes in one or more public action areas directly related to the effects and overall objectives of the program. Initiatives supported by the Fund must be related with and add value to the efforts that partners already have in place, including research and capacity-building projects.

Program members submitted 10 proposals to the competition, of which five were selected:

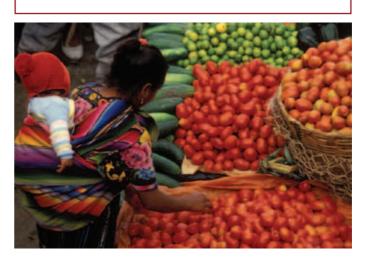
- The proposal submitted by the Nitlapan Institute for the Penas Blancas Massif territory in Nicaragua, the aim of which is to contribute to a sustainable rural tourism policy.
- In the case of Chiloe, Chile, the project proposed by Rimisp aims to foster social empowerment, strengthen the commitment of the business sector to territorial development, and develop a draft Sustainable Development Policy proposal for Chiloe.
- The Institute of Peruvian Studies (IEP), working in the territory of the South Valley-Ocongate in Peru, is seeking to integrate rural territorial development and cultural identity into the public agenda, taking advantage of recent local elections.
- In the case of Chalatenango in El Salvador, the PRISMA Foundation seeks to incorporate community-based rural tourism into the tourism agenda of El Salvador.
- In Tungurahua, Ecuador, the Simon Bolivar Andean University aims to contribute to the competitiveness agenda of three prioritized value chains that are part of the development strategy of the Provincial Government of Tungurahua.

The duration of the proposed projects vary. The first are scheduled to finish by the end of 2010, while the rest will run until the end of 2011.

Impact on public action

The RTD program seeks to influence different areas of public action that are relevant for rural territorial dynamics with greater economic growth, more social inclusion, and more environmental sustainability, particularly in Latin America. These areas include:

- Public policy at international, national or sub-national level.
- The agendas and strategies of business associations.
- The agendas and strategies of social movements and organizations.
- Key agendas, strategies and programs of international organizations
- The content and agenda of social media networks.
- Intellectual debates and research agendas.
- Public opinion.



Impact on public policies aimed at overcoming rural poverty

The "Knowledge for Change in Rural Poverty and Development" project, launched in June 2010, seeks to improve strategies, policies, and national and sub-national investments focused on rural poverty in Colombia, Ecuador, El Salvador and Mexico. It is financed by the International Fund for Agricultural Development (IFAD) and the Rural Territorial Dynamics program, with funds provided by the International Development Research Center (IDRC).

This new project will significantly strengthen the capacity of the RTD program and its partners to work toward concrete and specific transformations of territorial development and rural poverty reduction. At the same time it represents an "experiment" on a particular approach to advocacy in relation to public policy.

The main strategy is to form a Working Group on Rural Poverty and Development in each country. Each working group will organize and lead processes of political dialogue, policy analysis, and technical assistance for decision-makers. Each group is formed by political, business, social and academic representatives, and has the ability to access and discuss relevant issues with public and private actors at the highest level. Through a Technical Secretariat in each country, the program provides technical, logistical and financial support to each group in order that they develop a working agenda; conduct policy analysis on specific topics; and convene meetings, workshops, seminars and other dialogue forums deemed appropriate by each working group.

Each of these four working groups sets a working agenda that includes specific change goals in public policies along with the activities necessary to achieve the desired results. That is, the groups are largely free to define their priorities in line with the reality, opportunities and spaces available in each country, all within a broad framework defined by the project.

During the first months of work, key partnerships were established in order to set up the project in four countries:



- In Mexico, the Working Group on Rural Poverty and Development will be led by the SAGARPA (Secretariat for Agriculture, Livestock, Rural Development, Fisheries and Food) and UNAM (National Autonomous University of Mexico).
- In Ecuador, the group will be headed by the Coordinating Ministry for Social Development in conjunction with Rimisp, Ecuador.
- In Colombia, the group has been convened by the Ministry of Agriculture and Rural Development and the PBA Foundation.
- In El Salvador, the President's Technical Secretariat and the Ministry of Agriculture will lead the group.

In its first half-year, the new project has successfully convened and established all four groups.

In addition, progress has been made toward developing a conceptual framework about processes needed to overcome rural poverty in Latin America. Third, a survey of dialogue experiences related to public policy, their results, and their effects has been carried out in the four countries. Finally, work has begun which will lead, in late 2011, to the publication of the first Latin American Report on Rural Poverty and Development.



Chile: the evolution of poverty examined through the territorial lens

The publication in the second half of 2010 of the 2009 National Socioeconomic Survey (CASEN) triggered a heated debate in Chile that occupied the front pages of national newspapers and involved senior government officials and representatives from all areas of society. The RTD program viewed these events as an opportunity to take part in a national public policy debate from a territorial perspective. This work was carried out by a team from Rimisp.

For this purpose, information was disaggregated from the survey in order to highlight the uneven development of poverty in different municipalities, regions and territories of the country. For example, the results showed that half of those living in poverty are located in just 40 municipalities, representing 10% of the country's total municipalities. In addition, poverty increased in 85 municipalities by five or more percentage points, and fell in 138 municipalities.

Another analysis identified four territories in southern Chile according to their dominant economic activity: forestry, livestock, salmon farms, and

rural tourism. The results show that the groups of municipalities concerned have different characteristics in terms of absolute levels of poverty and its evolution between 2006 and 2009. For example, the municipalities associated with salmon farming saw a sharp increase in poverty (up by 4.9%) during the study period, but continue to be the municipalities with the lowest average poverty rate among these territorial economies.

Finally, an analysis was undertaken about the evolution of poverty in territories with a high proportion of indigenous Mapuche peoples. The results show that in the provinces of Arauco, Malleco and Cautin, being of indigenous descent increases the probability of being poor, while in the Metropolitan region of Santiago, the reverse is true. In the provinces studied, understanding or speaking the indigenous language is also significantly linked to the probability of being poor, compared to the situation of those indigenous people who no longer understand or are fluent in their own language.

The analysis was accompanied by a high media profile from its onset. This high profile sought to impact public debate and demonstrate that public



discussion and subsequent decision-making could be improved by taking into account a territorial dimension, e.g. discussing poverty figures beyond national averages. The communications campaign, headed by the coordinating team of this program component, led to the publication of 22 articles in national and regional newspapers, and six op-ed columns in the online blogs of La Tercera newspaper and in El Mostrador, an important Chilean digital newspaper. Lastly, two interviews were broadcast by important radio stations in Santiago and the regions.

The golden seal of the campaign was a joint seminar held in cooperation with an influential think tank – the Corporation for Latin American Studies, CIEPLAN – in December. This event was used as a platform to present the working documents prepared by Rimisp professionals, along with studies carried out by CIEPLAN and the Alberto Hurtado University. The seminar was inaugurated by the President of the Chilean Association of Municipalities.

The second part of the event focused on a panel discussion with the participation of five mayors from rural municipalities (Curepto, Tirua, El Carmen, San Nicolas and Andacollo), who were chosen for progress they had made in reducing poverty. The panel engaged in a discussion about the most adequate types of policies and investments. Their conclusions were that the most effective territorial development instruments to reduce rural poverty are quality public education, connectivity through good roads, linkages with intermediate cities, and private investments to create jobs.

On the other hand, the mayors were highly skeptical about many public programs to support small-scale agriculture, believing that such initiatives tend to generate patronage and retain beneficiaries for long periods of time, instead of seeking their development and growing independence from public support. They were also dubious of community social organizations, which in their view reflect the interests of their leaders more than those of the poor. According to the panel, local government leadership is essential to stimulate the types of public and private investment that lead to growth with poverty reduction.

More information at:

http://www.rimisp.org/inicio/nuevas_subsecciones.php?id_subseccion=25



SECTION 05



Transversal perspectives

Gender systems in rural territorial dynamics

In 2010, RTD research was strengthened by the development of a conceptual framework of gender and a methodological approach that allowed for a better understanding of how gender influences territorial dynamics, demonstrating the different impacts of these dynamics on men and women. Five projects were carried out in the same number of territories, investigating the roles of various actors at the institutional level (formal and informal), and in the distribution of and access to resources (socio-economic, environmental, cultural, technical). This sought to:

- Improve the quality and specificity of empirical research.
- Facilitate the development of policy and programmatic recommendations in order to contribute to the objectives of territorial development based on equity, social inclusion and environmental sustainability.

Gender analyses contributed to:

- Reducing the use of inappropriate categories and the spread of ideological biases in the research process.
- Drawing attention to factors that, within policies and projects, would create new gender-based limitations.
- Identifying territorial issues that could prevent some crises caused by unequal and unsustainable development.

The RTD program conceptualized gender as a system of a sociocultural nature that regulates, structures and provides meaning and power to the roles and relationships between men and women in the territory. It has an influence on the construction of social actors and coalitions, in the work and composition of institutions, and in the development, distribution and use of tangible and intangible assets in the territory.

For RTD, gender is not a matter that concerns women, but rather a socio-cultural system that includes all actors and institutions in a given territory. The influence of gender is not limited to a negative complex, such as "inequality" or "patriarchy;" on the contrary,

gender systems organize a diversity of types of knowledge, priorities, activities and specific assets. It is an essential institution for achieving successful territorial dynamics.

Methodologically, the program sought to strengthen a genderspecific approach in five research steps:

- Definition of the field of study.
- · Selection of the units of analysis and research categories.
- Distinction between material practices and symbolic discourse.
- Disaggregation of data according to gender.
- A gender focus at micro, meso and macro scales.

The results show that there are no rural territorial dynamics without gender dynamics. Some examples come from the study carried out in Loja (Ecuador) that documented the co-evolution of two family farming systems and the gender-related organization of knowledge, practices and decisions. It was found that gender systems can facilitate or hinder economic dynamics, as witnessed in the development of the Chiloe salmon industry in Chile. They can also facilitate or limit the potential for government initiatives, as is the case of the CHAH territory in Yucatan (Mexico). Comparative research, in turn, showed that the impacts of political and institutional advocacy can either exacerbate or reduce existing inequalities. Studies carried out at the northern edge of the Cerron Grande wetlands (El Salvador) and in the Ostua-Guija basin (Guatemala) developed gender-sensitive methodologies to support advocacy strategies that facilitate greater equality in access, as well as socio-economic and political inclusion.

Among the crosscutting findings of these studies, it was observed that new opportunities and institutions often cause changes in some aspects of the gender system without changing others. For example, in contexts where women enter the labor market en masse, they do not necessarily win ground in the political domain. And, in contexts where they receive more schooling than boys, girls do not necessarily then access the same type of jobs or wage levels as their male counterparts.



The five cases analyzed

Farming Systems in Loja, Ecuador

Simon Bolivar Andean University and Lund University (Master's in Culture, Power and Sustainability - Sweden)

In this case, two farming systems in the territory were analyzed. The study identified causal and conditional relationships between gender systems and rural territorial dynamics. In the coffee belt a positive relationship, showing more inclusive progress as regards gender, was observed between women's productive labor dedicated to staple crops and the new system of production and marketing. However, in the corn belt, a more marked gender division of labor, one in which production of corn is almost exclusively a male domain, led to a dynamic of commercial monoculture that was highly expansive yet insufficiently inclusive and, ultimately, with low sustainability.

Salmon industry in Chiloe, Chile

Rimisp and Lund University (Master's in Culture, Power and Sustainability - Sweden)

This study showed that the pre-existing gender system in Chiloe facilitated the installation of the salmon industry, influencing labor standards and workplace conditions within the sector. Thus, gender contributed to the industry's expansion across the territory. Entrenched production strategies had a particular influence, with a combination of family farming activities and temporary male labor migration during six months of each year. When the salmon industry first set up in the territory in the 1980s, it found that, given male migration, women were accustomed to doing productive work symbolically identified as belonging to the "male domain," in addition to carrying out housework duties. Households in Chiloe adapted to the presence of thousands of women working in the salmon industry, a situation in contrast to the conflicts that have appeared in other parts of Latin America, where the massive influx of women into salaried work often went in hand with waves of domestic violence and femicide.

Implementation of government policies in CHAH, Mexico

School of Mexico, Autonomous University of Yucatan, Lund University (Master's in Culture, Power and Sustainability - Sweden)

This study found that the gender system limited the performance of Mexican government initiatives aimed at stimulating successful and sustainable rural development dynamics. In Mexico, significant legislative changes have been promoted in order to encourage sustainable development in rural areas, with policies ranging from gender quotas for election candidates, to the formation and financing of Sustainable Rural Development Councils (CDRS). In the CHAH territory, research showed that the dominant gender system greatly influenced the installation, operation, and activities of such Councils, with practices and traditions that marginalize the formal political participation of women. The effects are clear: an analysis of a group of projects initiated by the Council in recent years showed that the beneficiaries were almost exclusively male. The evidence in CHAH would suggest that a system in which political participation or economic opportunities are biased toward one group (male) creates limitations for dynamics that can lead to greater equity and sustainability.

$Northern\ edge\ of\ the\ Cerron\ Grande\ wetlands,\ El\ Salvador$

PRISMA Foundation and Lund University (Master's in Culture, Power and Sustainability - Sweden)

The main livelihoods in this territory are fishing, agriculture, and livestock farming. The study revealed that men and women are differentially tied to these means of subsistence according to practices and activities they undertake, entitlements or acknowledgement in discourse, monetary remuneration, and access to capital (physical, social, natural, institutional and/or financial). Our analysis of Economically Active Population data and complementary sources (such as timetables and daily production and reproduction schedules), showed that the inclusion of secondary and reproductive activities of both men and women facilitates visualizing these roles and can foster inclusive actions within local coalitions. This type of study helps to increase awareness about the multiple activities undertaken by men, women, children and the elderly — factors that frequently are neither taken into account by economic studies nor supported by the policies influenced by these analyses.

Ostua-Guija basin, Guatemala

Institute of Economic and Social Research of the Rafael Landivar University and Lund University (Master's in Culture, Power and Sustainability - Sweden)

In the Ostua-Guija basin, agriculture, commerce and migration are important engines of regional development, as always linked to economic capital. Researchers found that large farmers and merchants are overwhelmingly male and that these have greater access to the types of capital that define development. Although women, young men, and men with limited capital are highly involved in economic activities, they are not recognized in local discourses or in conventional development studies. In general, they do not have equal access to and use of different types of territorial capital (including access to loans, agricultural land, and political and economic networks). This has repercussions for the contributions of men and women to the engines of development, and vice-versa.

The environmental dimension of territory: a focus for institutional action

Natural capital and ecosystems services are important determinants of the dynamics of rural territorial development. In order to broaden understanding of the environmental dimension of territorial dynamics, a working group was set up for this purpose in November 2009. The group included project partners working in the following territories:

- · Tarija, Bolivia
- Jiquirica Valley, Brazil
- Interior drylands of the O'Higgins region, Chile
- · Cerron Grande wetlands, El Salvador
- · Olancho, Honduras
- · Penas Blancas massif, Nicaragua

The main objective of this group was to understand how natural capital and ecosystems services determine rural territorial dynamics, and how said dynamics are influenced by the conflicts that arise in the access and use of natural capital. This seeks to go beyond the dominant logic of simply linking development with environmental degradation; it aims to highlight the importance of natural capital as a determinant of territorial development.

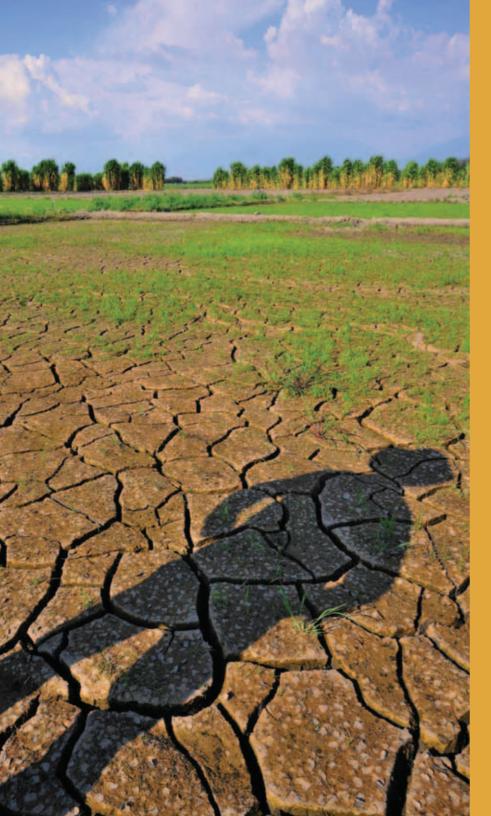
As a first task, the group discussed a conceptual framework and a methodology, based on the Millennium Ecosystem Assessment (MA). In March 2010, the group held a workshop at the Annual Meeting of the RTD program, where the progress of different teams was identified and Colombian experts shared their experience on implementing the MA in the coffee-growing region of Colombia. As a result, the team decided to address the concept of ecosystem services and their classification according to the MA in its research, incorporating the specific circumstances of each territory. This led to reformulating the conceptual and methodological framework and was followed by fieldwork between April and September 2010.

Preliminary results

As expected, in rural areas development dynamics depend heavily on the natural resources that are available. However, in many cases, such resources have been exploited in a traditional manner, without leading to major changes within the territories. In general, it has been the progress made at the institutional level that has allowed for modifications to the way natural resources are distributed and used.

There is no doubt that the ecological characteristics of rural territories are essential, especially in those areas where such dynamics are based on agricultural production. In many cases, external factors determine that soil, water and vegetation are key elements of territorial dynamics. For example:

- In the Penas Blancas Massif, the greater demand for shade-grown coffee
 has highlighted the importance of primary forests and agro-forestry
 systems as a determinant of territorial dynamics.
- In the Jiquirica Valley, increased numbers of cocoa markets in the region have defined how this crop, and necessary natural resources, are relevant to the growth of agriculture in this territory.
- In the interior drylands of the O'Higgins region, irrigation development
 policies permitted access and use of groundwater which had not been
 tapped into before. This was decisive in the productive transformation
 of the territory from seasonal production to large-scale olive plantations and vineyards.
- In Tarija, despite a long history of exploitation of natural gas, it has only been in the present decade that several factors have led to hydrocarbon resources directly and indirectly determining territorial dynamics.
 These include institutional changes to facilitate foreign investment, favorable prices and ensured demand in Brazil and Argentina. These factors have also redefined access to and use of other natural resources within this geographic space.
- The Case of the Cerron Grande wetlands is slightly different. Its territorial dynamics have been mainly driven by remittances and investment in education, health and infrastructure, without there being a predominant role for natural capital and ecosystem services. However, due to the lack of opportunities in the territory, the main livelihood strategies of the population are turning to activities dependent on natural capital, such as agricultural and fishery work.



Conflicts over access and use of natural capital

The study identifies three basic types of conflict in this area:

- Competition for water resources
- Competition for land
- Disputes over the quality of resources, such as water contamination or air pollution.

Competition for water is present in all the territories studied, with different nuances and among different types of users, from agribusiness corporations, to poor peasants, to local communities requiring drinking water. Competition for land, in turn, can be found in the Cerron Grande wetlands with the so-called "fluctuating lands" (tierras fluctuantes), which are highly fertile farmlands whose ownership and rights of use have not been clearly established. In Tarija, conflicts over access and use of land and water have occurred between the hydrocarbon industry (gas extraction) and other productive activities in the territory. As regards water contamination, major conflicts have taken place in the Penas Blancas Massif due to coffee processing, and in the Cerron Grande wetlands as a consequence of sewage water discharges from the San Salvador metropolitan area. The only case of a conflict caused by air pollution occurs in the interior drylands of the O'Higgins region, where local communities have confronted the pork industry.

Concern regarding environmental degradation

In October, a meeting of the RTD program coordinators acknowledged the relevance of environmental issues beyond the working group that specifically addresses this issue.

By sharing results, partners found that the trend in most of the territories is toward environmental degradation, and only in rare cases is progress being made toward sustainability. This opens up concern about trade-offs between rural growth dynamics and environmental sustainability, a contradiction that is evident both in areas where growth is accompanied by greater social inclusion, and in others where growth is socially exclusive or less inclusive.

Climate change and rural territorial development

The study was carried out in Michoacan, Mexico, led by Rimisp in partnership with the Secretariat of Rural Development of the Government of the State of Michoacan (SEDRU); Jauja, Peru, coordinated by GRADE; and in the municipalities of Castanuelas, Nagua, Villa Riva and Tamayo in the Dominican Republic, under the coordination of the Dominican Institute of Agriculture and Forestry Research (IDIAF). The initiative was co-financed by the World Bank and SEDRU, plus a contribution from the Program. A similar study was carried out in several West African countries under World Bank supervision. Academics from the University of Michigan took part in the conceptual and methodological design of the project and a postgraduate student at the same university collaborated in the Dominican Republic study.

The framework that guides the three studies assumes that the experience of households and communities that have addressed past climate shocks is a good guide to understanding their likely adaptation strategies to climate change. This is a necessary assumption in order for empirical studies to investigate specific measures that have been implemented in response to climatic shocks, rather than perceptions and opinions about future events. Thus, the selection of analyzed cases was based on historical evidence for climatic events, which are related to the types of change anticipated in the literature on climate change for the same territories.

Some of the main conclusions are as follows:

Climate shocks lead to the use of reactive adaptation strategies. The implementation of adaptation strategies is generally related to the type of climate event faced by households. Extreme shocks, such as hurricanes and floods, lead to reactive actions which, once the event has passed, are abandoned in favor of resuming livelihoods practiced before the event. If climate change means a greater frequency of like phenomena, it strongly conditions economic development of territories by transforming reactive adaptation strategies into a type of increasing tax. One likely outcome is a rise in permanent out-migration from territories exposed to such circumstances.

Gradual changes in climate patterns have been confronted through diversification strategies. In places where climate change involves a gradual but steady change of climatic conditions, diversification based on long-term investment tends to be adopted. One example would be investments in irrigation water conveyance systems.

Investment in public goods and capacity building to favor preemptive adaptation strategies have the greatest effect on reducing vulnerability.

For instance, a river's flood barriers will provide protection to the local population exposed to the threat of flooding, or a variety of potato that is more resistant to drought will help the adaptation of all those who grow this vegetable. However, this is the least adopted approach, which calls for specific incentives to foster these types of adaptation strategies within territories. Public policies that strengthen preemptive strategies can improve territorial capacities to adequately address the effects of climate change. Such policies range from investments on physical assets to so-called "soft" investments, such as the knowledge of new cultivation and storage techniques, and the strengthening of local institutions that reinforce capacities for planning or collective action, among others.

The vulnerability associated with a lack of access to assets has a direct influence on adaptation strategies. Vulnerable groups generally find it more difficult to develop adaptation strategies. Limited access to funding, restricted or no access to land, and reduced ability to establish networks inside and outside the territory, turns them into social groups that are extremely susceptible to climate change. It is essential to implement policies that are targeted to and supportive of such groups, i.e. policies focused on developing their assets and capabilities.

Access to financing is essential. This conclusion is independent of the country and type of climatic event being faced. Without greater access to financing it will be extremely difficult for territories to improve their skills and adaptive strategies. This highlights an area of special attention for the development of policies that improve the adaptive capacity of households in the face of climate change: expanding the

coverage and depth of financing systems and incorporating vulnerability to climate change as a criterion to provide such services.

Social capital is an asset that reduces the vulnerability of territories. In those territories where there are more collaboration networks, greater participation of grassroots organizations, and where local political leaders have greater capacities, agreements are implemented that help support adaptive strategies. For example, investments in irrigation water conveyance or riverbank flood barriers are more frequent where local governments establish associations among each other. The development of policies that improve the capacities of municipal governments to set up associations improves a territory's adaptive capacities to face climate change.

Vulnerable groups are more linked with informal local **institutions.** Institutions supporting different strategies within territories are varied, although in general there exists some degree of specialization. Certain topics are covered by formal national-level institutions, while others are the remit of local-level institutions. Even in the presence of formal institutions at national and local level, informal local organizations are important agents to provide families with emergency help and to sustain their adaptation processes. Thus, planning processes to address climate change should not only incorporate different levels of government, but also agents from the private sector and civil society. Participatory planning processes should take into account the network of informal institutions that support strategies at the territorial level, such that these become integrated into territorial support systems.





SECTION 06



Meetings

Annual Meeting 2010 – Rural Territories in Motion

For the second consecutive year, the program organized the Rural Territories in Motion meeting. It was held in Bogota, Colombia, between 16 and 18 of March. The event provided an opportunity to report on the progress of the program's projects, stimulate dialogue and links among partners, and identify the main ideas and opportunities on which to focus efforts in 2010. About 150 people attended the meeting, including partners and associates of the program, as well as invited representatives from international and regional organizations, students, officials from national and sub-national governments, representatives from NGOs, researchers and academics, and the media.

Plenaries covered the following topics: the territorial factor in the National Environmental Strategy of El Salvador; territorial management of the Provincial Government of Tungurahua; the Mexican rural development experience; regional and territorial development in Colombia; territorial aspects of rural development policies in Spain; and territorial development and food security.

During the meeting, tribute was paid to the 40 years of the International Development Research Center (IDRC). Speeches were offered by the Ambassador of Canada to Colombia, Ms. Genevieve des Rivieres; Dr. Rohinton Medhora, Vice-President of Programs at IDRC (via video conference); program partner Ms. Carolina Trivelli, researcher at the Institute of Peruvian Studies (IEP); Dr. Merle Faminow, leader of the Rural Poverty and Environment Program (IDRC); and the then-Executive Director of Rimisp, Dr. Julio Berdegue.

The meeting was well reported in the press: around 20 articles and interviews were published by media outlets in Colombia, Nicaragua, El Salvador, Canada, Ecuador, Mexico and Chile.

For further information on the 2010 Rural Territories in Motion meeting, visit: www.rimisp.org/dtr/encuentro2010



Coordinators' meeting: an effort toward synthesis

An important meeting among project coordinators of the Rural Territorial Dynamics program was held in October 2010 in Santiago, Chile. More than sixty participants took part in the event, including the coordinators of teams in charge of the program's territorial projects, IDRC staff, members of the Coordination Unit of the RTD program, and other Rimisp professionals.

The main task of this working meeting was to develop a synthesis of nineteen research projects, six capacity building projects, five gender and territorial dynamics projects, and six projects analyzing the role of natural capital in territorial dynamics. The objective was to move collectively toward a first theoretically consistent and empirically validated proposal about the determinants of rural territorial dynamics in Latin America and, from this standpoint, to produce proposals for public action that can help to foster development with growth, social inclusion, and environmental sustainability.

Furthermore, the meeting needed to provide the main ideas to develop a working plan for the final phase of the program during 2011 and early 2012.

In short, it was a meeting with highly ambitious goals. In contrast to the seminar format (characterized by the presentation and discussion of reports) used in prior occasions, this meeting adopted a workshop format. The workshop was geared toward accomplishing a very specific list of outcomes and products.

In the days before the meeting, over 30 partner-generated reports, reflecting work in all ongoing projects, were circulated among participants. This provided an extraordinarily rich source of information and analysis, although the effective management and use of such material was certainly no minor task.

The meeting allowed participants to share the results of research, capacity building, and advocacy projects implemented in all 19 territories and 11 countries, as well as to synthesize our main findings about the determinants of rural territorial dynamics in Latin America.

In addition, it allowed for a comparison between the conceptual framework and synthesis proposal resulting from the four pilot projects (completed early in 2010) and the results of the 15 remaining projects (regular projects). In general, the explanatory model proposed by the synthesis was validated. Work during the workshop led to valuable insights that sharpened and expanded it.



The event also provided the program with an opportunity to identify its shortcomings regarding gender and environment in rural territorial dynamics. The results arrived at by the working groups established for this purpose were presented and discussed. Interaction between research teams in the territories and working groups on gender and environment provided the former with conceptual and empirical insights to strengthen their analytical frameworks and interpretation of territorial dynamics. It also offered the working groups an opportunity to reflect and exchange viewpoints, nurturing broader understandings about their particular synthesis processes. Ultimately, this strengthens the explanatory framework of the processes of productive transformation and institutional change that permit various combinations of economic growth, social inclusion and environmental sustainability.

Based on the discussion of concrete experiences of facilitating territorial development initiatives –led by the capacity building and advocacy components – the meeting progressed toward answering the question "How do we do territorial rural development?"

In the second part of the workshop, proposals were made on the steps to be taken to:

- Successfully conclude the research projects in the different territories;
- Add value to research initiatives through the dissemination of results and through influencing policy processes in different countries; and
- Define the main ideas on which to base the third wave of research projects and, subsequently, the general synthesis of the program.

The results produced by the working groups provided important contributions to guide communications and advocacy initiatives. In terms of research, they underlined the main questions the program needs to address, the hypotheses that underpin these questions, and the methods that are most appropriate to answer them. The results of this work provided crucial inputs for the strategic planning of the project for the 2011-2012 period and its subsequent closure.

The report of the meeting is available at: http://www.rimisp.org/proyectos/seccion_adicional.php?id_proyecto=180&id_sub=231



Conference in India: rural transformation in emerging economies

The rapid transformations in the rural areas of Brazil, China, India and South Africa, the world's major emerging economies, pose both challenges and opportunities for the sustainability of global society. One out of four of the planet's inhabitants live in the rural areas of these four countries, which are changing at an extremely fast pace and undergoing deep transformations. In April 2010, more than 200 representatives from governments, academia, the private sector and civil society gathered in New Delhi, India, for the International Conference, "Dynamics of Rural Transformation in Emerging Economies." The goal of the meeting was to share and discuss innovative approaches to rural development that can help to address future challenges and opportunities.

The dynamics of rural transformation – such as the human development gap, tensions between production and the environment, economic and social distance between urban and rural areas, and regional imbalances and inequalities - are caused not only by domestic factors but also influenced by international trends. New and innovative approaches have been applied by emerging countries to address these challenges. While each approach is adapted to specific contexts, together and through shared learning, a new paradigm for rural development can be realized. At the same time, although innovation is taking place in each of these countries and elsewhere, this has not to date been widely shared among practitioners and policymakers of emerging economies and developing countries. By bringing together senior-level policymakers and public sector administrators, as well as representatives from academia, the private sector and civil society, the conference provided a forum for sharing positive models, experiences, and innovations drawn from emerging economies, including new and flexible approaches that leverage the forces of globalization for the benefit of rural populations. The conference promoted the South-South exchange of lessons, strengthened ties between countries facing similar challenges, and fostered new partnerships and networks among groups with common interests in order to take forward continued dialogue and shared learning.

The inaugural session was chaired by Pratibha Devisingh Patil, President of India, and by Mihir Shah, Montek Singh Ahluwalia and Sudha Pillai, all

members of the Planning Commission of the Government of India; C. P. Joshi, Minister for Rural Development and Panchayati Raj of the Government of India; Gugile Nkwinti, Minister of the Department of Rural Development and Land Reform of the Republic of South Africa; Guilherme Cassel, Minister of Agrarian Development, Brazil; Han Jun, Director General of the Development Research Center of the State Council, People's Republic of China; and Julio A. Berdegue, Coordinator of the Rural Territorial Dynamics program at Rimisp.

During the conference 80 presentations were discussed. Conference participants represented the four emerging economies of Brazil, China, India and South Africa, along with other countries interested in the issue, including Argentina, Chile, Kenya, Sri Lanka, Vietnam and Zimbabwe, and representatives from Canada, France, the Netherlands and the United Kingdom. Development agencies also attended the event.

Organizers

The conference was organized by the Planning Commission of the Government of India; the Institute for Human Development (India); the Ministry of Agrarian Development (Brazil); the Department of Economics, University of Sao Paulo (Brazil); the Development Research Center of the State Council (People's Republic of China); the Department of Rural Development and Land Reform (Republic of South Africa); the International Fund for Agricultural Development (IFAD); and Rimisp — Latin American Center for Rural Development. Rimisp steered the International Steering Committee charged with organizing the conference.

New Delhi Declaration on Rural Transformation in Emerging Economies

This declaration, an outcome of the Conference, recognizes that the rural societies scale, speed and potential consequences for humanity as a whole) in history. Such ties: climate change; the impact of increasingly scarce land and clean water; and the sion of ecosystem services, and the production of food — are also opening up. In the words of the signees: "Our hope for ultimate success is based on the evidence of the poverty, food production has increased many times over since the famines of the late in obscurity and with impunity, hundreds of thousands of small and medium firms have been created and are contributing to the economy of our planet, cell phones have reached almost every village, many more young women and men are going to school to citizens than ever before, and civil societies are more active and vibrant than ever." In order to favor rural communities, they propose an agenda that is based on three diversified rural development. Second, appropriate governance systems, institutions and policy processes. And third, improvement of the efficiency and effectiveness of public policies and programs with a view to narrowing the gap between spending and results.

See the complete declaration at: http://www.rimisp.org/FCKeditor/UserFiles/File/documentos/New-Delhi-Declaration-Rural-Transformation-Emerging-Economies.pdf

More information on the conference is available at: www.rimisp.org/dtr/conferenciaindia and www.ruraltransformation.in

International seminar on "Intermediate cities and territorial development"

Recent decades have witnessed significant changes in the way the economies of the region function. Market deregulation, trade liberalization, privatization of public enterprises, and fiscal adjustment have been accompanied in many countries by the decentralization of public administration, freely-elected mayors and governors, and the delegation of powers to municipalities, provinces, or federal states. This has meant increasing transfers of resources and responsibilities in education, health and even development to local economies.

The accelerated process of urbanization and the emergence of new livelihoods based on diversified sources of income, both among urban and rural populations, emphasize the growing interdependence of their respective inhabitants' demand and supply. It supports the view that the analysis of the evolution of urban-rural linkages and, within these, the role of intermediate cities, is a key focus for the design of development strategies.

It is noteworthy that more than half of Latin America's urban population lives in intermediate and small cities, whose growth rate in most countries exceeds the mean of population and even the growth rate of cities with more than 500,000 inhabitants.

This background led to the convening of the International Seminar on Intermediate Cities and Territorial Development (Lima, 20-21 May), co-organized by the Rural Territorial Dynamics program and the Department of Architecture of the Catholic University of Peru. This gathering brought together rural and urban specialists in pursuit of a territorial development approach capable of ensuring socially inclusive growth and environmentally sustainable development in Latin America. The objective is to integrate their views in order to move toward a synthesis that enriches understanding about the factors that underpin desirable change pathways, and to provide a solid basis for territorial development policies in our countries.

Presentations at the meeting

- Alexander Schejtman: "Intermediate cities and rural territorial development"
- Sergio Boisier: "Urban-rural symbiosis, synapses, synergy, and local innovation"
- Marta Vilela and Zaniel Novoa: "Intermediate city networks in the Jequetepeque Valley, northern coast of Peru"
- Raul Hernandez, Carolina Trivelli and Rafael Nova: "Territorial dynamics and institutional changes of the Sur-Ocongate Valley, Cusco"
- Jose Canziani, Bruno Revesz, Pedro Belaunde, and Maria Isabel Remy: "Piura: Intermediate Cities and territorial development"
- Pablo Vega-Centeno and Andres Solano: "The urban development of Cajamarca: between global and territorial dynamics"
- Jorge Echenique: "The salmon cluster in Southern Chile: a powerful and controversial territorial development"
- Fernando Carrion: "Intermediate cities: between a truncated pyramid and a network under construction"
- Alberto Magnaghi: "The urban-rural agreement: an urban bioregion project for Central Tuscany"
- Anna Marson: "Multifunctional rural territorial planning as a device to qualify the urban dimension: the Italian experience"
- Maria Isabel Remy: "Rethinking the rural (and urban) dimension"
- Ricardo Vergara: "Rural cities and the elimination of extreme poverty"

The papers will be included in a book planned for publication during the first quarter of 2011.

Sharing research insights at LASA 2010

The Rural Territorial Dynamics (RTD) program participated in the XXIX International Congress of the Latin American Studies Association - LASA 2010 (Toronto, 5-9 October). This event offered one of the first opportunities to present the final results of the first five pioneering research projects in RTD (Bolivia, Chile, Ecuador, Nicaragua and Peru) during the "Territorial Development in Latin America" panel discussion.

The presentations attracted great interest among participants, particularly in light of the territorial approach adopted in the research. This is the perspective used to analyze rural poverty and institutions, the latter understood as the norms and rules which regulate the use of, and access to natural resources in each territory.



Contributions to LASA

Five researchers from the network of program partners presented their respective research findings:

- Tomas Rodriguez, of the Central American Microfinance Network (REDCAMIF): "Economic growth and poverty reduction in Nicaragua."
- Leonith Hinojosa, University of Manchester: "Territorial dynamics and the formation of territories in contexts of extractive industries' expansion in Bolivia."
- Javier Escobal, Group for the Analysis of Development (GRADE): "Rural Territorial Dynamics in the Southern Andes: the case of Cuatro Lagunas, Cusco Peru."
- Eduardo Ramirez, Rimisp Latin American Center for Rural Development: "Territorial Dynamics in Chiloe, Chile."
- Patric Hollenstein, of the Simon Bolivar Andean University: "Territorial Development in Tungurahua, Ecuador."

Active Participation in the Virtual Congress on Family Farming

The 2010 Virtual International Congress, "The role of family agriculture in development and food security," took place between 15 September and 15 October 2010. This event was organized by the Inter-American Institute for Cooperation on Agriculture (IICA) from its Uruguay office, with the support of Rimisp, the Food and Agriculture Organization of the United Nations (FAO), the World Rural Forum, the National Institute of Agricultural Research (INIA Uruguay), and the Cooperative program for the Agrofood and Agroindustrial Development of the South Cone (PROCISUR).

Using digital media to communicate and link more than one thousand researchers, technicians, officials from public and international agencies, producers, rural inhabitants, and leaders of organizations, among others, the event fostered international discussion and a process of reflection along three main themes:

- Public policies and institutions for family farming
- Food security and family farming
- Technology, innovation, and extension services for family agriculture

These themes were addressed through online seminars in which distinguished international speakers participated, through discussion forums, and through the contributions of participants (documents, posters, links and multimedia material), all of which enriched the exchange.

Rimisp researcher Alexander Schejtman was responsible for the keynote address, presenting an overview of the scope of family farming in Latin America. Julio Berdegue, program coordinator, participated as a commentator on the presentations of papers on Technology and Family Farming.

For more information on this event please visit: http://congresos.iica.org.uy/sitio/home.html



Dissemination of gender study in Scandinavia

Members of the research team on gender dynamics in Chiloe presented the results of their study during the fifth international conference of the Nordic Latin American Research Network - NOLAN, "Society, Culture and Nature in Latin America: New Political Tendencies" (Copenhagen, Denmark, 10-12 November 2010).

Julie Claire Mace (Rimisp) and Teresa Bornschlegl (Culture, Power and Sustainability Master's program, Lund University) discussed results with other researchers, teachers and students as part of the session "Gender, Migration, and Identity." Several papers at the session echoed the themes of the Chiloe case study, permitting a rich exchange around their contrasts and synergies (e.g. the changing roles and identities of women and men as a consequence of new migration patterns).

Susan Paulson (professor at Lund University and coordinator of the Working Group on Gender and Territorial Dynamics) chaired a plenary session on gender, race and the environment, issues related to the objectives of the RTD program.

Knowledge Exchange at Lund University

The results of gender research in Chiloe were also presented to 50 professors and postgraduate students at Lund University with a view to receiving feedback. Lund University is a partner in gender-related work undertaken by the RTD program, based on the work carried out by professor Susan Paulson (coordinator of the Working Group on Gender and Territorial Dynamics) and the participation of five postgraduate students. The latter spent several months working alongside other program partners in gender research carried out in Chile, Ecuador, El Salvador, Guatemala and Mexico.

During the discussion, some interesting questions and comments arose in relation to the research methods used; the use of concepts related to gender systems; comparisons with salmon production in the Faroe Islands (where one postgraduate student reported a gendered division of labor similar to the Chiloe case); the role of social movements against industrial salmon farming; changes in education levels and family life (domestic violence, divorce, etc.) since the arrival of the salmon industry; and the viability of economic strategies alternative to salmon production.

The meeting brought together over 150 participants from European, Latin American and North American universities; European research centers; Nordic and Latin American NGOs; foreign affairs ministries; and Latin American embassies. In the context of centenary and bicentenary independence commemorations, as well as radical changes in political cultures, economic strategies, identities and social movements in many Latin American countries, the conference encouraged debate and the strengthening of research networks. Conference themes included changes in political maps and democracy; migration and transformation of collective identities; local responses to climate change; and new social movements and civil society organizations.

Congress of the Brazilian Society of Rural Economics and Sociology

Representatives of RTD program research teams in Cariri (Brazil) and Central Chiloe (Chile), Arilson Favareto (Federal University of ABC) and Eduardo Ramirez (Rimisp), respectively, took part in the 48th Congress of the Brazilian Society of Rural Economics and Sociology (SOBER), held in Campo Grande, Minas Gerais, in July 2010.

Favareto and Ramirez presented the results of their projects in the panel, "Recent developments in income, poverty and inequality indicators in Latin America, and their causes." The event also served to deepen understanding about the overall findings of the research developed by the projects in Nicaragua, Ecuador and Peru.

The SOBER Congress is the largest gathering of researchers dedicated to rural issues in Brazil. Each year it brings together hundreds of professionals in the fields of rural economics, sociology, and public administration.



SECTION 07



Communications

Strengthening of digital media to expand dissemination efforts

During 2010, the communications team sought to consolidate its presence on websites, recognizing that they help disseminate program-related information to a faithful following, and that they help to attract a more diverse audience interested in informing itself and participating via these communications platforms.

Seeking to promote more and better communications spaces, these digital products offer an important alternative channel for the visibility and positioning of the program at the regional level, with emitted messages reaching every country in which the program operates. Thus, digital products become a strategic tool to simultaneously communicate information to different countries and regions.

One significant achievement in 2010 was the creation of a website focused entirely on the territories in which the program operates. The www.territorios-rimisp.org site was launched in late August and seeks to raise the profile of work undertaken by the program partners in 19 territories of 11 Latin American countries.

Visitors can use this online platform to find out about the latest news, characteristics, and members of the Rural Territorial Dynamics program. They can also access information by country or topic, and comment on and share the website content via social networks.

The "Territorios" website joins the program's existing digital products (see box) to generate a constant flow of information on the Internet. For this purpose, we expanded the use of a range of social networking tools, such as Facebook and Twitter. Rimisp also maintains its web presence through various web tools that permit setting up a public library with materials such as photographs (Flickr), videos (Blip.TV), presentations (Slideshare), and e-books (Wobook).

During the year, efforts were made to integrate all of the digital spaces, so as to provide greater visibility to the contents that are constantly

being published. This sought to achieve two main objectives: to reach new audiences who are interested in the issues examined by the program, and to provide users with an optimum browsing and information experience.



Digital media of the program

- Equitierra Magazine: a quarterly electronic publication that is mailed to about 4,500 subscribers and has a web section from which content and back issues can be downloaded. Equitierra is a joint publication with the Rural Territorial Development with Cultural Identity project, funded by the Ford Foundation.
- Program Progress Reports: brief reports sent by e-mail twice a year. The target audience is the RTD Program Advisory Board, the International Board of Rimisp, and program partners and collaborators.
- Rural Press Network Blog: a site that publishes the texts written by journalist members of the network, and opinion columns written by members of Rimisp and program partners in Latin America.
- Website of the Rural Territorial Dynamics program: reports on everything that happens in the program. It is the repository of all documents and reports generated by the program, including press coverage. It also hosts all materials related to the main activities undertaken by the program since 2008.
- Territorios Website: reports on progress being made in the program's territories and provides a space for each territory to maintain a repository of their own documents and communications material.
- Social platforms: Facebook and Twitter are used to reproduce content generated by Rimisp, as well as press coverage.
- Audiovisual sites: channels with photos, videos, presentations and digital publications on Flickr, Blip.TV, Slideshare and Wobook.

Each year visits to the website increase

The website of the RTD program showcases the work in rural territorial dynamics. This is why examining statistics is not just a numerical exercise, but also a guide to the interests of the public who visit our site and a way to assess the best approaches to reach new audiences.

Between January and December 2010 the site received 87,996 visits, an average of 7,333 visits per month. Between January and March of the same year, there was a steep rise in visits, which almost tripled in the first month of 2010. This was the result of the media campaign, "Crisis and Rural Poverty in Latin America" (see box - next page).

The most frequently visited pages on the site during 2010 were the Crisis and Rural Poverty section (www.rimisp.org/dtr/crisisypobrezarural)



with 17,557 visitors, and the program homepage (www.rimisp.org/dtr) with 12,324 visits.

An exercise that highlights the website's progress is to compare the results of 2010 and 2009. We chose to compare visitors between May and December (May 2009 onwards because only then was a statistical system in place to provide complete information on the website). The results show that the number of visitors increased. Between May and December 2009 there were 29,365 visits, while in the same period of 2010 this figure rose to 33,206. This increase represented growth of 13% in the number of visitors to the website.

Most visits to the RTD website originate from South American countries. In second and third place are countries in Central America and Southern

Europe. The five countries from which most visits are made are Chile, Mexico, Colombia, Peru and Ecuador. These countries also brought the most visitors to the website in 2009.

During 2010, visits to the RTD website came mostly via web browsers (69%). Some 16% arrived via direct traffic (i.e., writing the URL address in their browser) and 15% via links from other websites (such as the Institute of Peruvian Studies and the Rural Press Network Blog).

Equitierra magazine continues to be one of the most downloaded communication materials from the site. Between January and December 2010, there were 4,262 downloads of articles offered by this digital publication.

Crisis and Rural Poverty in Latin America series

The media campaign took place in parallel with the publication of research on the effects of the financial crisis on rural poverty. The research began in 2008 and covered 11 Latin American countries (Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Dominican Republic, Colombia, Brazil, Paraguay, Bolivia and Peru). The campaign began with the launch of the webpage (www.rimisp.org/dtr/crisisypobrezarural) in mid-November 2009, and culminated in the first half of March 2010 with advertisements placed on Google. Throughout this period, contents related to the campaign were downloaded 2,855 times. Along with this successful number of downloads, there was also a significant increase in visits (17,557) to the RTD website in 2010.

Equitierra: a point of reference on rural territorial development

Following the publication of seven issues, Equitierra has become established as a digital magazine that is "appreciated" and "awaited for" by its readers. According to an analysis by Digital Partners, a consulting firm that carried out an evaluation of all the digital products developed by Rimisp, Equitierra has positioned itself as an important communication reference point for the RTD program, and also helped to raise the profile of the entire organization. This electronic publication, which is issued every four months, is one of the two publications most appreciated by visitors to the Rimisp website, along with the InterCambios (Exchanges) newsletter.

According to the study, users rate the contents and articles in the magazine as being of "good quality" and consider them a contribution to the analysis of territorial development in Latin America. In addition, readers greatly appreciate the graphics and visuals of the publication compared to what is offered on the Rimisp website. The use of hyperlinks that direct visitors to new documents that delve further into the issues covered by Equitierra is particularly popular, as are the images and videos that complement the information contained in the magazine.

In terms of content, Equitierra focuses on proposing new approaches to the analysis of territorial issues. In 2010, three editions of the magazine were published that covered topics such as rural-urban linkages; Peruvian cuisine and territorial development; crisis and rural poverty; rural innovation; making good use of natural capital; and gender and territories, among others.

The next challenge for the magazine is to consolidate its position as a digital forum for discussions on rural territorial development in America, reaching a wider and more diverse range of audiences.





RTD in the media: a focus on quality and opinion formation

During 2010, the communications component of the Rural Territorial Dynamics program continued its work of dissemination through the Latin America media. This year it sought to place greater emphasis on generating exclusive news content for the media and having an impact on the editorial pages of the press through opinion columns.

This work was successful and during 2010 articles were written for important media outlets including: El Tiempo of Colombia; El Mercurio and La Tercera in Chile; La Prensa newspaper, Nicaragua; O Estado de Sao Paulo, Brazil; Prensa Libre in Guatemala; and La Jornada in Mexico. The RTD program was also profiled in important radio stations of the region, such as Radio Canada International; and University of Chile Radio, Cooperativa Radio, ADN Radio in Chile.

The generation of op-ed columns was an important turning point for the program. They not only enabled offering points of view on various subjects, but also provided an opportunity to integrate the accumulated experience of the program and position new arguments into the broader public debate. The outcome of this work was op-ed columns in El Mercurio, La Tercera and El Mostrador in Chile, and in the online newspaper Contrapunto in El Salvador.

Significant coverage was also given to the main events organized by the RTD program in 2010. Activities included the following: the Crisis and Rural Poverty campaign, with 29 articles published in different media outlets in the region; the "Territorial view of Casen" series, with 29 articles published in the Chilean press; and the 2010 meeting Rural Territories in Motion, with 18 articles published in Latin American media (see boxes).

Countries in which articles were published on the RTD program included the following: Chile, Mexico, Colombia, Brazil, Nicaragua, El Salvador, Ecuador, Uruguay, Guatemala, Canada, Spain, Germany, along with other regional media outlets.



Key highlights (Excerpts)

El Tiempo, Colombia:

"Rural poverty continues to grow" according to a report by the Latin American Center (Rimisp)

"The Colombian rural sector has become the setting for social tensions, political violence, armed groups, illegal narcotics and drug trafficking... This environment, along with an agricultural sector that has been unable to consolidate solid and continuous growth, represents the economic, social and political environment of Colombia's rural population."

This description was featured in the report **Crisis and Rural Poverty in Latin America: the case of Colombia**, published by the **Rural Territorial Dynamics program of the Latin American Center for Rural Development (Rimisp)**.

El Mercurio, Chile:

RIMISP study based on Casen Survey 2009: Half the population living in poverty is located in just 40 municipalities

The Casen Socioeconomic Survey carried out in 2009 found that 2.5 million Chileans live in poverty. Of this total, 53% are concentrated in just 40 municipalities, according to an analysis undertaken by **Rimisp - Latin American Center for Rural Development.**

"Poverty dynamics are very different across the country. This is why municipalities should adopt a more active role, and we need public policies that take into account the particular circumstances of each territory," indicated Rimisp **researcher Felix Modrego.**

La Prensa, Nicaragua:

Land and education are a rural necessity

For development and poverty reduction to take place in the rural sector of Nicaragua, where most of the country's poor are found, there is a need to at least address the problem of land distribution and invest in education. This conclusion was reached by Nicaraguan and Central American experts who last week took part in the **2010 Rural Territories in Motion** meeting, of the **Rural Territorial Dynamics program**, which was held in Bogota, Colombia.

Francisco Perez, program director of the **Institute of Applied Research and Promotion of Local Development – Nitlapan**, stated, "until changes are made to the structure of land ownership, there will be no reduction of poverty in the rural sector."

O Estado de Sao Paulo newspaper (Brazil)

The crisis had a limited effect on family agriculture

The disconnection between rural economies and global markets resulted in the impact of the financial crisis being more reduced in regions where family agriculture is predominant. This does not mean, however, that the recent slowdown of the economy did not produce consequences in rural areas. This is shown by the study **Crisis and Rural Poverty in Latin America**, conducted by the **Latin American Center for Rural Development (Rimisp)**, the Institute for Peruvian Studies, and the International Fund for Agricultural Development. According to the study, which involved 11 Latin American countries, among them Brazil, the main outcome of the recession is an increase in poverty within rural areas. The study states that, in addition to a worsening situation for rural families living in poverty (57%) and extreme poverty (28%), the effects of the crisis could also push families classified as "vulnerable," i.e. whose income is just above the poverty line, into poverty.

More RTD news in the media **2010**

Economic development: Crisis and Rural Poverty in Latin America

Prensa Libre (Guatemala)

Advances in the Caribbean region are outstanding, experts say

El Informador (Colombia)

Success in focusing resources, Fail in income redistribution

El Mostrador (Chile)

Being indigenous increase the possibility of being poor, according to study Terra (Chile)

Poverty is related to discrimination in Chile, according to study SDP Noticias (Mexico)
 January
 February
 March

 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S

 4
 5
 6
 7
 8
 9
 10
 8
 9
 10
 11
 12
 13
 14
 8
 9
 10
 11
 12
 13
 14
 12
 13
 14
 15
 16
 17
 15
 16
 17
 18
 19
 20
 21
 15
 16
 17
 18
 19
 20
 21
 15
 16
 17
 18
 19
 20
 21
 15
 16
 17
 18
 19
 20
 21
 15
 16
 17
 18
 19
 20
 21
 15
 16
 17
 18
 19
 20

April June W S S W S S S S 13 18 19 20 26 23 23 24 25

 July
 August
 September

 M
 T
 W
 T
 F
 S
 M
 T
 W
 T
 F
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T

 October
 November
 December

 M
 T
 W
 T
 F
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W
 T
 F
 S
 S
 M
 T
 W

Rural Territorial

Dynamics Meeting

La Republica (Uruguay)

The marginalized of agricultural innovations La Jornada del Campo (Mexico)

Supra-Ministry of Social Development El Mostrador (Chile)

Rural Poverty Working Group makes a start La Hora (Ecuador)

Manuel Chiriboga column:
Debates on poverty

El Universo (Ecuador)

2008 Publications

PUBLISHED NEWS: 109

COUNTRIES: Argentina – Bolivia – Brazil – Chile Colombia – Ecuador – El Salvador – Mexico – Peru

19/06/2008

El Comercio newspaper (Ecuador) Agricultural subsidies fit if there is a global plan

28/06/2008

El Tiempo newspaper (Colombia) Diversification was the answer

11/05/2008

El Mercurio newspaper (Chile) Officials from 10 countries will arrive in Chile to discuss development policies

22/06/2008

El Espectador newspaper (Colombia) Brazil: an example of rural association

10/08/2008

El Mercurio newspaper (Ecuador) Rural development is no

illusion

12/05/2008

Cooperativa Radio (Chile) Ten Latin American countries in Santiago to analyze agricultural policies

24/06/2008

La Republica newspaper (Peru) Half plus one: the press and rural development

1/10/2008

O Estado de Sao Paulo newspaper (Brazil) Latin America debates the food crisis

13/05/2008

26/06/2008

La Prensa

newspaper

Journalists create network for rural

(Bolivia)

issues

El Financiero newspaper (Mexico) Cardenas Batel, Latin American local government coordinator



2009 Publications

PUBLISHED NEWS: 101

COUNTRIES: Bolivia – Brazil – Canada – Chile – Colombia – Dominican Republic – Ecuador – El Salvador – Guatemala – Honduras – Mexico – Nicaragua – Panama – Peru - Spain - United States - Uruguay - Venezuela

12/03/2009

La Prensa newspaper (Panama) Analysis of sustainable development in rural zones

11/03/2009

Soitu website (Spain) Brazil will present rural development experiences at Latin American meeting

11/03/2009

Telesur TV News (Venezuela) Strategies for sustainable development in Guatemala discussed

20/3/2009

La Republica newspaper (Uruguay) Development unable to provide either new technologies or good prices

24/04/2009

El Heraldo newspaper (Honduras) Remittances to Latin America have fallen between 10 and 25%

24/04/2009

El Caribe (Dominican Republic) Remittances to Latin America have fallen between 10 and 25%

24/04/2009

La Prensa Grafica website (El Salvador) Remittances to Latin America have dropped by 10% to 25%

18/11/2009

Prensa Libre newspaper (Guatemala) Crisis could exacerbate poverty in Guatemala

23/11/2009

Portafolio supplement of the El Tiempo newspaper (Colombia) "Rural poverty continues to grow" according to report by Latin American Center (Rimisp)

2/12/2009

O Estado de Sao Paulo newspaper The crisis has not (Brazil) greatly affected family agriculture

2010 Publications

PUBLISHED NEWS: 81

COUNTRIES: Alemania – Bolivia – Brazil – Canada – Chile – Colombia – Ecuador – El Salvador – Guatemala – Mexico – Nicaragua – Peru – Spain – United States – Uruguay

29/3/2010

Contrapunto
digital
newspaper (El
salvador)
"Central America
is still behind in
R\$D"

16/3/2010

Dinero magazine (Colombia) 2nd Rural Territories in Movement meeting, 2010

7/12/2010

El Ciudadano, state digital newspaper (Ecuador) Social development headlines meeting on rural poverty

05/4/2010

La Prensa
newspaper
(Nicaragua)
Alejandro Schejtman:
"Nicaragua will not
meet the Millennium
Development Goals"

22/3/2010

Radio Canada
International
(Canada)
40 years of
Canadian
research in the
Americas

14/08/2010

El Mercurio
newspaper (Chile)
Half of the population living in
poverty is located
in just 40
municipalities

3/12/2010

La Tercera
newspaper (Chile)
Study reveals the
views of Chiloe's
residents about
the salmon
industry

20/3/2010

El Nuevo Siglo newspaper (Colombia) Climate change threatens country's food security

01/10/2010

La Jornada Michoacan newspaper - Mexico Strategies sought to adapt agricultural production and community processes to climate change



Working papers published in 2010

During 2010, seven Working Papers were published (see box), which does not compare well with the 31 titles published in 2009; however, by the end of the year there were over 41 texts written by program members, which at the close of this report were being edited for publication in early 2011 in the Working Papers series.

In the working papers section on the RTD website, 3689 downloads were made of working papers from the program. On average, each visitor downloaded more than one of the 63 working papers available (up to December 2010).

All working papers are available at:

www.rimisp.org/dtr/documentos

N°57: Comparative Review of DTR program research projects

Ramirez, M. 2010

N°58: Notes for the analysis of the environmental dimension in territorial dynamics

Kronik, J. and Bradford, D. 2010

N°59: Territorial transformation in El Pangui, Ecuador

Warnaars, X. 2010 (English only)

N°60: Rural municipalities in Chile

Berdegue, J.; Jara, E.; Modrego, F.; Sanclemente, X. and Schejtman, A. 2010

Nº61: Rural cities in Chile

Berdegue, J.; Jara, E.; Modrego, F.; Sanclemente, X. and Schejtman, A. 2010

N°62: Territorial development, sovereignty and food security

Schejtman, A. and Chiriboga, M. 2010

N°63: Gender System Dynamics in Central Chiloe, or the Quadrature of Cycles

Mace, J. C. and Bornschlegl, T. 2010

Most downloaded papers in 2010

Paper N° 52:	
Dynamics of inequality in El Salvador: households and poverty figures for the 1992-2007 period	458 downloads
Damianović, N.; Valenzuela, R. and Vera, S. 2009	
Paper N° 60:	
Rural municipalities in Chile	173 downloads
Berdegue, J.; Jara, E.; Modrego, F.; Sanclemente, X. and Schejtman, A. 2010	
Paper Nº 61:	
Rural cities in Chile	170 downloads
Berdegue, J.; Jara, E.; Modrego, F.; Sanclemente, X. and Schejtman, A. 2010	
Paper Nº 62:	
Territorial development, sovereignty and food security	163 downloads
Schejtman, A.and Chiriboga, M. 2010	
Paper N° 56:	
Evolution of the Territorial Economic Development Policy in Chile: Main Initiatives	161 downloads
Ropert, M. A. 2009	
Paper N° 58:	
Notes for the analysis of the environmental dimension in territorial dynamics	126 downloads
Kronik, J. and Bradford, D. 2010	
Paper N° 50:	
Changes in poverty and income concentration in Honduran municipalities: from 1988 to 2001	108 downloads
Flores, M.; Lovo, H.; Reyes, W. and Campos, M. 2009	
Paper N° 57:	
Comparative review of DTR program research projects	97 downloads
Ramirez, M. 2010	
Paper N° 1:	
Inequality and poverty as challenges for rural territorial development	94 downloads
Schejtman, A. and Berdegue, J. 2007	
Paper N° 41:	
Crisis and Rural Poverty in Latin America: the case of Peru	88 downloads
Yancari, J. 2009	



SECTION 08



Monitoring and Evaluation

Explaining, capitalizing on, and sustaining a plentiful harvest

Synthesis of the 2010 Report of the RTD Monitoring and Evaluation Unit¹

Investments during the early years of the program have started to yield their results. The dozens of research articles, the processes developed within the very territories, and the commitments of national and international partners are all bearing fruit: RTD-oriented policy debates at different levels, new coalitions, territorial agendas, and a rich exchange of perspectives on territorial development are taking place. Since the program is entering its final phase, three issues require attention: how to explain, how to capitalize on, and how to sustain what has been achieved.

Below we summarize the main results of the 2010 Report of the RTD Monitoring and Evaluation Unit.



Facilitating research for territorial change: results and relationships

Research Results. The intense research efforts in 19 territories led to the production of nearly 30 final documents during 2010. A crucial success factor for the program will be the synthesis of findings that arise from this body of research: a forthcoming middle-range theory. By preparing a draft of the synthesis of the four research projects that started the program, we began a process of iterative approximation to reach this goal². Program partners discussed the document on the basis of the regular research projects

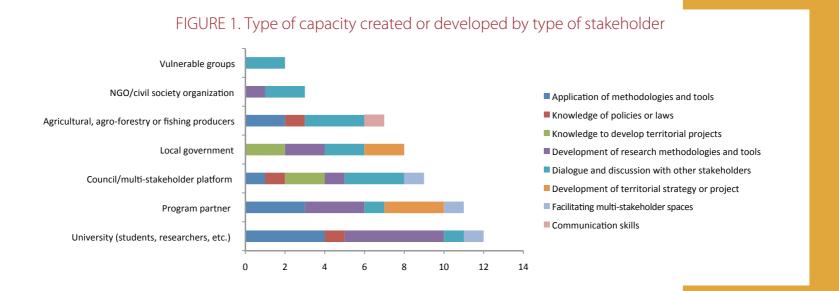
("proyectos regulares"), special gender and environmental studies, and territorial capacity building projects.

Valuing the process. The collaborative research process, which involved dozens of people, sharpened the focus of the research, its methodology, and its results. According to a survey of opinion, the majority of partners rated this process positively. The methodological framework was especially appreciated for using an interesting "territorial" approach, for incorporating a gender perspective, and for establishing a common yet flexible framework. Also valued were the many exchanges that took place between organizations, as well as Rimisp's management and transparency. The most challenging issues that partners encountered were the economic and political conditions within the territories, essentially beyond the program's reach. Among the factors that hindered the process, respondents identified the limited time available for actual research, the fact that the latter took place simultaneously with work to impact policy, and the tension between Rimisp's high expectations, available resources, and achievable outcomes.

A layered network. The network of the RTD program includes 52 partners and 150 collaborators. An analysis of the participation of individuals in 16 key program events shows a clear pattern of linkages and degrees of involvement. This pattern includes a proximate level (20-25 researchers), a second level (some 30 project coordinators or direct colleagues), and other incidental participants (about 500 people). It is essential that in discussions about how to capitalize on and sustain this emerging network of relationships and collaborations, a more realistic vision about "the network" is shared, one where the researchers at its core are seen as the engine of the work being planned and developed.

¹ Monitoring and evaluation of the program has been contracted out to the Dutch consultant Learning by Design. Irene Guijt (Coordinator) and Roberto Iturralde are responsible for the program's evaluation and also for writing this article for the 2010 Annual Report.

² These are four research projects of Rural Territorial Dynamics in: Cuatro Lagunas, Cusco (Peru), Central Chiloe (Chile), the dairy region of Santo Tomas, Chontales (Nicaraqua), and the Tunqurahua province (Ecuador).



Strengthening of Capacities. Figure 1 shows that the program's ongoing projects create or develop an array of capacities among different actors, who in many instances go beyond the scope of partner organizations. Research and analysis capacities are developed in local organizations, such as governments and NGOs, whilst program's partners gained competencies in developing territorial strategies and projects. The final survey applied to partners suggests that 29 of the developed capacities and 13 of the existing capacities were not exclusively research-oriented. Whilst research-oriented skills were the most frequently mentioned, other capacities were also mentioned: how to develop territorial projects (Olancho); how to establish an association of municipalities (O'Higgins); how to empower small-scale fishermen to convey their needs and participate in public debates (El Salvador); and how to design projects with territorial actors (O'Higgins).

Desde el desarrollo de capacidades a la transformacion territorial

The program takes into account the close link between research findings and territorial realities, as seen in Ecuador, Chile, El Salvador, Guatemala, Nicaragua and Honduras. The program allocated 21% of its 2010 budget to capacity building initiatives in these countries. Progress has been rapid throughout the year: territorial teams have made significant strides of variable degree and quality. Progress was made in understanding the objectives and scope of RTD work in the territories.

During part of the year, the program continued to send mixed signals about the purpose and scope of this line of work. At the time,

results reported the number of poor people participating, plans formulated, and platforms supported or generated, among others. Neither an action research framework nor the number of persons with strengthened capacities was used. At present, those involved in the program admit that the initial focus of capacity building efforts was incapable of describing what, in a broad sense, are "territorial transformations." Partners have invested critically in building relationships, social mobilization, planning, developing support for trans-territorial working groups and, in some cases, training:

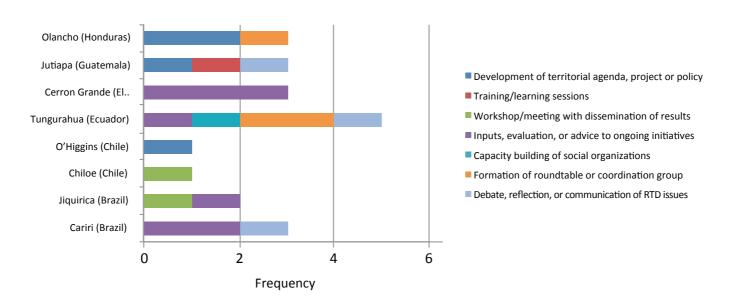
- Existing platforms in Tungurahua (Ecuador) and Chalatenango (El Salvador) apparently are producing particularly good results.
- The first steps were also taken to create multi-stakeholder platforms in O'Higgins (Chile) and Olancho (Honduras). However, their strength is thus far unclear.
- In spite of the difficulties encountered in activating a wider territorial platform, at the Penas Blancas Massif (Nicaragua) the team identified La Dalia as a locality to concentrate the project's efforts.

 In Jutiapa (Guatemala), women and youth groups have enriched collective dialogue despite their intermittent participation.

These processes are expanding the discussion about territorial approaches to address critical issues, based on the recognition of common problems that require joint solutions. A significant result, one that is key at the collective level, is the production of a document about how to initiate territorial processes. This document reports on a considerable diversity of strategies, pathways to change, difficulties, and (preliminary) results.

The program's teams have faced significant challenges: from weak institutions and a lack of incentives to encourage the participation of key actors, to a given project's tight deadlines, limited resources, and small field teams. On the basis of the lessons we have learned in the six territories, it is at this stage still unclear how we can connect the territorial level with the political, financial and institutional processes that take place at the regional and/or national level.

FIGURE 2. Advocacy processes by territory and type (n=21)



Policy dialogue, institutional practice, and territorial change

The program has pushed forward two types of processes to support the development and implementation of public and private policies: deliberate efforts and contingency efforts. As part of advocacy processes at the policy level, the components of the program are being increasingly merged with integrated strategies for change, research, and capacity building.

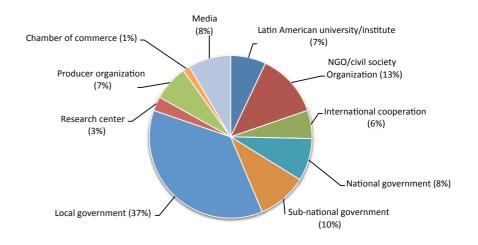
Territorial and sub-national activities. In order to establish links between research findings and public and private partnerships, the program's Policy Advocacy Fund provisioned funding for five projects in Chile, Peru, Ecuador, El Salvador and Nicaragua. We will learn about the results during 2011.

Funds used for capacity building also allowed several partners to conduct policy advocacy activities. In the monitoring and evaluation study conducted by J.C. Mace and R. Iturralde, respondents mentioned 16 initiatives in four territories (see Figure 2) focused on local governments (Olancho, Honduras; Jutiapa, Guatemala; Jiquirica and Cariri in Brazil) and territorial levels (Ecuador, Peru, Chile, Guatemala, Brazil, Honduras). National-level activities were mentioned in El Salvador and Nicaragua.

The self-assessment by partners of current findings focuses on changes in discourses, ideas and processes. In some cases, they also mention more tangible results pertaining to the reorientation of policies and programs (Ecuador, El Salvador, Nicaragua and Chile). The challenge ahead lies in changing the content, behavior and attitudes toward policies, plans, and organizations.

Partners' technical contributions, evaluations, and support have been important for the development of a plan, an agenda, or a territorial strategy. Local and regional governments, NGOs,

FIGURE 3. Main partners in advocacy initiatives (n=71)



social groups, and universities have become key allies in such processes (see Figure 3).

Respondents stated that territorial processes are positively influenced by:

- The degree of participation of actors involved.
- The level of commitment and degree of ownership of a common vision and strategy.
- The existence of legitimized spaces for dialogue.
- Funding.
- The quality of direct and sustained support.

Respondents also mention factors that hinder these territorial processes:

- Overlapping and unclear organizational mandates.
- A poor ability to organize and mobilize beyond local visions.



International activities. Participants in the conference on rural transformations in emerging economies, which took place in India and brought together high-level academics and policymakers from Brazil, China, India and South Africa, valued this event for the increased awareness it fostered about the challenges and policies in common. Overall, participants felt it increased their interest in the research and also that it merited organizing similar meetings in the future. The most significant post-conference effect to date has been the future workshop to support the ongoing formulation of a new rural development policy, to be hosted in 2011 by the South African Department of Rural Development and Land Reform.

Finally, the new International Fund for Agricultural Development project for Latin America, "Knowledge for Change in Rural Poverty and Development," is both a result of the program (arising from the interest it has generated) and a new sub-project funded by a USD 1.3 million donation from IDRC and a USD 1.8 million donation from IFAD (see page 59 for details). Likewise, in the first week of January 2011, the Ford Foundation confirmed a contribution of USD 750,000 for a new project to support the promotion of territorial development among sub-national governments of Andean countries. The latter project originates in the program's work with this level of government, which encountered significant obstacles during 2010.

All such processes contribute directly to the program's results. They emerge from the ability of program partners and the Coordination Unit to attract significant attention and to mobilize key people at various levels using an innovative approach, credibility in its added value, and partners' skills and expertise. The resulting new connections are generating interest and leading to the development of new joint initiatives.

Progress toward the programmatic outcomes

The program will be evaluated on the basis of its expected outcomes, which were reformulated in June 2010.

Programmatic Outcome 1. Consolidation of networks and coalitions.

The network of partners is a critical result that will help to achieve the remaining outcomes. Program partners generally work to high standards, are committed to the program as a collective effort, and are quick to seize on opportunities arising from RTD work. However, in their self-assessment (see following section) partners identified two limitations: (i) insufficient linkages with formal and informal interest groups that are crucial for decision-making within a territory (for instance entrepreneurs, social movements, and both national and sub-national governments); and (ii) a focus that is restricted to those who make up the "rural territory," and the need to systematically and significantly network and participate with non-rural actors.

Programmatic Outcome 2. Creation of a joint vision and strategy for Latin America. The program can report significant progress in this respect during 2010, especially as it has developed a solid body of knowledge on territorial dynamics, and their key effects and drivers. This has provided a basis from which to develop a vision to revitalize rural areas, one that is based on social justice and which uses a so-called "middle-range theory." However, progress toward understanding how to initiate or strengthen territorial development has been particularly slow, especially with respect to establishing an underlying conceptual framework. Important future

challenges include promoting territorial development in areas with weak social capital, and developing substantive commitments with marginalized groups and the business sector.

Programmatic Outcome 3. Advocacy in public policies and practices. For program partners, policy advocacy constitutes a veritable challenge. Policies and programs at the national, state and municipal levels, multilateral aid agencies, university curricula, international research agendas, South-South government collaborations, have all witnessed how specific activities are a direct result of work conducted by the RTD program.

However, most of the examples of change observed in policies and practices cannot be explained. Other desired objectives, for instance the participation of private enterprises and social movements, have been beyond the reach of the program.

With better evidence and capacity building, we expect to progress from a fairly naive and traditional initial approach to policy advocacy, toward a more nuanced conceptualization that provides better support mechanisms to its partners.



The areas requiring attention in 2011 are:

- Identifying modes of interaction with key groups and stakeholders (for instance companies, sub-national governments, and social movements) in order to incorporate them into RTD work.
- Achieving a better balance between work expectations, deadlines, and the allocation of resources.
- Supporting partners in processes of advocacy in policies and practices, particularly as regards designing strategies and communications for change.
- Investing in a better understanding of pathways to impact policies and institutions.
- Continuing to support those working in territorial "learning laboratories" in order to subsequently reflect, analyze, and document such experiences.
- Facilitating mechanisms to link advocacy efforts at the territorial level with national- and regional-level advocacy efforts.

Mid-Term Review: an opportunity for innovation

Summary of the self-assessment conducted by the program's Coordination Unit

The Mid-Term Review (MTR) of the IDRC-funded program began at the end of 2010. This coincides with the final evaluation of the New Zealand Aid Programme (NZAP), which made a substantial contribution to our program's activities in Central America. The MTR is an innovative process that gathers the knowledge of those with privileged information together with the objectivity of an outsider's perspective. All documents will be made available to the public in May 2011, once the process has been concluded.

The first stage of the process consists of conducting a self-assessment, led by the Coordination Unit. The contents of this self-assessment are based on a solid review of existing evidence and many (but not all) of the experiences that have been documented. It is also based on those noteworthy and worrisome aspects that coordinators of the program's components have highlighted to date. By means of three workshops, partner interviews, and a thorough review of background information and documentary evidence, an analysis of the achievements and deficiencies of the program was conducted. Throughout this process, the Monitoring and Evaluation Unit (M&E) has acted as overseer and raised new questions to sharpen and balance the analysis. A preliminary draft of this self-assessment was also circulated for comments among program partners.

The second part of the process consists of an external assessment. A panel of experts will evaluate the validity and rigor of the self-assessment and offer observations about the program's pertinence to date. Members of the external panel are specialists in RTD and other related topics: Dr. Jose Emilio Guerrero and Dr. Rosa Gallardo Cobos, of the University of Cordoba (Spain), Dr. Francisco Rhon, President of FLACSO, and Dr. Gonzalo de la Maza, University of Los Lagos (Chile).

Results

Central features in many of the positive results are the program's flexibility, the willingness of donors to take risks, the excellent adaptive management of administrative-level capacities, and the ability to generate significant additional funds.

Obstacles identified are the fragmentary design of the program's components, and delays in territorial capacity building and communications. Difficulties have also arisen from delays in producing an explicit strategy to influence policies through appropriate mechanisms, and from the design of the regular projects that followed the exploratory research projects. Furthermore, the excess of activities overwhelmed schedules and made it impossible to provide continuity to some significant opportunities that surfaced in 2009. Lastly, some of these opportunities had to be delayed and some had to be prioritized, due to the negative impact of the foreign exchange rate on the program's income.

The self-assessment process also provided the means to arrive at provisional conclusions about progress toward expected programmatic outcomes.

Programmatic Outcome 1. Consolidation of networks and coalitions. The partner network developed to date is a fundamentally important result of the program, one that will allow us to fulfill our other expected outcomes. Partners work to high standards, are committed to the program as a collective effort, and are active parties in an ongoing and long-term dialogue.

However, two limitations are observed: First, despite intentions at the onset, few linkages have been established with key groups such as entrepreneurs, social movements, and sub-national governments. A more direct dialogue with them is crucial since they are key stakeholders in the formulation of policy within territories. Second, the network is focused on those who are active in rural issues. It is essential that the program moves beyond the "rural neighborhood" in order to dialogue in a more systematic and significant way with other non-rural groups that share a similar vision of development for Latin America.

Programmatic Outcome 2. Creation of a joint vision and strategy for Latin America. The program can report its most significant progress with respect to this Programmatic Outcome. Most noteworthy is the development of a solid body of knowledge on territorial dynamics, and their key effects and

drivers. This knowledge makes it possible to build a vision based on social justice that can revitalize rural territories. The program considers itself and its partners as intellectually influential voices of this vision. In the next phase of the program, more attention will be paid to the so-called "Middle-range theory."

Clearly this theory needs practical knowledge in order to crystallize into a vision and a shared strategy that is well grounded in reality. Progress toward understanding how to do territorial development has been considerably slow, especially as regards developing an underlying conceptual framework to guide fieldwork efforts. In practice, some important challenges to be addressed are: territorial development in areas with weak social capital, and substantive participation of both marginalized sectors and powerful territorial actors, especially big businesses.

Programmatic Outcome 3. Advocacy in public policies and practices. Influencing policy has confronted the program with a steep learning curve. As a result of RTD work, some organizations and actors initiated joint actions or reoriented their initiatives, including here: municipal, regional and national policies and programs; multilateral cooperation agencies; university programs; research agendas; South-South governmental cooperation, etc. However, the program has not directed its efforts toward explaining which factors have been important in these policy- and practice-related changes. In fact, most of the changes the program contributed to were not necessarily deliberate advocacy targets of the program or its partners. In other cases, when these changes indeed constituted deliberate objectives (for instance, private companies and social organizations), they were beyond the scope of the program. But, why has this been so? The program is certainly interested in achieving a better grasp of ways in which to impact policy. This curiosity has also been sparked by the self-assessment, which observed that in several



territories a great number of policy advocacy initiatives began to develop around the RTD program.

The Coordination Unit pondered in much detail the question, "How does influence on policy actually take place?" In fact, the program's activities were initially based, to cite the self-assessment report, on a "naive and traditional [logic] about influencing policy" that occurs through a better evidence base and capacity building. At present, a more nuanced conceptualization contributes to shaping support mechanisms that are more appropriate for program partners. And it is increasingly clear that impact is closely related to the program's own social networks. The reach of the program and its partners does not extend to the domains of private business or social movements.

Future advocacy efforts will need to focus on three parallel and interrelated pathways:

- Territorial: capacity building projects and the Advocacy Fund
- Regional: sub-project to formulate sub-national policies, recently approved by the Ford Foundation.
- National: IFAD donation for "Knowledge for Change."

Strengthened actors who promote visions and actions in territories

An analysis of the program's outlook on capacity building and territorial dynamics

In June 2010, Alfredo Ortiz was commissioned to prepare the report, Capacity Building and Rural Territorial Dynamics. This was an interpretation about how capacity building was being understood and addressed within the RTD program. It provided useful insights to the program and its partners.

The report suggests that capacity building is being understood by the program as the wellspring for a new territorial vision and actions, to be taken forward by key stakeholders in legitimized spaces. This new understanding invites both a better grasp of dynamics (based on research) and the inclusion of actors who have the capacities to implement their vision. According to the report, these actors and spaces are seen as reference points for conducting partnered work with local and regional governments, representatives of the private sector, and other territorial actors. This joint work would thus permit a reorientation of development efforts toward territorial dynamics that challenge existing power structures in order to make them more sustainable and equitable.



Action Strategies

We observe that capacity building relies on four strategies:

- Conducting applied research to develop capacities.
- Legitimizing and strengthening spaces for discussion and dialogue.
- Connecting actors and interests within key spaces where capacity building supports specific territorial priorities.
- Strengthening excluded groups in order to enhance their participation in policy planning processes.

The report notes that despite significant progress this year, partners should bear the following points in mind:

- Underlying tensions associated with a limited schedule and budget and the need to combine the results of research efforts (many in process or already initiated) with policy planning processes.
- Finding a balance between the methodological guidelines set out by the program and the necessary empowerment and ownership that project teams should achieve.
- The program's concept even if complex and innovative contains neither a detailed definition of what this component entails, nor an account of the extent and nature of its scope.
- The specialized literature recommends that short-term interventions should avoid excessively promising or diffuse expectations, especially when the context is changeable and there are many factors beyond control.

Emerging results and lessons acquired (current to June 2010)

All teams are making significant progress toward implementing the activities proposed, especially after local multi-stakeholder platforms have become active and strong. At the same time, teams face major challenges such as weak institutions, limited social capital and linkages with national actors, and a lack of incentives for the participation of powerful actors. Another challenge is sustaining progress once projects have been completed.

Lessons:

- Knowledge and skills are inextricably bound to the possibility of stimulating virtuous dynamics. These intangible, dialogue-oriented and relational capabilities underscore the importance of the program's partnership-based work.
- Negotiating with powerful stakeholders with strong economic interests at stake and working in distant territories place limits on both the ability to influence policy and the possibility of including groups that are traditionally excluded.
- Keeping a focus on equity and economic development is certainly a challenge when institutions have limited capacities to facilitate or manage change.
- The feasibility of developing capacities that can have a significant impact at the territorial level is highly conditioned by the program's resources and deadlines.

Advocacy efforts in the spotlight

In November 2010, we conducted a survey among the partners of the RTD program in order to better understand the initiatives and processes used to influence public action, as well as to assess the quality of the research process. Partners from six countries (Brazil, Chile, Ecuador, El Salvador, Guatemala, and Honduras), representing nine out of nineteen territories, responded to the survey. The survey focused on the following topics:

Products or events indirectly related to the RTD program

The results and activities of the program have allowed partners to generate an array of products and events that go beyond the activities originally funded by the program.

- Of the 38 initiatives developed since 2009, the most common were national or sub-national meetings and conferences, as well as courses and training.
- To achieve this, the program partners were supported by 63 allies and donors, including academic institutions, national governments, and local NGOs.

Advocacy processes: description and self-assessment of those completed or underway

The program's partners have initiated 22 advocacy processes, defined as processes geared toward discussing, designing and implementing decisions, actions and public policies³.

- The most frequently implemented advocacy processes were consultancies or assessments associated with ongoing initiatives, as well as the development of agendas, projects, and regional plans.
- Of the 71 key allies involved in these activities, 37% were local governments. NGOs and national and sub-national governments played a secondary role, and the media were involved to a lesser extent.
- According to partners, agreements between stakeholders and their willingness to participate are key factors that facilitate advocacy processes. In contrast, advocacy processes seem to be negatively impacted by institutional factors, such as a lack of clarity about roles and responsibilities.

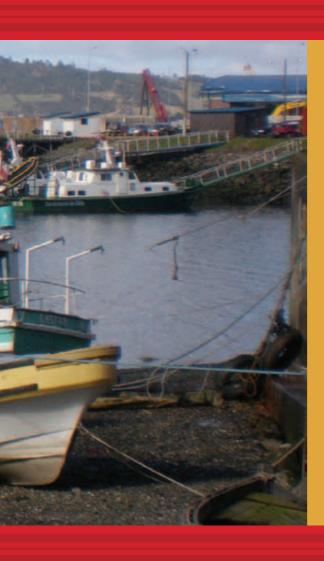
Assessment of research quality

- Regarding applied research processes (production of maps and studies; publication of working papers), the more
 positive comments touched on the program's methodology and networking with partners.
- The more negative comments focused on existing conditions within territories (e.g. political instability), difficulties in accessing information, and the program's methodology (e.g. the challenge of conducting research and policy influence activities simultaneously).
- As regards the capacities built and developed among partners and collaborators, the most frequently noted were the development and application of research tools and methodologies. A few mentioned non-academic and methodological capacities (e.g. how to formulate territorial projects).

³Three of the six countries surveyed received financial support from the DTR Advocacy Fund.



SECTION 09



Management



Rimisp: strengthening its programmatic commitments

The institutional mission of Rimisp is to promote rural economic and social development in Latin America, which is understood as a socially inclusive and environmentally sustainable development linked to the capabilities and freedoms of individuals. Our aim is to create information, knowledge and conceptual frameworks to understand ongoing dynamics and provide policy recommendations and proposals relevant to issues in rural territorial development. Rimisp hopes that these recommendations enrich the agenda of national and sub-national governments, donors, political and technical policymakers, the academic community, and international organizations.

This task will be accomplished to the extent that our research can contribute to processes of institutional change, productive innovation, and the strengthening of social actors in ways that can revitalize and transform rural societies in Latin American into fairer and more equitable societies.

In order to accomplish this, we have implemented a number of organizational decisions to facilitate and improve our processes, performance and results. We set out to achieve greater visibility among researchers and

analysts of rural development processes and government decentralization; to position the results of our studies in the public debate; and to provide our interpretations and feedback to social actors in order to contribute to their own processes of innovation and social change.

In 2006, Rimisp initiated a phase that sought to strengthen its organizational practices and boost its performance. This led the organization to conduct an institutional evaluation, commit to improvements, launch a line of work focused on institutional strengthening, and hire consultants on specific matters such as administrative processes, corporate branding, communications, website, and others.

These steps helped to spark a process to boost the organization into becoming a center for thought and policy proposals on socially inclusive and environmentally sustainable rural development in Latin America. An important part of this process was led by the Rural Territorial Dynamics program, which has focused our thinking on development from a territorial perspective, i.e. one that takes into account a territory, its assets and



potential, its stakeholders and institutions, and its cultural and historical identity.

The evidence we have gathered, and which is systematized in a number of working papers, highlights a crucial topic: territories, their entrepreneurs and their people engage with larger structures, public policies, and governments. This highlights a potential for development and for value-added linkages, which are not obvious and natural results, but which can be induced and supported by appropriate policies and good multilevel governance schemes.

In summary, territories engage with national and sub-national governments and demand effective policies from them. Following this line of thinking, we seek to examine in further detail two areas of our work. First, our role as articulators of knowledge resulting from research and its transformation into proposals, programs and policies, as expressed in the IFAD/IDRC-funded

project, "Knowledge and Change in Rural Poverty and Development," which began in 2010. Second, our role as change agents in the territorial agenda and performance of sub-national and local governments, through the Ford Foundation-funded project, "Sub-national Governance for Territorial Development in the Andes," which will begin in 2011.

The opportunity to take forward such an ambitious and wideranging work agenda is a privilege that demands from Rimisp a renewed commitment to economic and social development, as well as to the goals of overcoming poverty and social vulnerability. In order to succeed in overcoming social inequality and economic insecurity, through the use of rigorous applied research, we are committed to drawing the attention of all parties who bear responsibilities for development and welfare in Latin America. This obliges us to maintain a permanent commitment to innovate socially and institutionally.

Reflections and contributions from the Advisory Board

The Advisory Board of the RTD Program provides advice on matters that are relevant to, and part of, the work focus of the program. It also advises on the technical quality of methods and results, and has a governance role within the program. It is made up of representatives from academia, politics, social organizations, and the private sector, as well as ex officio members of IDRC, NZAP and Rimisp.

The third meeting of the Advisory Board took place on 15 March in Bogota, Colombia. During the meeting, the 2009 Annual Report of the program, as well as the 2010 Work Plan and Budget, were discussed. The Board also debated in depth how the program can improve its advocacy efforts in public policy.

Below we summarize some of the main topics touched upon during the meeting.

Partner Network. Debate was held about visible difficulties in the process of achieving an autonomous network, i.e. one where the program does not act as an intermediary between partners and collaborators. This was not perceived as a failure of the program. Instead, it was regarded as a natural outcome of the fact that each partner and collaborator has a particular interest, which contrasts the notion of a centripetal force. All networks, moreover, are hierarchical. This does not prevent the formation of a network of well-informed partners, nor does it write-off the program's responsibility of providing synthesis back to the network. Potentially, then, a network of partners can become a policy coalition.

Capacity building. Rethinking the capacity building intervention is recommended, in the sense of generating processes within the territories that are not just framed under a new theoretical paradigm (which incorporates the program's contributions) but which also adopt a novel approach to doing things. Given that it is essentially an intellectual process, the production of knowledge and the transformation of data into new ideas is a "simple" task. It is more complex for social actors to adopt these ideas, a goal that is entrusted to the capacity building component. This is a slow and complex process, which may extend far beyond the program's timeframe.

Advocacy. The issue of advocacy and the Working Groups on Rural Poverty were discussed as they pertain specifically to the new IFAD project. Defining both the messages and their contents is seen as crucial for organizing an impact strategy. It is also necessary to reflect on how this content will be developed and how an agenda should be taken forward, considering the situation in each country is different in relation to certain variables: the weight of territorial work at the national level, election cycles, ideological trends, etc. To achieve impact, it is necessary to raise messages that are the product of research, but legitimacy and political influence are also required.



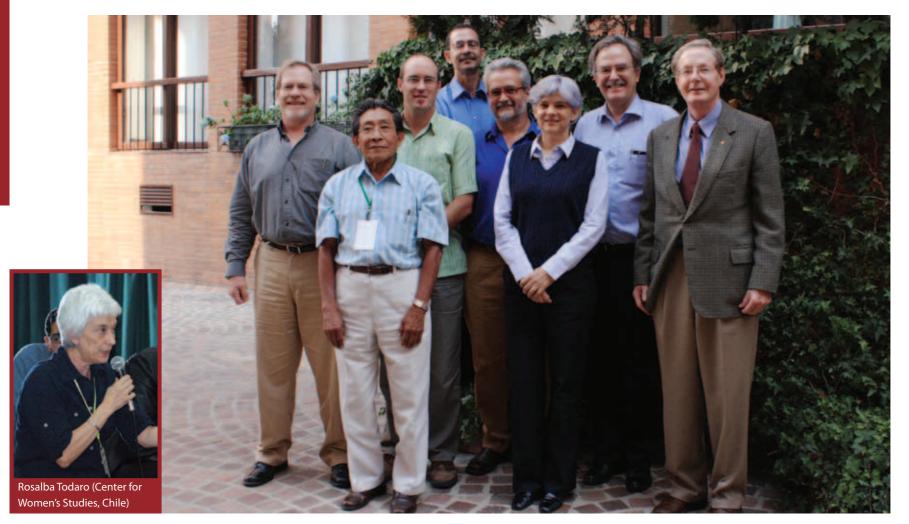
The notion of "novelties." An effort is required to render visible the novelties within the messages that the synthesis will address. To the extent that these novelties become internalized by network members, it will become possible to develop a policy coalition. It was also recommended that these messages are broken down in terms of their audiences, i.e. what novelties in the synthesis are relevant to academics, the media, international cooperation, sub-national governments, etc.? The challenge is to identify a way for countries that are not involved directly in the IFAD project to benefit from the process and results of this project. A strategy is required to generate a flow of ideas and lines of action that can fertilize the ground for similar efforts in the other seven countries. It was suggested that the effort in 2010 needed to aim toward integration, making sure that the existence of dynamics and lessons are communicated to others.

Monitoring and evaluation. It was established that the program's monitoring and evaluation component is greatly valued, especially because in addition to its role of ensuring accountability to donors (a point discussed in a section of the evaluation report), its focus on the program's strategic issues and tensions has greatly stimulated debate.

RTD Program Advisory Board

- Eligio Alvarado
 (Dobba Yala Foundation, Panama)
- Monica Hernandez
 (Alternativa Foundation, Ecuador)
- Rosalba Todaro (Center for Women's Studies, Chile)
- David Kaimowitz
 (Ford Foundation, Nicaragua)
- Miguel Urioste
 (Tierra Foundation, Bolivia)
- German Escobar
 (Ex officio representative, Rimisp)
- Merle Faminow
 (Ex officio representative, IDRC)
- Regina Novaes (Brazilian Institute for Socio-Economic Analyses -IBASE, Brazil)
- Hubert Zandstra (Independent consultant, Canada)
- Brent Rapson
 (Ex officio representative, New Zealand Aid Programme)

RTD Program Advisory Board



Merle Faminow (Ex officio representative, IDRC), Eligio Alvarado (Dobba Yala Foundation, Panama), Brent Rapson (Ex officio representative, New Zealand Aid Programme), David Kaimowitz (Ford Foundation, Nicaragua), Miguel Urioste (Tierra Foundation, Bolivia), Monica Hernandez (Alternativa Foundation, Ecuador), German Escobar (Ex officio representative, Rimisp), Regina Novaes (Brazilian Institute for Socio-Economic Analyses - IBASE, Brazil), Hubert Zandstra (Independent consultant, Canada).

Coordination Unit



Julio A. Berdegue General Coordinator, RTD Program



Lucia Carrasco Administrative Coordinator



Francisco Aguirre Capacity Building and NZAP Project Coordinator



Manuel Chiriboga Adjunct Capacity Building Coordinator (20% time)



Monica Maureira Communications Coordinator (from July 2010)



Alexander Schejtman Postgraduate Education Coordinator



Rosamelia Andrade Communications Coordinator (until June 2010)

Coordination Unit



Felix Modrego Applied Research Coordinator (50% time)



Ignacia Fernandez Adjunct Coordinator, Knowledge and Change in Rural Poverty and Development project (from June 2010)



Mariela Ramirez Postgraduate Education **Adjunct Coordinator**



Dania Ortega Administrative Assistant

Consultants



Diego Reinoso **Communications Assistant**



Daniela Miranda Assistant to the Coordinator, Knowledge and Change in Rural Poverty and Development project (from June 2010)

Consultants



Daniela Acuna Working Group on Natural Capital and RTD (until Dicember 2010)



Julie C. Mace International Networks (until November 2010)

Monitoring and Evaluation Unit

Learning by Design, Holanda



Irene Guijt Coordinator



Roberto Iturralde Researcher



Financial Summary

Income and expenditures in 2010

During 2010, Rimisp managed approximately USD 2 million for the program (see table: Revenue and Expenditure in 2010). This figure breaks down as follows: 62.5% originates from an agreement with IDRC, 12.5% comes from the project funded by NZAP for work in Central America, and the remaining 25% is contributed

by IFAD through the Knowledge and Change in Rural Poverty and Development project.

The program expended USD 2.7 million over the past year, of which nearly USD 2 million originated from IDRC, USD 450 thousand from NZAP, and USD 185 thousand from IFAD.

Table: Revenue and Expenditure in 2010 (US dollars)

	2007	2008	2009	2010		2011
	Real	Real	Real	Budget	Real	Budget
REVENUE	517.178	2.606.892	2.688.765	3.030.052	1.972.507	2.302.024
IDRC	517.178	2.606.892	2.077.007	2.155.595	1.158.818	1.504.515
NZAP			361.216	223.499	223.499	197.509
IFAD				600.000	540.000	600.000
OTHERS			250.542	50.958	50.190	
EXPENDITURE	503.278	2.367.323	2.433.346	3.120.557	2.707.326	1.886.556
IDRC	503.278	2.367.323	2.040.108	2.089.784	1.976.039	1.600.756
NZAP				566.962	451.199	237.496
IFAD				236.642	185.489	
OTHERS				227.169	94.599	48.304

Details of expenditures in 2010

The table, "Detail of Expenditures in 2010," provides a breakdown of expenditures over the past year, as well as of donations made by IDRC, NZAP and IFAD. Together these three donors provide 97.5% of the program's budget managed by Rimisp.

Table: Detail of Expenditures in 2010 (US dollars)

(A) IDRC Donation

	BUDGET	EXECUTED
Staff	162.584	178.968
Consultants	0	0
Evaluation	102.961	99.260
Staff international travel	29.294	20.303
Component 1 - Applied Research	720.470	686.681
Component 2 - Capacity Building	414.998	412.320
Component 3 - International Networking	172.215	179.051
Component 4 - Postgraduate Education	80.763	25.232
Component 5 - Rimisp Organizational Development	62.300	41.125
Component 6 - Communications	106.153	99.079
Other direct costs	45.389	49.939
Indirect Costs	192.657	184.081
TOTAL	2.089.784	1.976.039

Table: Detail of Expenditures in 2010 (US dollars)

(B) NZAP Donation

	BUDGET	EXECUTED
Staff	48.232	51.135
Evaluation	38.481	27.998
Staff international travel	7.080	1.079
Component 1 - Capacity Building	134.217	108.958
Component 2 - Communications and policy advocacy	271.767	194.662
Other direct costs	13.011	24.544
Indirect costs	54.174	42.823
TOTAL	566.962	451.199

(C) IFAD Donation

	BUDGET	EXECUTED
Staff	55.604	48.985
Professional services	3.675	6.396
Travel expenses	7.800	39.162
Component 1 - Operational Costs	81.721	51.302
Component 2 - Operational Costs	0	0
Component 3 - Operational Costs	40.440	18.057
Component 4 - Operational Costs	0	0
Other direct costs	16.000	3.967
Training	0	0
Indirect costs	31.402	17.620
TOTAL	236.642	185.489

Direct and indirect contributions to the program

As shown in the table, "Funds committed during 2010 for co-funded program actions (USD)," six organizations (NGOs, universities and sub-national governments) co-funded specific activities with the program, adding up to a total contribution of USD 2,093,077 million during 2010. If their contributions in 2008 and 2009 are added to the 2010 total, the final figure reaches USD 4 million. To this must be added the initial donation from IDRC, which permitted launching the program, and donors that have emerged during the course of the RTD program.

Resources pertaining to a number of these co-funded program initiatives are in some cases managed directly by our partners and, therefore, not classed as donations to Rimisp.

Rimisp gratefully acknowledges the support of these organizations to the program. Their contribution engages us to make our best effort in order to ensure their continued trust.

Table: Funds committed during 2010 for co-funded program actions (US dollars)

Organization	Amount of Contribution	Contribution Period	Activity
IFAD	200.000	2010	International Conference: "Dynamics of rural transformation in emerging economies"
DBSA	18.500	2010	International Conference: "Dynamics of rural transformation in emerging economies"
Simon Bolivar Andean University	5.010	2010 - 2011	Tungurahua Advocacy Project
Provincial Government of Tungurahua	8.000	2010 - 2011	Tungurahua Advocacy Project
Nitlapan y DIIS	37.567	2010	Penas Blancas Massif Nature Reserve project, Nicaragua
IFAD	1.824.000	2010 - 2013	Improve rural poverty-focused strategies, policies, and national and sub-national investments
Total Formalized in 2010	2.093.077		
Total Formalized in 2009	784.911		
Total Formalized in 2008	1.162.388		
Total Formalized in 2010	4.040.376		

Contact



Tel: (

Translation to English:

Peter Kozak

Design & Layout:

Okio - Karina Gonzalez

Printing:

Morgan

Rural Territorial Dynamics Program

Rimisp - Latin American Center for Rural Development

Huelen 10, piso 6

Providencia, CP 7500617

Santiago, Chile

Tel: (56 2) 236 4557 • Fax: (56 2) 236 4558 • Email: dtr@rimisp.org • web: www.rimisp.org/dtr

Photographs:

The photographs included in this report have been provided by Rimisp,

except for the following:

Cover: © World Bank/Guiseppe Franchini; © World Bank/Curt Carnemark

Pages 6, 8, 14, 21, 36, 40, 75, 97, 101, 104, 109, 112: © CIAT/Neil Palmer

Pages 11, 20, 108: © World Bank/Julio Pantoja

Pages 12, 66 © World Bank/Curt Carnemark

Pages 17, 18, 22, 59: © Prisma

Pages 19, 70: © World Bank/Jonathan Ernst

Pages 23, 32, 48, 54: © Flickr

Page 24: © Flickr/Marcio Ramalho

Page 27: © Rimisp/Christian Iglesias

Page 28: © World Bank/Simone D. McCourtie

Pages 29, 30, 33: © FAO

Pages 31, 32: © Flickr/Columbus GV Team

Page 34: © Flickr/Arthur Garcia

Pages 35, 36: © Rimisp/Patrick Hollenstein

Pages 36, 52, 72: © Rimisp/Bruno Portillo

Page 37: © IEP/Rafael Nova

Page 38: © Flickr/Arden

Pages 39, 40, 58, 117: © Colmex

Pages 43, 44: © Flickr/Luis Marques

Page 44: © Flickr/Maria Julia Costa

Page 44: © Flickr/Gutemberg Ostemberg

Pages 47, 118: © Nitlapan/Aracely Velez

Pages 49, 50, 85: © IEP/Raul Hernandez Asensio

Page 51: © Flickr/Webshots

Page 52: © Flickr/Luis Salinas

Page 53: © Flickr/Jorge Gomez

Pages 54, 56, 64: © World Bank/Charlotte Kesl

Page 54: © Flickr/Alejandro Arango

age 5 1. 6 Thekit/Thejanaro Thang

Page 67: © Nitlapan/Ligia Gomez

Page 77: © IPS/Alejandro Arigon

Pages 78, 99: © World Bank

Page 86: © IFAD/Susan Beccio

Pages 88, 111: © IFAD/Pablo Corral Vega

Page 96: © Flickr/Maximiliano Kolus

Page 102: © IFAD/Santiago Albert Pons



www.rimisp.org/dtr

Rural Territorial Dynamics Program Rimisp