



The World Bank

Agriculture and Rural Development Discussion Paper 4

# Extension and Rural Development

*Converging Views on  
Institutional  
Approaches?*



*Gary Alex  
Derek Byerlee  
Marie Helene-Collion  
William Rivera*

First printing or Web posting: April 2004  
©The International Bank for Reconstruction and Development  
Agriculture & Rural Development Department  
1818 H Street, N.W.  
Washington, DC 20433  
[www.worldbank.org/rural](http://www.worldbank.org/rural)

E-mail: [ard@worldbank.org](mailto:ard@worldbank.org)

Agriculture and Rural Development Discussion Papers is an informal series produced by the Agriculture and Rural Development Department of the World Bank. These papers raise concepts and issues for discussion in the broader development community and describe ongoing research and/or implementation experiences from the Bank.

The findings, interpretations, and conclusions are the author's own and should not be attributed to the World Bank, its management, its Board of Executive Directors, or the countries they represent. Some of the numbers quoted are estimates or approximations and may be revised at a later stage.

**About the authors**

Gary Alex is a consultant at the World Bank. Derek Byerlee is an adviser in the Agriculture and Rural Development department at the World Bank. Marie-Helene Collion is a lead agriculture services specialist at the World Bank. William Rivera is an associate professor in the College of Agriculture and Natural Resources at the University of Maryland, College Park.

# Contents

<b>Executive Summary .....</b>	<b>v</b>
<b>1. Workshop Context and Objectives.....</b>	<b>1</b>
<b>2. Toward a Pluralistic Institutional Base for Extension .....</b>	<b>2</b>
What is new?.....	2
Why are pluralistic systems being encouraged? .....	3
How is pluralistic extension being implemented?.....	4
What are the major issues in implementation of pluralistic systems?.....	5
<b>3. New Funding Mechanisms .....</b>	<b>6</b>
What is new in funding extension?.....	6
Why are new financing mechanisms used?.....	6
How is it done? .....	7
Major issues.....	8
<b>4. The Emerging Extension Agenda—Promoting Sustainable Livelihoods .....</b>	<b>10</b>
What is new?.....	10
Why is it being implemented? .....	11
How is the new agenda being implemented?.....	11
What are the major issues?.....	14
<b>5. Revisiting Roles of the Public Sector.....</b>	<b>14</b>
What’s New?.....	14
Why Are Public Extension Reforms Being Implemented? .....	15
How Are Reforms Being Implemented? .....	15
What Are The Major Issues For New Public Sector Extension Roles?.....	16
<b>6. An Initial Assessment of Performance of the New Approaches .....</b>	<b>17</b>
<b>7. Converging Views and Future Challenges .....</b>	<b>18</b>
Where Do The Views Converge?.....	18
What Lessons Have Been Learned? .....	18
What Are The Major Gaps In Current Best Practice?.....	20
What Are The Next Steps?.....	21

**Appendix: Case Studies of Extension System Innovation and Reform .....22**

**List of Tables**

Table 1. Effects of market-oriented reforms..... 10  
Table 2. Pro-poor extension options for areas with different production potentials ..... 12

**List of Figures**

Figure 1. Financing for extension services, the traditional and the new approach..... 8

**List of Boxes**

Box 1. Information and communication technologies (ICTs) ..... 4  
Box 2. Participatory extension approaches..... 13

## Executive Summary

Against a backdrop of changing public policies and other pressures forcing fundamental change in public extension services, the World Bank, USAID, and the Neuchatel Group convened a workshop of about 70 extension experts to review recent approaches to revitalizing extension services.<sup>1</sup> The objective of the workshop was to provide donors, practitioners, and policymakers an opportunity to discuss and identify commonalities in their approaches to agricultural extension. Sessions were organized around these areas:

- Pluralistic institutional approaches to articulate demand for and delivery of pro-poor extension and information services—roles and potential for NGOs, rural producer organizations (RPOs), and the private sector.
- New funding sources and mechanisms to allocate public funds—public sector financing and cost sharing, new funding mechanisms, competitive grants, and separation of financing from provision of services.
- New extension challenges and approaches to promote sustainable livelihoods—targeting poverty reduction, natural resource and environmental conservation, market-oriented extension, and broader rural information services.
- A reformulated role for the public sector to support pro-poor extension—developing a national vision and strategy for extension, assuring and enhancing quality of services, and decentralizing program planning and implementation.

In addition, two cross cutting issues were addressed—(i) participatory approaches to extension, and (ii) use of new information and communication technologies. Discussions were enriched by 34 cases studies of recent approaches to reform of extension systems.

*Converging views.* Participants were generally optimistic about new directions for extension, especially because donor representatives reported that agriculture is back on the agenda, and that within agriculture, a revitalized and expanded role for advisory and information services is seen as central to pro-poor agricultural growth. Participants generally agreed that the key to reforms has been strengthening demand for services through participatory approaches. Participants tended to agree on the following lessons from past experience with reforms:

- Extension is a knowledge and information support function for rural people that has a broader role than just providing agricultural advice.

---

1. The Neuchatel Group is an informal group of representatives of bilateral and multi-lateral cooperation agencies and institutions involved in agricultural development in the countries of sub-Saharan Africa. The Group grew out of a meeting in Neuchatel, Switzerland hosted by the Swiss Cooperation Agency in 1995. The workshop discussed in these proceedings was held November 12-14, 2002.

- A mature extension system is characterized by a pluralistic system of extension funders and service providers; however, the public sector must continue to be a major player, both in funding and coordinating operations.
- Poverty reduction should be the focus of public funding whether services are provided by public employees or contracted out to private organizations.
- Extension policies and strategies need to define effective division of labor between public extension and other providers, and identify overall objectives for public sector involvement in extension.
- Stakeholder coordinating mechanisms are important to provide a common framework in which all actors can operate.
- Building capacity of RPOs, the public sector, and service providers is necessary to empower users and expand the pool of qualified service providers. This requires links with, and modernization of, the agricultural education system.
- Extension services should be a part of the decentralization and devolution agenda, engaging full involvement of local government units and grass roots organizations. There is a general lack of awareness of missed opportunities for extension involvement in CDD programs, social funds, and fiscal transfers that have a strong focus on the poor.
- There is greater scope for cost-sharing and fee-for-service programs than is usually acknowledged. Reforms should encourage valuing information and knowledge services and fee-for-service mechanisms should encourage a market for knowledge services. However, realism is necessary as to the limits of fully private extension. Total privatization is not feasible, even for commercial agriculture.
- Agricultural extension, either public or private, cannot properly function without a continuous flow of appropriate innovations from a variety of sources, local and foreign. Knowledge creation and access remains weak in most developing countries.
- All providers need a system to assess extension outcomes and feed this information back to policy and coordination units.

*Emerging agenda.* Extension strategies face the dual challenge of supporting market competitiveness for commercial agriculture operating in a global market while also addressing poverty in rural areas. The agenda for many extension programs must shift from an exclusive focus on agricultural production to a broader range of services relating to marketing, environmental conservation, poverty reduction, and off-farm activities. Emerging approaches still have limited coverage and require evaluation to capture lessons learned and develop strategies for scaling-up to achieve wider impacts. Further challenges to reform remain to be addressed, especially:

- The public-private division of responsibilities is still widely debated in many situations. Governments must become more discriminating in better defining issues to be addressed by publicly financed programs.
- Reform initiatives have amassed substantial knowledge and a broad base of experience but are still characterized as “islands of excellence” with little critical mass or experience with scaling-up reform

in large national programs. The emerging agenda has generally not been mainstreamed in national extension programs.

- How far public extension services can and should go in broadening their mandate from agricultural technology to include broader rural development services remains an issue.
- Measures for quality assurance are often weak, but quality enhancement for all service providers is an even bigger gap in nearly all systems. This is a key role for public sector support to extension services.
- Strategies for making effective use of remaining—but under-funded and demoralized—public extension services are lacking but are probably necessary given the long-term nature of the reform process.
- Participants noted many deficiencies in monitoring and evaluating new approaches. Each extension program—and especially each demand-driven or user fund—has quite specific objectives such that monitoring and evaluation systems and indicators must be designed to fit the local context.

Institutionalization of new mechanisms will require a long-term commitment by donors and governments. This commitment must be made within a widely shared vision and strategy at different levels—international (as in this workshop), national, regional, and community. While there are converging views around the major elements and guiding principles for such strategies, there was also a consensus that success of these new strategies will ultimately depend on how well they are adapted to local institutional, political, and socioeconomic circumstances and owned by users themselves. There was general agreement that follow up to the workshop should include:

- Regional workshops to engage country policymakers, extension practitioners, and users in discussions and sharing experience with current reforms.
- Preparation and distribution of a workshop summary, case studies, and selected presentations and papers on Web sites, in paper publications, and on CDs.
- Collaboration between interested agencies on expanded application of ICTs to extension and other rural development activities.
- Continued sharing of operational experience between donors to identify, document, and share good practices in implementing reforms.



# 1. Workshop Context and Objectives

Agricultural extension is in transition—influenced by trends toward reduced government intervention in the economy, growth of the private sector and civil society, and globalization. These changes and a range of other pressures are forcing a reexamination of public extension services—reexamination also shaped by a perception of poor performance of past investments in extension. The monopoly public services model for extension is obsolete in the more competitive, market-oriented climate of today's agriculture.

Decentralization, privatization, cost recovery, and participation by stakeholders within a pluralistic financing and delivery system are some of the major reforms being pursued in extension's current transition. Institutional design is a crucial element for success of these reforms, and worldwide experience with a variety of institutional approaches suggests a convergence of ideas about basic options for system reforms. This convergence is reflected in the similarities between the approaches advocated in recent Neuchatel Initiative materials and those recommended in recent World Bank and FAO publications.<sup>2</sup>

Against this background, the World Bank, USAID, and the Neuchatel Group convened at a workshop of about 70 extension experts representing donors, practitioners, and policymakers to review recent approaches to revitalizing extension services (broadly defined).<sup>3</sup> The objective of the workshop was to provide supporters and implementers of rural development programs with an opportunity to discuss and identify commonalities in approaches to agricultural extension and advisory services. To achieve this objective, presentations and sub-group sessions were organized around four areas:

1. Pluralistic institutional approaches to articulate demand for and delivery of pro-poor extension and information services—roles and potential for NGOs, rural producer organizations (RPOs), and the private sector.
2. New funding sources and mechanisms to allocate public funds—public sector financing and cost sharing, new funding mechanisms, competitive grants, and the separation of financing from provision of services.
3. New extension challenges and approaches to promote sustainable livelihoods—targeting poverty reduction, natural resource and environmental conservation, market-oriented extension, and broader rural information systems.

---

2. AKIS/FAO. 2000. *Agricultural Knowledge and Information Systems for Rural Development (AKIS/RD): Strategic Vision and Guiding Principles*. Washington, D.C. and Rome: World Bank and FAO. Rivera, W. 2002. *Agricultural and Rural Extension Worldwide: Options for Institutional Reform in the Developing Countries*. Sustainable Development, Research and Extension Dept. Rome: FAO. Alex, G., W. Zijp, and D. Byerlee. 2002. *Rural Extension and Advisory Services: New Directions*. Washington, D.C.: World Bank.

3. The Neuchatel Group is an informal group of representatives of bilateral and multi-lateral cooperation agencies and institutions involved in agricultural development in the countries of sub-Saharan Africa. The Group grew out of a meeting in Neuchatel, Switzerland hosted by the Swiss Cooperation Agency in 1995. The workshop took place November 12-14, 2002

4. A reformulated role for the public sector to support pro-poor extension—developing a national vision and strategy for extension, quality assurance and enhanced services, and decentralization.

In addition, two cross-cutting issues were addressed—(i) participatory approaches to extension, and (ii) use of information and communication technologies. Workshop discussions were enriched by 34 cases studies of recent approaches to reform of extension systems that were commissioned for the workshop and made available to participants and on the Web at <http://www.worldbank.org/extensionworkshop>.

This paper summarizes the main findings of the workshop, identifies areas of “convergence,” takes stock of lessons learned to date from the reform experiences, and notes major issues in institutional design and knowledge.<sup>4</sup> The workshop focused on the approaches that have emerged since attention turned from an exclusive focus on public funding and delivery of services. In reality, none of the approaches discussed are new, and, in fact, many have been applied for many years (e.g., contracting extension in Denmark). Within the context of workshop deliberations on developing country experience, the approaches have only been piloted—and in a few cases—widely applied in recent years.

Workshop deliberations on each of the main themes are summarized below in terms of emerging approaches, emphasizing the “what, why, and how” of their implementation. The next sections assess the performance of the new approaches and lessons learned to date. The final section notes the areas where there are substantially convergent views, as well as major issues and knowledge gaps. Throughout, we refer to the case studies by citing the country where the study took place.

## **2. Toward a Pluralistic Institutional Base for Extension**

### **What is new?**

A major part of the workshop deliberations dealt with the move toward pluralistic extension systems, recognizing that there are now many other actors in the system beyond the traditional public extension agencies. These other actors operate as private for-profit firms or private nonprofit agencies. The latter may be further classified into member-based organizations, such as producer and community organizations, and nongovernmental organizations (NGOs) that are not member-based (although both often have the same legal status).

In most cases, these private agencies do not specialize in providing advisory services but combine advisory services with other services. Some specialized for-profit private consulting firms (often supported by contracts with the public sector) provide commercial services (as in the UK, Estonia, Venezuela, and others). But most private for-profit advisory services are provided through out-grower

---

4. At the outset, it should be noted that the terms “extension” and “advisory services” were used interchangeably to cover all agricultural and agriculturally related information services that help promote rural development. As a system, extension covers the public, private, and semi-public institutions that fund and provide agricultural and agriculturally related information services, their various programmatic aims, the various approaches they use to reach their end-users, and the multiple publics that make up those end-users.

schemes, input dealers, export firms, veterinarians, farmer service centers, and credit programs in which advisory services are part of a variety of input and output marketing services.

Nongovernmental organizations represent an even greater range of organizations that are increasingly important to provide extension services. The case study from Mozambique, where NGOs played a key role in reconstruction, shows that they dominate service provision in many areas. Some NGOs are “generalists,” providing a wide range of services, while others have a well-defined specialization related to advisory services, such as forming cooperatives and developing market chains (e.g., ACDI/VOCA in Malawi) or agricultural technical expertise (e.g., Sasakawa, 2000). Most NGOs deliver direct services to clients, while others are “institution builders” that support service providers by promoting producer organizations, developing markets, and strengthening other institutions.

Rural producer organizations (RPOs) also vary widely in their objectives, strategies, and capacity. They range in formality from local producer groups to commodity associations to nationally federated groups that may be linked to international producer associations. Membership fees typically cover RPO overhead, while user fees, levies on products (e.g., coffee), or donor funding are generally required to provide extension services to members.

Along with the increased importance of new service providers, there are new tools for extension in the form of information and communication technologies (ICTs) (see box 1). These ICTs may be independent sources of knowledge and information for rural people (e.g., radio, newspapers) or may be tools (e.g., internet, telephones) used by the various service providers within the extension system.

The workshop found general consensus on the growing importance of private sector extension services, but that there is a general lack of good information on the extent and nature of private sector advisory services. In most countries, the dearth of information—who are the major for-profit and nonprofit actors, what are their interests, and what capacities do they have—limits the public sector’s ability to evaluate needs and opportunities for extension investment. The public sector role (discussed later) in priority setting and coordinating extension institutions is an increasingly complex challenge in this more pluralistic institutional environment.

### **Why are pluralistic systems being encouraged?**

The argument for pluralism in extension systems is based on the premise that the private sector (whether private companies, NGOs, RPOs, or specialized consulting firms) can provide extension services more efficiently and effectively than public sector agencies, and that these advantages increase the likelihood of long-term and sustainable services. Furthermore, the transfer of funding for extension to private end-users provides them with greater ownership and thereby enhances a demand-driven service. Each type of private provider has its own niche and comparative advantages:

- Private for-profit providers are motivated by profit and market forces that should provide more efficient and effective services where markets are competitive and function well. Private extension is becoming increasingly important because the public sector is withdrawing from some service provision and states are privatizing areas deemed to be private goods.
- NGOs are often quite flexible, committed to working with the poor and disadvantaged, able to provide intensive and integrated assistance to target grass-roots community organizations, and adapt approaches to local situations. They often have skills in building local organizations and linking them to markets.

- Producer organizations empower farmers to express demands, contract service providers who meet their needs, and enhance accountability. It makes sense for an RPO to engage in extension delivery if the RPO strategy is to improve the agricultural productivity of its members, if services have a clear commodity focus, if farming is viewed as a business, and the RPO has the human and financial resources to do so.

### **Box 1. Information and communication technologies (ICTs)**

Information and communication technologies are as yet tools that are underutilized in extension strategies. Only one of the 34 case studies provided for the workshop highlighted use of ICTs. Still, workshop participants recognized that an information technology revolution is unfolding, with tremendous and largely unrealized potential for rural development, even for poorer farmers.

The workshop session on ICTs emphasized the need to support policy environments and programs that use the right mix of media. Different media have different applications depending on the type of information, and there is potential for cross-sectoral collaboration on information channels, products, and services. ICTs can complement other extension and knowledge services, but there is a critical need to know how farmers currently access information.

Information and communication technologies pose various problems in their use and evaluation. Expanding use of ICTs in extension requires a “champion” to speak in their favor and advance demand-driven ICT systems, as described in the case study from Russia. And, there is a question of who should pay—as with all services, cost recovery is an important issue. Monitoring impacts of ICTs—doing it, not just talking about it—is important.

Workshop participants proposed a program of continued collaboration to explore use of ICTs to revolutionize information transfer and sharing. Future work will need to: (i) develop methods and models for impact assessment of information products and services and look for outcomes, (ii) identify good practices, (iii) scale-up good practices, (iv) emphasize ICT content, and (v) generate better information on existing networks and initiatives.

Source: Authors.

## **How is pluralistic extension being implemented?**

Privatization involves the transfer of responsibility for funding and/or delivery of services to private organizations. Extension service privatization can also involve mechanisms to transfer public funding for extension to private end-users to procure services. The UK has fully privatized the public extension service while Germany (Brandenburg and Baden-Wurtemberg states), Nicaragua, Estonia, and others subsidize private extension services. Pakistan and others have withdrawn public extension services in certain areas, such as irrigated cotton production, expecting the private sector to expand its services.

Private for profit services by definition require full cost-recovery either directly through service fees, or indirectly through margins on other services, such as sale of inputs. Feasibility often depends on the specific commodity, as for example, private veterinary services, which are often more easily introduced than private extension services for crop productions. Private provision of publicly financed services (contracted services) is a separate issue because these are financed by government and may not be sustainable on their own.

NGOs work through a variety of modalities but must be financed by contracts or have financial support from donors, public funds, or charitable sources to survive. Public funds are sometimes used to contract

NGOs for service delivery. NGOs must thus orient their programs to respond to donor priorities to obtain funding or adopt characteristics of consulting firms when responding to invitations to bid for contracts.

Rural producer organizations may use their own funds (e.g., the Federation of Coffee Growers of Colombia) or donor funds (e.g., the Uganda National Farmers' Union) to deliver extension services on a cost-sharing basis. Participants noted a variety of services provided by RPOs, such as:

- Participating in extension service delivery (providers).
- Contributing to financing extension programs (either through their own funds, donor funds, or matching grants).
- Contributing to technology uptake by improving access to agricultural input supplies, marketing, and processing.
- Participating in priority setting at national and/or local levels and participating on the boards of extension agencies.

Participants generally acknowledged the important role the public sector retains in establishing an enabling environment that facilitates development of an effective and institutionally pluralistic extension system.

### **What are the major issues in implementation of pluralistic systems?**

The major issues that arose in the discussion of pluralistic extension systems were coordinating the system, ensuring adequate coverage of rural populations, assuring quality, and building capacity of service providers.

*Coordination.* In most cases there has been little effort to coordinate different types of service providers, although most participants felt that some coordination would be desirable. Given the large number of independent and often small organizations involved, transaction costs of coordination can be high. Similarly, few countries have national extension policies to which most actors in the pluralistic system subscribe. For example in some countries, NGOs undermine development of private markets for advisory services by providing free services.

*Coverage and capturing benefits.* Each type of organization has its own niche and weaknesses. The private sector is focused on the commercial end of the market, unless services are publicly funded. Where advice is provided on a for-profit basis without public subsidy, there is a risk of bias and perverse incentives, especially for advice linked to input sales. RPO extension services also function best in a commercial environment and may not be effective for poor farmers unless they receive public or donor funding to extend services to poor farmers or to unfavorable production environments. In addition, RPOs may not count information services as a priority program. NGOs may be best equipped to serve poorer and more marginal groups but may have problems sustaining services that require external funding. Because RPOs (by definition) and NGOs (by tradition) work through farmer groups, the issue of inclusion/exclusion of poorer groups was frequently raised—in any social organization there is risk that wealthier and more influential farmers will gain control and benefit the most.

*Quality.* There are currently few quality controls for service providers. In most countries, practically anybody can enter the extension market. Even where private providers are contracted to deliver public

extension, there is often little follow-up monitoring and evaluation. Some system of quality assurance for the advisory services would be desirable, but no good examples of such a system were presented at the workshop.

*Capacity building.* Service providers in a pluralistic system are not all equally capable of undertaking all functions related to extension such as diagnosing constraints, and prioritizing and formulating demands for information and services. To ensure sustainability of pluralistic extension systems, building capacity is essential. Some felt that extension providers should have access to a small but highly qualified and efficient support unit that can carry out prospective studies related to R&D and markets (product characteristics, prices, opportunities). Portugal's extension services and the U.S. system benefited from links to universities, and Mozambique has proposed establishing an Extension Learning Center to help government and service providers develop a more efficient and effective extension system.

### **3. New Funding Mechanisms**

#### **What is new in funding extension?**

With the decline in public funding and donor support, extension systems are seeking diverse funding sources and financing models to address the long-standing issue of sustainability. Not only central governments, but also local governments, donors, external NGOs, and users themselves can finance extension. Most of these emerging mechanisms are described in the Neuchatel publication, *A Common Framework for Financing Agricultural and Rural Extension*, which stresses approaches that enhance sustainability, accountability, and empowerment.

Despite frequent calls for privatization of extension services, workshop participants agreed that public financing is still critical. There is scope to tap additional funding sources, however, especially through community development funds, user fees, and cost sharing. Where public funds are employed, they may be allocated more efficiently and effectively through mechanisms such as competitive funding or contracting to private service providers. Case studies provided examples of these new funding mechanisms, especially in Kenya, Venezuela, China, and Uganda.<sup>5</sup>

#### **Why are new financing mechanisms used?**

The move away from directly funding government service providers as the main extension delivery system has been promoted by the reduced role of the state in economic activities, combined with unsatisfactory performance of public systems in the areas of accountability, efficiency, and effectiveness. The new mechanisms seek to augment public funding, promote user empowerment and expression of demands, and in the longer term, promote sustainable markets for advisory services.

---

5. An additional comprehensive set of case studies is provided in Rivera, W.M. and W. Zijp (eds.) 2002. *Contracting for Agricultural Extension: International Case Studies and Emerging Practices*. Wallingford, U.K.: CABI.

## **How is it done?**

The new financing mechanisms are defined in terms of the actors involved, the flow-of-funds and services, and conditions for use of funds, as outlined by the Neuchatel Group (Figs. 1 and 2).<sup>6</sup> Most of these mechanisms combine empowerment of users with cofinancing for specific services, member fees paid to farmer organizations, or levies on agricultural production. They also involve competition between service providers and contractual relationships between the financing agency and service provider, or a tripartite contractual arrangement among the financing agency, the users, and the service provider. Figures 1 and 2 show how directions of funding and accountability can be dramatically altered under new mechanisms that put farmers in the driver's seat.

*Levies on export commodities* are of particular interest if they have support of relevant RPOs and are clearly related to the performance of the sub-sector. They operate in many situations for both research and advisory services, and their overall evaluation has been quite positive in terms of both efficiency and equity.<sup>7</sup>

*Community-driven development* (CDD) funds offer a major opportunity to fund extension because donors and some governments now provide a large share of support to rural development through these funds. In a case in Guinea described during the workshop, extension micro-projects at the community level are identified through participatory diagnosis involving agriculture staff, and approved at that level by a selection committee with a majority of producer representatives. RPOs contract the necessary technical expertise to prepare the micro-project and implement it with some cofinancing from users. A very similar mechanism operates in Kenya, where private service providers (often NGOs) and users partner to prepare technology transfer proposals that are then screened by a local stakeholder committee. Even where public funds dominate, they are now allocated through a variety of competitive and contractual mechanisms. Contracting and competitive funding mechanisms differ principally in how activities to be undertaken are defined.

*Contracting for agricultural extension by the public sector* takes many forms and may involve contracts with public sector agencies, nongovernmental organizations, universities, extension consulting firms, or rural producer organizations. In contracting systems, in general, the agency—such as a public funding agency—draws up terms of reference and details of services to be provided, and then contracts for them, usually on a competitive basis. Services to be contracted are usually identified in consultation with users, although the programs tend to be longer term and more program-oriented. Contracts may be administered by national governments (as in Mozambique), the national government in collaboration with lower level government (as in Venezuela), or by governments with an NGO that then contracts with private companies (as in Honduras). There is also some “reverse” contracting of public extension agents, often subject matter specialists, by NGOs/private sector and farmer organizations, as in Uganda and Pakistan.

---

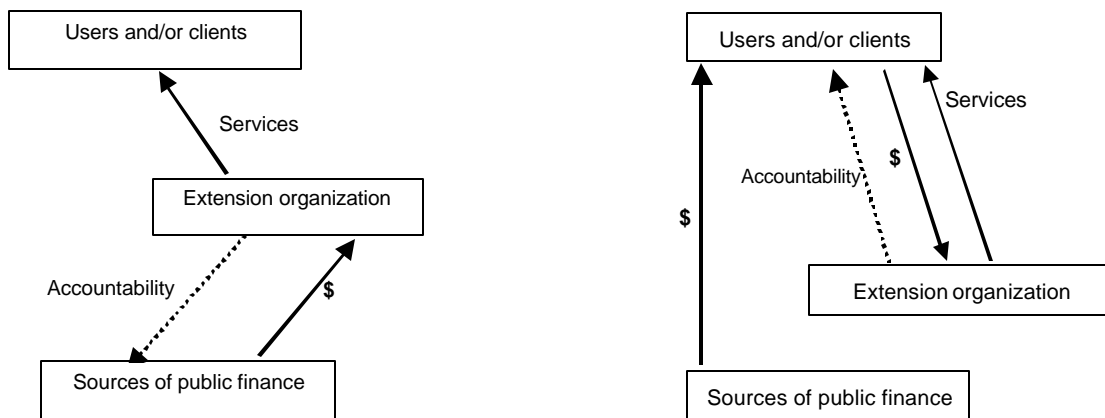
6. The Neuchatel Group.

7. D. Byerlee and R. Echeverria. 2002. *Agricultural Research Policy in an Era of Privatization*. Wallingford, U.K.:CABI.

**Figure 1. Financing for extension services, the traditional and the new approach**

**Traditional approach: accountable to financier**

**New approach: accountable to client**



Source: Elizabeth Katz, Workshop presentation.

*Competitive funding systems* are generally based on bottom up proposals solicited from user groups alone or in partnership with a service provider. These generally involve award of a contract to implement the approved project proposal and are generally for time-bound projects—often seed money to initiate activities—and for open-ended proposals with special emphasis on innovations and piloting new ideas. Financiers view competitive funding as a mechanism to elicit bottom-up expression of demands and catalyze changes around innovative ideas and pilots. It is also a way of screening proposals against agreed *ex ante* priorities. In practice, there is great diversity in how these mechanisms operate. A number of projects financed by the World Bank (e.g., the PRONATTA project in Colombia) include competitive grants for both research and extension and operate in a decentralized manner. Also the USDA provides an increasing share of its funding for extension through competitive grants. In nearly all of these cases, users pay at least a part of the cost of the service.

## Major issues

*User cofinancing.* Ensuring that new financing mechanisms serve the poor is a major challenge with clear tradeoffs between user cofinancing and sustainability on the one hand, and reaching the poor on the other. Where raising levies is feasible, use of levies and member fees favors some sub-sectors over other sub-sectors, such as food crops or environmental conservation issues. Few cofinanced programs in developing countries are able to recover more than about 20 percent of program costs from users. In Europe (Germany, Estonia, and UK), clients drop out of programs as cost recovery percentages increase, especially when cost recovery rates exceed 60-70 percent. Nonetheless, participants agreed that cost sharing was important to ensure accountability and empowerment of users, rather than as a sustainable funding source. Even the very poor should generally pay a small share of costs to strengthen their ownership of the services provided.

*Accountability.* Even with new mechanisms in place, the “devil is often in the detail” with regards to who is accountable to whom. For example, in contracting systems in which the government contracts for services to be delivered to farmers, what is the specific role of farmers in public sector contracting and are

they empowered to terminate the contractual arrangement? How is accountability of the provider ascertained and who has responsibility for putting an appropriate M&E system in place? If public sector programs finance or cofinance services procured by farmers, accountability arrangements are clearer and should involve service provider accountability to farmers and farmer accountability to government.

*Capacity building.* Workshop discussions and case studies underscored the fact that new approaches require capacity building at all levels. Typically considerable capacity building is needed for rural communities and producer associations to effectively articulate their needs and work out contractual arrangements. Experience has generally shown that these needs are greatest in poorer and more marginal communities. Contracting out publicly funded extension services also demands considerable skills on the part of government to consult widely with stakeholders, define terms of reference for service providers, screen proposals, and monitor implementation. In a decentralized system, these skills are needed at the local governmental level, an even more daunting challenge.

Finally, in many situations there are few qualified service providers. In such situations, contractual and competitive mechanisms may lead to a replacement of a public monopoly by a private monopoly, or in extreme cases, failure to implement programs for lack of bidders. Success with such reforms requires the emergence of sufficient qualified service providers to ensure competition and provide clients with alternatives when procuring services.

*Scaling-up and transitional issues.* Many of the new approaches are being piloted on a small scale in a few districts or communities (e.g., Guinea). Wider use of the approaches will require strong evaluation systems to assess experience and lessons learned, and in-depth capacity building to provide a basis for expanding program coverage. It is clear that emerging approaches require many years for effective scaling-up. Most countries, however, still have a substantial legacy of public extension in line ministries and there is the nontrivial issue of what can be done with the conventional system during the transition period. Some investments, especially training, can enhance extension agent performance in conventional systems while preparing them with the skills to successfully find employment in NGOs, producer organizations, or private firms in a reformed extension system.

Mali provides an example of moving progressively from a totally public-financed, public-executed national system toward a public-private partnership for financing extension services. This involves a more decentralized (to regional levels) system open to a gradual increase in contractual and pluralistic approaches. The extension agenda and the related budget are discussed and approved at the regional level by a regional forum composed of a majority of producer representatives. In the cotton area, where a parastatal organization reduced its technical staff, private service providers emerged with needed technical expertise and were contracted by producer organizations under an advisory services matching grant program.

*Cost effectiveness.* There is little evidence to date on the cost effectiveness of the new approaches. Does, for example, contracting to private service providers reduce costs? Experience suggests that costs may be high in the initial stages, and it may take many years for clients to “graduate” from highly subsidized services to self-financing. This has been the experience in Chile, one of the pioneers in new approaches to extension. Cost effectiveness issues revolve around the efficiency and relevance of services provided. User financing is a dream for most developing countries. The Chile case study shows that only a portion of the producers (the better off producers) have access to services when these must be self-financed. Some of the new approaches may therefore prove more appropriate to promoting overall economic growth than for poverty reduction.

*Sustainability.* High recurrent costs were a major factor in the failure of T&V extension services. The approaches now being piloted and mainstreamed in many extension reforms also have serious recurrent cost implications. The controversy over the high cost of farmer field schools (Philippine and Indonesia case study) contrasts with reports of its effectiveness (Kenya and West Africa). While the high cost may be due in part to operating farmer field schools in parallel to the general extension service, clearly, more rigorous impact studies are needed to help policymakers evaluate extension investments.

There is also little evidence about the sustainability of competitive funding and community-driven approaches. A long-term strategy to ensure sustainability should be defined early in any program. In some cases, grant mechanisms may be seen as one-off efforts to reduce acute poverty or vulnerability (e.g., in the aftermath of a natural disaster) or to catalyze a market for advisory services. The issue is more of how to design an exit strategy than to ensure sustainable funding. Clearly, we are in the early days of many of these reforms and additional time is needed for implementation experience to establish what is effective and sustainable and what is not.

## 4. The Emerging Extension Agenda—Promoting Sustainable Livelihoods

### What is new?

With historically low food prices and increasingly urbanized populations, narrow production-oriented food security strategies are less relevant than in the past. Extension services are being asked to address an increasingly diverse range of client needs that reflect their diverse livelihoods. First, with the push to privatization of extension in commercial settings, publicly financed extension services are being asked to more explicitly target *poverty reduction*. While this may be closely linked to general productivity increase, public extension programs must devote more attention to analysis and developing strategies to maximize impacts on poverty reduction.

Complementing attention to poverty reduction is the demand for extension services oriented toward *natural resource and environmental conservation*. The public good nature of benefits from such services requires greater public attention to maintaining productivity in rural areas, minimizing negative environmental externalities, and ensuring a basis for future productivity and improved quality of life.

Third, globalization provides the context for an increased focus on *market-oriented extension*. Introducing a market-oriented paradigm requires a commodity chain approach to development initiatives and increased efforts in capacity building to help farmers respond to constantly evolving markets (see table 1). Market-oriented services strengthen clients' ability to negotiate in markets and improve efficiency of market operations—objectives often requiring assistance to help clients organize for collective action. Market inspired innovations must be adapted to improve efficiencies within farming systems and market chains.

**Table 1. Effects of market-oriented reforms**

<i>Market-oriented reforms</i>	<i>What reforms often lead to</i>
State withdrawal	Emergence of private sector
Trade liberalization	Uncertainty, competition
Price liberalization	Volatility/fluctuation
Market requirements	Complex set of grades and standards
Alternative markets	Often thin and seasonal markets

Source: Oliver Duran, Workshop presentation.

Finally, extension services that serve *nonagricultural needs* are becoming increasingly important to diversified rural economies and the wider range of information needs of rural clients. The expanding role of the nonfarm sector is leading to demands for management and organizational assistance for small enterprises. Poverty reduction strategies lead to new demands for information on social problems (health, education) and human resource development.

This new agenda generally translates into a smaller role for production-oriented extension services. Still, increasing agricultural productivity remains an important objective for extension, but with more focus on profitability and sustainability.

### **Why is it being implemented?**

The changing agenda for public sector extension, as reflected in workshop discussions, responds to the array of pressures described above that fundamentally require that extension clients increase their efficiency, competitiveness, and ability to compete in global markets. In the face of competitive forces, producers need a variety of information and skills to be able to respond to market signals and constantly evolving markets. These circumstances require extension programs to provide more diverse services. Technology transfer approaches—although still producing good results in some cases—must give way to more advisory and facilitation approaches that shift greater responsibility for identifying needs and opportunities to clients. Much of this can be provided by the private sector (e.g., market information). At the same time, a key role remains for the public sector in financing provision of public goods and services—especially the conservation of natural and environmental resources and provision of economic opportunities for those left behind by the market economy.

### **How is the new agenda being implemented?**

Many of the workshop discussions and case studies confirm that the emerging agenda requires that extension acknowledge the need for and legitimacy of new actors, mechanisms, and approaches to meet the knowledge and information needs of rural people. Specialization is essential to ensure quality service delivery. Partnerships and new links that build the base for efficiency and effectiveness in knowledge management are increasingly important. Fundamental to the new agenda is the tighter focus of publicly financed services on poverty reduction and environmental conservation, while encouraging other actors to provide private good services in response to market forces and client demands.

Workshop participants outlined approaches to poverty-oriented extension programs, which must often start with social mapping to develop a good understanding of the nature of poverty and existing organizational, informational, and social networks. Poverty reduction initiatives, of course, require both extension and nonextension interventions. In general, pro-poor extension priorities vary by characteristics of the agricultural target area (see table 2).

**Table 2. Pro-poor extension options for areas with different production potentials**

<i>High-potential areas</i>	<i>Low-potential areas</i>
<ul style="list-style-type: none"> <li>▪ Commercializing fruit, vegetable, livestock, and dairy</li> <li>▪ Labor-saving technologies for household production to help take advantage of wage labor</li> <li>▪ Labor-intensive technologies for large-scale production</li> <li>▪ Environmental health interventions, particularly in peri-urban agriculture</li> <li>▪ Risk reduction (e.g., for landslides and floods) stemming from changing land use patterns and population increases</li> </ul>	<ul style="list-style-type: none"> <li>▪ Technical advice for products with high value relative to transport cost</li> <li>▪ Diversification of diets and subsistence production</li> <li>▪ Natural resource and watershed management</li> <li>▪ More effective use of safety nets</li> <li>▪ More effective links with relief and rehabilitation programs through a focus on risk and vulnerability</li> <li>▪ Skills for migration</li> </ul>

Source: Oliver Duran, Workshop presentation.

In most cases, effective poverty reduction among small-scale farmers depends, at least in part, on proactive efforts by publicly financed extension programs. Typically, however, in isolated and marginal areas, sustainability of publicly provided extension is in doubt because it is difficult to keep staff in post and provide them with adequate support. This has frequently led to collapse of public-sector programs in isolated areas. Providing such services is not, however, impossible and is being facilitated by contracting private service delivery (e.g., Benin and various farmer field schools) and by greater client participation (e.g., Bangladesh). The Neuchatel *Common Framework for Supporting Pro-Poor Extension* provides an excellent summary of current thinking on this issue.

While the public sector—including donors—continues to finance most services aimed at poverty reduction, these programs are increasingly being decentralized to put programs closer to clients so that they can exert more influence on the relevance and efficiency of service delivery. Most such programs, as in demand-driven programs in East Africa and Venezuela, are more participatory, giving clients a greater voice in governance, priority setting, implementation, and evaluation (see box 2).

The public sector continues to also have an important role in extension for environmental conservation. Participants noted that there are close and integral links between natural resource management, agricultural production systems, and rural livelihoods, and that it is not generally appropriate to look solely at environmental issues in any conservation program. Still, environmental goods and services require different approaches to promote innovation. Environmental extension projects, as in Honduras, focus on the resource base in the wider sense, and look to aggregate from micro activities to impact at the meso-level. Stakeholder management and conflict resolution are key to resolving many environmental problems.

## **Box 2. Participatory extension approaches**

Increased client participation in extension was a theme that ran throughout the workshop case studies and presentations. Participatory extension establishes mechanisms for clients to influence and share control over development initiatives and resource decisions that affect them. Participatory extension includes clients in extension decisions and may evolve into full control of activities by the clients. Thus, participation is both a means to distribute primary benefits more widely and one of the objectives by which development is measured.

Participatory extension approaches involve clients in forums at local and district levels. Organizational change may be needed to provide community forums to discuss issues and strengthen the ability of participants to express their demand for services. Matching power relationships enhances the quality of participatory extension and the effectiveness of facilitation efforts and is essential for participants to realize their full potential.

Participation changes roles for extension specialists—from messengers and advisers to facilitators—and may require change in organizational structures and moves toward cost sharing. Participatory approaches may require changes in the way messages are transferred to farmers, organizational structures, facilities afforded local communities (e.g., resource centers for information and capacity building), and financing mechanisms.

Participatory approaches must harmonize incentives among different programs in a given area to avoid promoting a dependency syndrome. Much learning is needed on how to develop democratic procedures, inclusiveness, and linkages that integrate rural communities. The promise of participatory extension is that local people who have a sense of ownership in projects and activities learn not to depend on the initiatives of others. This independence and self-reliance is the ultimate purpose of promoting participation in extension development. Through empowerment, participation can lead to changes in knowledge, skills, and the distribution of power across individuals and communities, thus improving social equity.

Source: Authors.

Finally, workshop participants saw market orientation as critical to sustainability and effectiveness of all extension programs, including those focused on poverty reduction and environmental conservation. Market-oriented services help clients respond to market signals by providing information on markets (prices, quantities, location, timing); market requirements (grades and standards, quality); technical market information (post-harvest handling/packaging, processing); and prospective markets (new and alternative markets). A particular focus of market-oriented extension is to increase market power of producers, especially smallholders, through producer organizations/cooperatives that promote collective action, and increase bargaining power and economies of scale. This requires building the capacity of farmer group leaders to bargain, negotiate, and understand market functions, stakeholder strategies, and price formation.

In practice, market-oriented extension innovations take a variety of forms. In China, market-based approaches shift extension costs to farmers or generate new sources of revenue for extension from (i) contracted technical extension services; (ii) farmer associations; (iii) privately funded commodity associations; (iv) commercial agriculture services; (v) input supply and service centers; (vi) commercial enterprises (e.g., corn processing and rice milling; and (vii) trial and demonstration farms as enterprises. National smallholder associations have linked poor farmers to markets in Malawi. Niger has used market-based solutions to reform irrigation extension, and Mali has reformed traditional cotton extension to reduce costs and make it more responsive to growers.

In general, shifting from production-focused extension to a livelihood approach requires policymakers to analyze signals and incentives sent to frontline extension staff, reflect on whether expediency has led to a concentration of resources on better-off areas, and analyze what actually occurs in decentralization, participation, and privatization. Several workshop participants emphasized that an extension system

capable of serving the wider agenda must be based on a multitiered system of information access, training and education, service providers, research, backstopping, and quality control systems.

### **What are the major issues?**

*Promoting pro-poor impact.* The private sector will respond to profit motives and leave behind the poor and critical public interest services, as demonstrated in the Brandenburg, Germany and Pakistan case studies. However, the public sector alone cannot finance, let alone deliver, extension services to meet the emerging agenda. Ratios of farmers to public extension agents often exceed 1,500 to 1 and experience in many countries indicates that public sector extension is not able to operate effectively at the village level in remote areas. Further research is needed to find ways to maximize the impact on the poor of public sector resources that are invested in extension.

*Use of subsidies.* Workshop participants agreed on the need for continued public funding of extension services and targeting these to public goods issues in the new agenda. However, such subsidies are generally controversial and often inherently unsustainable. While subsidies might be warranted and are often used for environmental conservation and poverty reduction objectives, the workshop presentation on environmental extension services and the Niger case study emphasized that they frequently come with negative effects on financial sustainability. Bureaucratic and transaction costs can be high and may result in benefit capture and rent seeking. Short-term subsidies tend to be more financially viable and subsidies that have multiple benefits are more likely to be sustainable.

*Training in the new agenda.* Workshop participants agreed on the need to broaden the role of the front line extensionist—traditionally focused on agricultural technology transfer—and move toward the role of an advisor identifying farmer demands, facilitating access to specialists and/or other resources, and generally acting as a knowledge broker. Training (or retraining) existing extensionists is a major challenge for countries wanting to implement a new agenda for extension services, both because of the broader agenda and the increased sophistication of knowledge needed for agricultural systems. Training and education alone, however, are not sufficient. Institutional restructuring must provide a home for this new extensionist in local government, producer organizations, or elsewhere. Enabling incentive frameworks must encourage human resource development and sound management, and new types of training must equip extension managers for new duties and responsibilities.

## **5. Revisiting Roles of the Public Sector**

### **What's New?**

The workshop confirmed a general trend toward pluralistic extension systems and contracting out publicly funded advisory services, with a decline in the role of the public sector in delivering front line extension systems. However, the public sector retains a key role in setting overall policy, coordination, facilitation, and oversight of the pluralistic system. These activities generally require the public sector to lead the formulation of a national vision and strategy, monitor quality, and offer quality enhancement to upgrade extension services in both the public and private sectors. In addition, as discussed above, public funding for extension will continue to be crucial to provide public goods, although often through private delivery.

The respective roles of the public and private sectors and of civil society will likely vary by country depending on institutional structures and historical development trend. Public-private partnerships and more general collaboration will likely become more common. Frequently, the public sector may need to provide seed money for piloting innovations and collaborative developments within various commodity chains and to develop technology information systems to serve the needs of various stakeholders and lead to sustainable economic growth and poverty reduction.

These public roles in extension must also be addressed within the context of decentralization policies being implemented in many countries for political and developmental reasons. Extension programs are leading or adapting to decentralization reforms in many countries (e.g., Trinidad, Venezuela, China, Ghana, Uganda, and others). Local and regional governments are playing an increasing role relative to national governments in performing the public functions for a pluralistic system.

### **Why Are Public Extension Reforms Being Implemented?**

A key to defining public roles in extension is to develop a national vision and strategy to provide a framework for all participants in a pluralistic extension system. For example, a national strategy might devolve services for commercial farmers to a national producer organization and assign the priority objective for public funding to helping marginal farmers by creating social capital (e.g., develop farmer organizations), empowering them through participatory approaches, and developing human resources (leadership, technical and management training). Determining which objectives are most central to a country's economic and social advancement is one of the most demanding tasks for policymakers.

In pluralistic systems, as in the public systems they are replacing, extension services are only as good as the quality of their human resources. This requires support services, training, communications materials, research, and other technical support that has generally been neglected in reform programs. Such quality enhancement must generally be supported by the state, whether service providers are public or private.

Because any reform strategy also needs to provide a basis for future funding, monitoring and evaluation (M&E) systems are critical to provide evidence of impact and support for the extension strategy. Governments need an overall M&E system to analyze the varied trade-offs among different extension investments, implementation mechanisms, and types of impact (human capital development, environmental capital preservation, direct economic benefits, etc.).

Decentralization is important to extension services in that public services should be delivered at the lowest level possible without compromising efficiency, thus allowing services to be tailored to the needs and preferences of the local population.

### **How Are Reforms Being Implemented?**

Development of national vision statements and extension strategies involves a long-term process of participatory consultation and involvement of key decisionmakers, capacity building, pilot testing, and educating stakeholders on options and listening to their ideas and needs. In both Malawi and Mozambique, the public system is making a long-term commitment to developing a national strategy and extension system.

The successful cases that were presented involved strong and continuous leadership. A wide range of stakeholders were involved in building a common vision and minimizing institutional insecurity that

gives rise to resistance to change. Institutions, especially large organizations, are difficult to change and patience is important to allow a real consensus to develop. Integration of the extension strategy into the national development strategy is imperative.

Quality assurance and quality enhancement are important to the success of new approaches to extension but are often underestimated in investment programs. The workshop had few case studies or examples of reforms that emphasize quality assurance and enhanced initiatives, but such systems will need to be developed if current reforms are to be successful. Quality monitoring can be based on stakeholder evaluations as well as evaluation of outputs and outcomes. Quality enhancement requires links to universities and specialized training institutions and provision of public funds for continuous updating of service providers.

Decentralization is a component of most reforms, but takes many forms and is in a state of flux in many countries. Decentralization involves transfer of authority and funds to lower levels of government (devolution) and may also involve a shift of power to local institutions, such as rural producer organizations (RPOs). Much is yet to be learned about how to most effectively organize and move to a decentralized extension service.

### **What Are The Major Issues For New Public Sector Extension Roles?**

*Identifying reform leaders.* The capacity to lead formulation of national strategy and quality assurance is often a critical constraint. Experienced people may not always be available or work out as planned—leaders can be transferred or retire, putting implementation of reforms in question. Strategies can be ignored, bureaucratic inertia can result in no change, or funding limits or other realities can sidetrack the planned reforms. These challenges can be especially severe when implementing decentralization reforms.

*Implementation of decentralization.* Decentralization reforms are difficult in that they demand a fundamental change in relationships between national, regional and local authorities—a change that has so far been satisfactorily achieved in very few cases. Coordination between central and decentralized levels of government is not a simple process. Organizing forums to bring together all involved in extension is a start. Consultations on financing and budget preparations are useful in that knowledge about how program money flows can facilitate transparency and coordination. Clearly, decentralization reforms require substantial investments in building capacity at the local level—both within local government and within civil society.

*Research-extension links.* Links between research—which is often quite centralized—and extension are a special challenge in a decentralized system. Some research needs to be decentralized based on agro-ecological zones and not political divisions, and there can be differences between demand-driven research (adaptive) and supply driven research (strategic and basic). However, even adaptive research may only be efficiently decentralized to a higher level than that at which extension programs operate most effectively. For example, Indonesia has developed good adaptive research institutes, but these are too large for the decentralized local governments that don't want to assume responsibility for them.

## **6. An Initial Assessment of Performance of the New Approaches**

The evidence presented at the workshop and in the case studies suggests that emerging institutional arrangements are being widely tested, cover various sectors, and involve an evolutionary process. Although most are still in a pilot stage, they are generally seen as a positive development and a vital strategy to advance knowledge transfer and improve communication with end-users. Most importantly, perhaps, users have generally expressed increased satisfaction with the emerging modalities, although workshop participants recognized the risks inherent in political or elite capture of programs, and the more general problem of excluding potential clients from demand-driven approaches.

Workshop participants also generally noted the lack of performance assessment for many programs, either internal or external. This was attributed to some extent to donor fads that promote and fund scale-up of institutional innovations before ongoing activities can be properly evaluated. However, M&E for pluralistic systems are in general quite poorly developed, and workshop participants noted few examples of good practice in this area. Of particular concern is the lack of documented studies of positive effects on poverty by the emerging approaches—in spite of donor emphasis on poverty reduction as an overarching objective of support to the agricultural and rural sector.

One reason for the lack of hard performance data is that development of new extension approaches is still in the early stages in most countries, and, in general, the public sector changes slowly. The example of the 100+ years of evolution of the Danish extension system, as mentioned in the workshop, shows that considerable time will be required to reformulate national strategies and build capacity for new functions. And these reforms are taking place in an environment in which many public services are rapidly being decentralized to the local level. In a paper available to the workshop, Julio Berdegúé emphasizes that Latin American extension reform has been a continuing evolutionary process rather than a one-off reform.<sup>8</sup>

Workshop participants recognized that even when demand-driven approaches are shown to work at group and community-levels, they are difficult to scale-up. Maintaining transparency, accountability, and effective client participation is difficult in larger scale operations. Who prioritizes and how limited resources are allocated are key questions addressed in the various case studies and pilot activities discussed in the workshop.

Finally, participants noted continuing weakness in the public sector. Even where private for-profit and nonprofit organizations take over many extension functions, the public sector must play an important role in funding, facilitation, monitoring, coordination, and contracting providers. The growth of a more pluralistic system should not be considered—and cannot be—an answer to all problems within the public sector. While decentralization within the public sector was often described as a positive innovation, experience to date is very mixed. There are many teething problems (e.g., Trinidad and Ghana), especially in the early stage of most decentralization reform.

---

8. Berdegúé, J.A. 2002. *Las reformas de los sistemas de extension en america latina a partir de la decada de los 80s*. Santiago, Chile: RIMISP.

## **7. Converging Views and Future Challenges**

The workshop intentionally took on a broad agenda to explore areas where views converge or diverge. This limited the level of detail possible when formulating conclusions, but did appear to provide adequate opportunity to assess areas of agreement and areas in which new approaches are still somewhat tentative.

### **Where Do The Views Converge?**

On most issues, the workshop revealed converging views on the new directions for extension, although in many cases, views may diverge on specific implementation details, in part due to the need to fit local circumstances. Participants were generally optimistic about the new directions, especially since donor representatives reported that agriculture is back on the agenda, and that within agriculture, a revitalized and expanded role for advisory and information services is central for pro-poor agricultural growth. However, while views converge around the major elements and guiding principles for such reforms, there was also a consensus that success for these new approaches will ultimately depend on how well they are adapted to local institutional, political, and socioeconomic circumstances and owned by users themselves.

Participants also agreed that the key to reforms has been strengthening demand for services through participation and empowerment. Participants agreed that empowering farmers to demand and negotiate with service providers, governments, and donors is the key to successful reforms. Although many examples were presented where client organizations have become more important, the potential of farmer organizations and other client-based organizations, such as community-based organizations, have still to be widely recognized and built on.

Likewise, participants noted the widespread trend toward decentralization of public roles in extension, especially their new roles of funders and facilitators. However, decentralization experience to date is still in early stages and a convergence has yet to emerge on *how* to successfully decentralize services.

On the supply side, it is clear that liberalization and the withdrawal of the state from various service and production functions have created an enabling environment and space for other actors to emerge. NGOs, rural producer organizations, and the private sector are playing an increasing role in the delivery of extension services. Nonetheless, participants felt that the perception of many donors and economists that extension could largely be privatized had gone too far. Workshop participants especially emphasized the importance of public funding for many types of programs, including poverty-oriented programs, environmental protection, and social services. It was also agreed, however, that funding and delivery of services are separate issues, and that private delivery of publicly funded services will increase.

Finally on the supply side, all agreed on the huge potential of new information and communication technologies, although as with all powerful new technologies, these can both empower the poor as well as limit or reduce their empowerment. Much work has still to be done on good practices to integrate ICTs into extension systems and harness their potential to provide information services to the poor.

### **What Lessons Have Been Learned?**

Participants generally agreed on a number of lessons that have been learned from experience with recent reforms.

*View extension within a wider rural development agenda.* The emerging view of extension is not that of a service or system, but of a knowledge and information support function for rural people. Because rural knowledge and information needs are so diverse, there are benefits from having a range of providers to deliver advice, technology innovations, and facilitation services.

*Define an extension policy for a pluralistic system.* The design of an extension policy should begin with an inventory of the actors (who provides what to whom) and an assessment of the quality of the services rendered before deciding on any reform. Extension strategies need to identify the overall objectives for public sector involvement in extension and define the role and responsibilities expected of various service providers and of public funding. While it is important to have a strategy for a national extension system, this requires a country-led vision and political support independent of donor agendas, but in line with country-driven processes such as PRSPs and NEPAD.

*Make long-term commitments.* The new approaches will take many years to be fully institutionalized. Long-term commitments must be made within a widely shared vision and strategy at different levels—international (as in this workshop), national, regional, and community.

*Develop a stakeholder coordinating mechanism.* It is important to consider some type of coordinating body for the various participants in extension to provide a common framework in which all actors can operate. On the other hand, coordination should not be so strict that it discourages competition and innovation. At a minimum, policies and mechanisms need to harmonize behavior and strategies (such as minimum levels for cofinancing, prioritization, and area selection).

*Build capacity of RPOs, the public sector, and service providers.* Capacity building at all levels is critical. Funding should include a component for capacity building and institutional strengthening to widen the pool of qualified service providers and ensure strong links with and modernization of the various components of the agricultural education system—universities, vocational schools, etc.

*Be realistic about the limits of fully private extension (a caution especially for donors).* The private sector will play an increasingly important role in rural knowledge systems, but total privatization is not feasible, even for commercial agriculture. The appropriate mix of public and private roles can only be determined through piloting and learning from experience.

*Focus public financing on the poor.* Poverty reduction should be the focus of public funding whether provided by public employees or contracted out. In fact, given the emphasis on poverty reduction—and the increasing knowledge intensity of rural income-generating activities operating in a globalizing economy—the role of public funding is likely to increase. However, extension must tap new sources of public funding, given that the bulk of financing available for rural development now bypasses public agencies charged with agriculture, forestry, and environment. There are missed opportunities for extension involvement in CDD programs, social funds, and fiscal transfers that have a strong focus on the poor.

*Introduce some cost recovery.* There is greater scope for cost-sharing and fee-for-service programs than is usually acknowledged. Reforms should encourage valuing information/knowledge services, and fee-for-service mechanisms will encourage a market for knowledge services.

*Decentralize administration of public funds.* Extension services should be a part of the decentralization and devolution agenda that engages local government units and grass roots organizations. This facilitates access to broader rural development financing—other rural development and fiscal transfer programs, local government financing, and user funding. A clear definition of the roles of different actors must be

spelled out and investment is usually needed to enhance local government capacity to successfully decentralize extension programs. Pilot programs are useful to identify problems and good practices in decentralization reforms.

*Provide appropriate research support.* Access to timely information and continuous updating of the knowledge and skills of field level extension staff, both public and private, should be given highest importance. Still, the strong consensus of workshop participants was that formal research programs are only one source of such innovation and information for extension programs, which have an agenda much broader than technology transfer.

*Develop a strong system for M&E from the beginning.* All types of providers need a system to assess extension outcomes and feed this information back to policy and coordination units. For private services, and especially for NGOs and specialist advisory firms financed with public funds, some type of certification might be useful to provide better information on skills and talents of specific agencies.

### **What Are The Major Gaps In Current Best Practice?**

While much progress has been made in the quest to reach a common view on emerging best practices in extension, there are also several important gaps in current knowledge.

*Public-private roles.* Although there was much discussion of changing public and private sector roles in extension, the division of responsibilities is still widely debated in many situations. Practitioners need better guidance to define and prioritize key public goods issues that are to be addressed by publicly financed programs, as well as build markets over the long run for private goods.

*Scaling-up.* Reform initiatives have to-date amassed substantial knowledge and a broad base of experience, but these are still characterized as islands of excellence with little experience of scaling-up reform in large national programs. Scaling-up must in turn be based on methods for rigorous evaluation of costs and benefits.

*Broadening mandates.* Extension and information services are clearly needed for the nonfarm rural sector, but how far public extension services can and should go in broadening their mandate from agricultural technology to include nonagricultural services remains an issue. Delivering these services within existing public sector extension agencies may be impractical and ill advised, especially if this is at the expense of agricultural extension services.

*Quality enhancement.* Workshop participants had little to say on quality enhancement, beyond noting its critical importance. In particular, mechanisms to develop links to research centers, information systems, knowledge sharing, and the university and vocational education system in general must be piloted for pluralistic systems with a wider agenda. While most recent efforts at reforming extension have rightly focused on the demand side, future support will need to strike a balance that gives sufficient attention to these critical supply side issues.

*New skills for the public sector.* How to develop the appropriate skills—contracting, facilitation, and strategic leadership—for a smaller but sharply upgraded public system remains a major knowledge gap. In addition, the transitional arrangements for addressing current needs within the evolving systems are not being addressed. Clearly, poverty reduction and food security are urgent problems that demand focused efforts to produce short-term impacts, while new approaches will require many years to scale-up and achieve wide impacts.

*Monitoring and evaluation.* Each extension program—and especially each demand-driven or user fund—is likely to require quite specific M&E systems to fit the local context, and there are few examples of good practices in this area.

### **What Are The Next Steps?**

The workshop was not structured to develop detailed recommendations for next steps in promoting extension system reforms, but there was general endorsement of the need to continue support for reforms of extension and information services. There was general agreement that follow-up to the workshop should include *interalia*:

- Regional workshops to engage country policymakers, extension practitioners, and users to discuss and share experience with current reforms.
- Preparation and distribution of a workshop summary, case studies, and selected presentations and papers on Web sites, in paper publications, and CDs.
- Collaboration between interested agencies on expanded application of ICTs to extension and other rural development activities.
- Continued sharing of operational experience between donors to identify, document, and share good practices in implementing reforms.

## **Appendix: Case Studies of Extension System Innovation and Reform**

**Australia.** Social Capital and Natural Resource Management: The case of the Australian Landcare Movement (Trevor J. Webb & John Cary).

**Bangladesh.** Approach to Participatory Planning and Implementation of extension and Rural Information Services: A case study of Extension Project of Bangladesh (R.N. Mallick, Subash Dasgupta, and Rafique Ahmed).

**Benin.** Benin's Faster and Less Costly Community Development (Joseph Toledano).

**China.** Financing of Extension: Lessons from China (Nie Chuang, Burton Swanson, and Feng Yan).

**Denmark.** The Role of Extension in Rural Development: The role of livestock advisory service and skills development, exemplified by a case study of the historic development in Denmark (Sanne Chipeta).

**East Africa.** Catalytic Action for the Emergence of Farmer-Demand-Driven Extension: Experiences from East Africa (Clive Lightfoot).

**Egypt.** How much does it cost to introduce participatory extension approaches in public extension services? Some experiences from Egypt (Gerd Fleischer, Hermann Waibel, and Gerd Walter-Echols).

**Estonia.** Advisory services market development in Estonia: fluctuation between privatization and public sector reform (Ülar Loolaid and Hanna Kreen).

**Family Farms.** What is the future for management advice for family farms in West Africa? (Guy Faure).

**FFS.** Farmer Field Schools as an Extension Strategy: A West African Experience (Michelle Owens and Brent M. Simpson).

**Germany.** The Introduction of semi-privatised extension circles in the German state of Baden-Württemberg (Jochen Currle and Volker Hoffmann).

**Germany.** Privatising Extension in Post-Socialist Agriculture: The Case of Brandenburg, Germany (Uwe Jens Nagel and Kirsten von der Heiden).

**Ghana.** Reforms in the Ghanaian Extension System (Kwame Amezah and Johann Hesse).

**Honduras.** Fondo para Productores de Ladera: Public Funding for a Private Extension System for the Hillside Farmers of Honduras (James C. Hanson, Jorge Lainez, James Smyle, and Wilfredo Diaz).

**Kenya.** Supporting the Demand for Change: Recent Project Experience with Farmer Learning Grants in Kenya (Daniel J. Gustafson).

**Malawi.** National Smallholder Farmers' Association of Malawi (NASFAM) (Joshua Walton).

**Mali.** The Business of Extension Reform: Cotton in Mali (Jim Bingen and Edmond Dembèlé).

**Mozambique.** Building African models of Agricultural Extension: A Case Study of Mozambique (Carl K. Eicher).

**NEPAL.** Projectization in the Context of Extension Reform in Nepal (Tek Bahadur Thapa and Gana Pati Ojha).

**NICARAGUA.** The Nicaragua Agricultural Technology Project (Norman Piccioni and Fabio Santucci).

- NIGER.** Market-based irrigation reform for smallholder farmers in Niger (Hope Neighbor and Daniel Sellen).
- PAKISTAN.** Privatization and the Crisis of Agricultural Extension in Pakistan: Caveat Emptor (Andrew P. Davidson).
- PHILIPPINES & INDONESIA.** Fiscal Sustainability of the Farmer Field School Approach in the Philippines and Indonesia (Jaime Quizon, Gershon Feder and Rinku Murgai).
- PORTUGAL.** Extension Reform in Portugal: A Case Study Illustrated by the Experience of the Interior North (Artur Cristóvão and Fernando Pereira).
- RUSSIA.** Innovative ICT approaches for development of rural information and advisory services in transition economies (S. Janakiram).
- SASAKAWA.** Sasakawa Global 2000 Extension Efforts in Africa (Donald L. Plucknett).
- SOUTH AFRICA.** A Public/Private Partnership For Extension Delivery In South Africa (Martin J. Eweg and Michelle E. Owens).
- TRINIDAD.** Case Study of the Decentralization of the Extension Services in Trinidad (Joseph Seepersad and Vernon Douglas).
- UGANDA.** The Role of Extension in Rural Development: The Ugandan National Agricultural Advisory Services (NAADS) (Silim Nahdy).
- UNITED KINGDOM.** ADAS and the Privatization of Advisory Services in England and Wales (Chris Garforth).
- UNITED STATES OF AMERICA.** Establishing Rural Development Extension in the United States (George R. McDowell).
- URUGUAY.** The Reform of the public sector agricultural extension in Uruguay (Santiago Cayota).
- VENEZUELA.** Reforming National Extension: The Recent Experience of Venezuela (Miguel Savioff and Eduardo Lindarte).
- WEST AFRICA:** Adapting Agricultural Extension to the Changing Rural Development Context in West Africa: Lessons from the Research-Extension-POs Partnership Network (REPO-Net) (Jean Sibiri Zoundi).