

CGIAR Research Program 2

Proposal submitted by
the International Food
Policy Research
Institute

IFPRI

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WORLD FISH



Policies, Institutions, & Markets

**to Strengthen Food Security
and Incomes for the Rural Poor**

Executive Summary

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Rationale

Poverty and hunger remain enormous problems. Nearly 1 billion people in the world go hungry, and more than 1 billion live on just \$1.25 a day. Seventy-five percent of the poor live in rural areas, and the majority of them depend on agriculture for their livelihoods. Food prices are high and rising—a situation that points to continued challenges in food security in the coming years. Despite global efforts to overcome these problems, one of the most promising tools for promoting development and reducing poverty—pro-poor, sustainable agricultural growth, particularly for small producers—has been underexploited. Evidence shows that agricultural growth reduces poverty by twice the rate of growth in nonagricultural sectors, but this growth has been held back by failures related to policies, institutions, and markets and will be further challenged by emerging trends such as climate change and natural resource scarcity. Past agricultural growth has also been constrained by a narrow focus on agriculture that excluded macroeconomic dimensions, environmental inputs and outcomes, and important enabling conditions, such as rural infrastructure, effective markets, and complementary services like credit and agricultural extension.

It is precisely here that CRP2 can make a critical contribution. CRP2, “Policies, Institutions, and Markets to Strengthen Food Security and Incomes for the Rural Poor,” will establish how these challenges and failures can be overcome so that policies, institutions, and markets can be used most effectively to reduce poverty, improve food security, and grow small producers’ incomes.

Under business as usual, projected growth in agricultural productivity in the next two decades is unlikely to meet effective demand for food without significant price increases. Small agricultural producers face enormous challenges, but they also have great potential to feed the world—if they can get access to the inputs, technologies, markets, and public services they need. The adoption of evidence-based policies, inclusive institutions, and equitable and efficient markets—based on sound and cutting-edge research focused on the complex agricultural development process—can help achieve this goal. CRP2 addresses this challenge by producing a body of knowledge to support appropriate policies, institutions, and markets for pro-poor agricultural growth.

This body of knowledge will not result in a single approach to reforming policies, institutions, and markets in all countries. Developing countries not only face a tremendous variety of development challenges, but also vary greatly in their policy, institutional, and market capacities. Consequently, a distinguishing feature of CRP2 is its emphasis on supporting country-led, country-driven, and country-owned development processes through collaborative research, partnership, and capacity building. This country-led ap-

proach has so far received too little attention in the research and development community, including in the CGIAR.

The Comparative Advantage of CRP2

CRP2 will for the first time bring together analysis of policies and institutions related to food security, poverty, and sustainable agriculture from across the CGIAR. It will combine research expertise in both the social and the biophysical sciences at key CGIAR centers to find ways to enhance agricultural productivity while reducing rural poverty and improving outcomes for the environment.

The CGIAR and its partners are well placed to provide the research laid out in CRP2. Although many institutions work on issues related to policies, institutions, and markets in developing countries, the CGIAR has a comparative advantage based on its specific mandate related to the intersection of food security, poverty, and sustainable agriculture; its focus on research-based capacity building in the public, private, civil society, and academic sectors; its institutional and political independence; its scale (large enough to generate an intellectual critical mass but nimble enough to flexibly adjust to emerging needs); its recognized research capabilities; and its large network for data collection in developing countries. Other institutions possess some of these characteristics, but the combination of all of them is unique to the CGIAR.

The program will be a platform of excellence, drawing on expertise not only within the CGIAR system, but also in many other research and development organizations and agencies worldwide. The challenges facing the rural poor are large and complex. As one of the largest research programs focused on food policy for the rural poor in Africa, Asia, and Latin America, CRP2 will be well positioned to identify solutions for improving policies, institutions, and markets in ways that will improve the lives of millions of rural poor people.

Strategic Results Framework

The CGIAR seeks to achieve four system-level outcomes: (1) reduced rural poverty; (2) increased food security; (3) improved nutrition and health; and (4) more sustainable management of natural resources. CRP2 will contribute to all four of these outcomes, with an emphasis on the first two, through activities related to three overall themes:

- **Effective Policies and Strategic Investments (Theme 1):** This theme will improve policy options at the global, regional, and country levels by modeling scenarios of future trends, analyzing how best to allocate public resources for research and investment, and strengthening governments’ capacity to design and carry out policies and investments that will increase agricultural productivity and enhance rural incomes.

- **Inclusive Governance and Institutions (Theme 2):** This theme will examine the scope for policy, institutional, and governance reforms and contribute to effective and equitable access to rural services, property rights, collective action, and assets by studying existing systems and testing institutional innovations in these areas.
- **Linking Small Producers to Markets (Theme 3):** This theme will increase the competitiveness of markets to benefit producers and consumers and offer greater income opportunities by integrating small-scale producers into upgraded value chains.

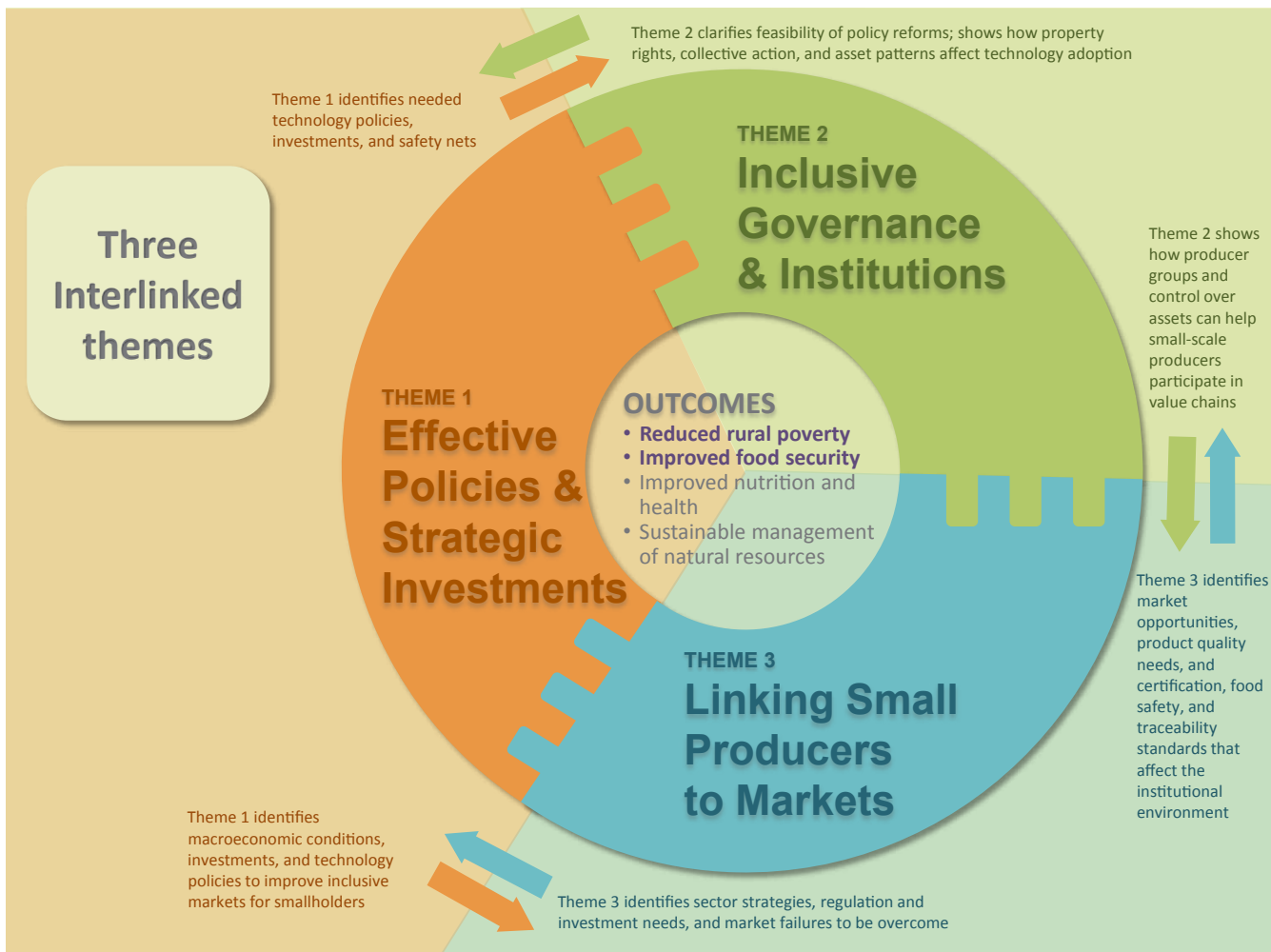
These themes are interlinked (see Figure 1). Policies set the enabling environment for effective agricultural growth; institutions structure the delivery of goods and services and the context for action; and markets organize the relationships among value-chain actors, including smallholder producers. Given these linkages, working across the themes

will allow CRP2 researchers to address key challenges and opportunities related to policies, institutions, and markets.

Priority-setting

The CRP2 team developed current research areas and priorities through a participatory process and an analysis of the major development challenges and strategies for each type of region. Research priorities among activities and regions will be further developed and adjusted at the beginning of the program implementation phase. The team will organize participatory priority-setting workshops, applying a multicriteria scoring approach, and complement these consultations with a modeling approach that uses quantitative ex ante assessment tools. These activities will result in a ranking of priority research areas and regions aimed at optimizing CRP2’s contribution to the system-level outcomes.

Figure 1—Links among the three themes of CRP2



Impact Pathways

CRP2 will help achieve CGIAR system-level outcomes through three main impact pathways (see Figure 2):

1. Informing and enriching research and bolstering the capacity of research communities
2. Influencing policy development and implementation by major development agencies
3. Providing policy recommendations for policymakers and decisionmakers at the global, national, and local levels

One foundational element is common to all three impact pathways: the contribution of research (under all three themes) to improved knowledge and analysis of development processes.

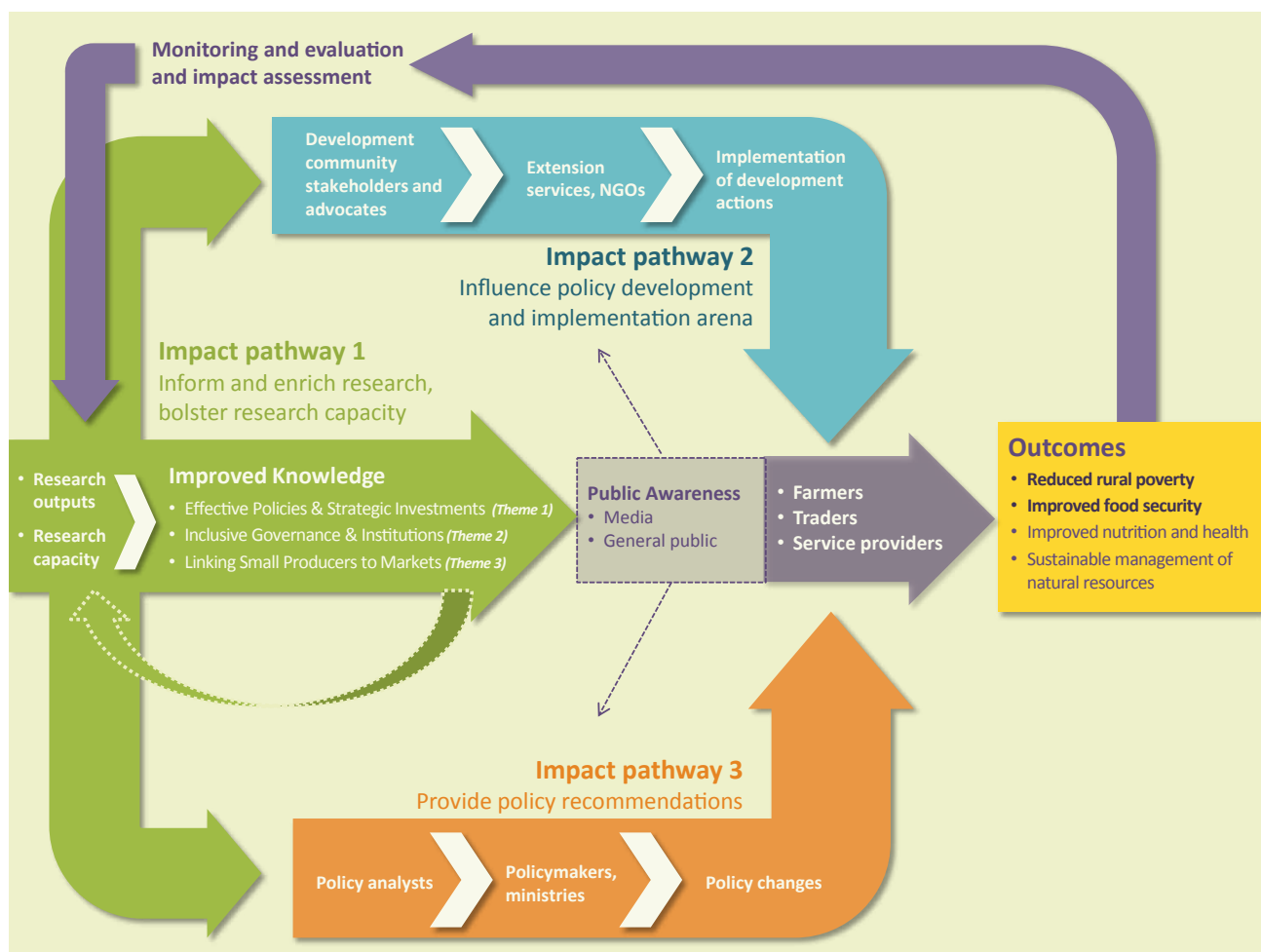
Impact pathway 1 shows how social science information feeds back into CGIAR and non-CGIAR research. This feedback loop will continually bolster the Consortium’s capacity to produce ambitious, cutting-edge research that leads

to long-term improvements for the poor. Impact pathway 2 reflects the potential for CGIAR-generated research to influence the international development and implementation community, including global and international agencies, donors, and implementers, such as governments and civil society organizations. Impact pathway 3 shows how social science research can influence government policy. The body of research-based evidence and analysis generated by CRP2 will provide concrete evidence of policy options that policymakers can use to craft reform policies aimed at achieving the desired outcomes.

Ensuring Uptake

High-quality research outputs alone are not enough to achieve impact; they must also be taken up and used. In addition to the three impact pathways described above, the CRP2 strategy to ensure that outputs are translated into outcomes includes the following components:

Figure 2—CRP2 impact pathways



- partnerships, to link research to on-the-ground implementation and widen CRP2's influence;
- capacity strengthening, to enhance the capacity of partners who will translate research results into on-the-ground impacts;
- communication, to produce different outputs that will ensure research dissemination and influence; and
- specific outreach strategies to be developed by each subtheme.

All these components aim to build bridges to users, going beyond the basic question of “what is produced?” to address the broader issue of “who is being reached?”. This process starts at the inception of the research, when intended users of the research can help identify the relevant questions and priorities. Some of these users will become partners in the research itself, such as when policymakers or NGOs participate in action research or when CRP research evaluates the impact of particular programs. Application of best practice methods and publication in peer-reviewed outlets will help ensure the legitimacy of the findings. Also needed, however, are broader forms of outreach, including policy briefs, web-based dissemination, media outreach, and presentations at in-country and international forums.

IFPRI's Country Strategy Support Programs (CSSPs), by helping researchers stay close to the issues and facilitating the delivery of results in the developing world, are a promising vehicle for enhancing the impact of CRP2 at the country and local level.

Monitoring and Evaluation

CRP2 will include a monitoring framework to report on program activities, track progress, and take corrective actions when needed. Monitoring will be based on indicators and metrics for all outputs and outcomes. Evaluations will assess the achievement of outcomes and the translation of outcomes into impact. The main outputs, outcomes, and impacts of CRP2 research are described in the performance indicators matrix in Annex 1 of the proposal.

Research Themes and Subthemes

Research in the three overall themes will be managed at the subtheme level. Within the broad focus of each subtheme (described in the following sections), the specific development challenges, problems, opportunities, and required strategies vary depending on the characteristics of the different countries and regions. Because developing countries face a great variety of challenges and opportunities, approaches to improving policies, institutions, and markets must be country and context specific.

To reflect this heterogeneity, the activities in each research theme and subtheme are specified in more detail

based on a country typology. Drawing on the World Development Report 2008 (WDR 2008), we have identified three types of countries or major subnational regions—agriculture-based, transforming, and urbanized—based on the main characteristics of countries' agricultural development. Following from this typology, we have determined the key development challenges, approaches, and strategies for each type of country. Based on this assessment, we have specified the key CRP2 research areas at a more detailed level and categorized them by subtheme for each type of country or region. The detailed research areas are shown in Table 3.1 of the proposal.

Theme 1: Effective Policies and Strategic Investments

Policies provide the enabling environment in which development actions occur and investment choices play out. This first theme of CRP2 analyzes which policies and investments might be better formulated to improve food security and accelerate agricultural income growth and, of equal relevance, how. It also evaluates key growth, equity, and sustainability tradeoffs associated with alternative development strategies and scenarios that provide the broader context in which policies and investments are formulated.

Theme 1 consists of 4 subthemes aimed at addressing the key policy gaps identified above. Subtheme 1.1 (Foresight and Strategic Scenarios) focuses on designing scenarios reflecting emerging challenges, modeling the consequences of these scenarios, and using the outputs of the modeling to inform policy research, thereby improving existing agricultural policy and investment decisions. The Foresight program will work closely with the GCARD process. The three other subthemes center on policy analysis, with a global objective of enabling smallholders, the rural poor, and other vulnerable groups to participate in income-generating and asset-building growth. Research under Subtheme 1.2 (Macroeconomic, Trade, and Investment Policies) is designed to correct underinvestment and policy and market distortions in the agricultural sector relative to other sectors. Subtheme 1.3 (Production and Technology Policies) will strive to facilitate participation of smallholders, female farmers, rural laborers, and vulnerable groups in agricultural productivity growth and sustainable resource use. Subtheme 1.4 (Social Protection Policies) plans to increase poor people's access to safety nets, food assistance, and cash transfers to reduce their vulnerability to risks.

Theme 2: Inclusive Governance and Institutions

For new policy ideas to be translated into changes on the ground, two conditions need to be met: (1) policy ideas must be formulated into policies; and (2) policies must be adequately implemented.

Subtheme 2.1 (Policy Processes) will study research-policy linkages and policy implementation processes in order to

increase the likelihood that science- and evidence-based policy options will be adopted into progressive reforms.

One major obstacle to policy implementation arises from the failure of governments and markets to provide rural services and infrastructure. Subtheme 2.2 (Governance of Rural Services) will address this issue by identifying governance arrangements suitable for providing critical rural services and for supporting effective and equitable farmer organizations, resource user groups, and producer groups.

Tenure security and capacity for collective action are prerequisites for reducing poverty and enabling more effective management of common pool resources and environmental services. Moreover, agricultural policy processes often suffer from the lack of voice of smallholder farmers and women, who make up so much of the agricultural labor force in developing countries. How can sound arrangements for property rights and collective action be achieved, and how can small-scale producers be empowered to increase their voice in policy decisions and to gain access to investment and market opportunities? These are the questions that Subtheme 2.3 (Collective Action and Property Rights) will strive to address.

Translating increased productivity and incomes into sustainable rural development requires ensuring that poor people are able to accumulate the tangible and intangible assets that will allow them to generate sustainable livelihoods. Such changes often go beyond single policies and require appropriate institutional structures. To address this challenge, Subtheme 2.4 (Institutions to Strengthen the Assets of the Poor) will focus on creating enabling institutions for the poor.

Theme 3: Linking Small Producers to Markets

Establishing competitive and efficient markets is a central challenge of achieving economic growth. Millions of low-income people participate in agricultural value chains as producers, small-scale traders, processors, retailers, and consumers. Improving the performance of value chains therefore stands to benefit large numbers of people. This theme identifies key constraints and opportunities in value chains; evaluates options for upgrading value chains; and provides tools, strategies, and policy approaches for achieving development change that is pro-poor, sustainable, and gender sensitive.

Subtheme 3.1 (Innovations across the Value Chain) will look into how to make commodity markets function better for the poor through value-chain innovations in five key areas: reducing transaction costs, managing risk, building social capital, enabling collective action, and redressing missing markets. Subtheme 3.2 (Impact of Upgrading Value Chains) will develop a comprehensive strategy for assessing the impact of interventions designed to upgrade value chains

across different CRPs. It will identify appropriate indicators and methods for monitoring the performance of projects, evaluating their effectiveness, and assessing their impact on the poor and other target groups, including women.

Strategic Research on Gender

For the CGIAR to deliver on its mission—achieving sustainable and positive change for those who need it most—its approaches to agricultural research and development must engage, empower, and invest in women, not only to correct gender inequities, but also to achieve more effective development. CRP2 will ensure that gender issues are not only integrated into each of the research themes, but also that critical gender issues become a focus of R&D in their own right. In CRP2, experiences with gender analysis under individual projects will be collected, compared, and contrasted to uncover broader lessons on gender integration in its research.

Methods and Data

Researchers will apply a range of interdisciplinary approaches and methods to research activities, including econometric methods, model-based simulation analyses, strategic foresight assessments, social network analyses, qualitative analyses, participatory action research, experimental and randomized controlled approaches, and gender and intrahousehold analysis. CRP2 also proposes an annual competitive grants program to promote innovation among researchers in both developed and developing countries.

The quality, credibility, and cost of CRP2 research, the program's capacity to develop timely, relevant, and accessible research products and services, and its ability to respond to evolving research priorities will all be highly conditioned by CRP2's data strategy. Therefore, the development of integrated data and knowledge management platforms is a priority of CRP2. CRP2's data strategy aims to reduce research costs, enrich analytical opportunities for CRP research partners, and deliver a major international public good in the form of an open-access data portal, which will foster broad opportunities for innovation beyond CRP2 by both the public and the private sectors. These objectives go well beyond existing practices for data management and sharing within and across CGIAR centers.

Partnerships

CRP2 sets out an ambitious agenda for research and impact, and achieving it will require a concerted collective effort. Of course, the CGIAR centers cannot do all of the research, much less achieve impact, alone. Meeting the research and implementation objectives requires close partnerships not only with conventional research partners from universities and national agricultural research systems, but also with a wide range of stakeholders at national, regional, and global

levels, such as farmers' organizations, national agricultural research systems, regional forums, governments, development agencies, donor agencies, and the private sector. CGIAR centers participating in CRP2 already collaborate with more than 500 partner organizations today—evidence of the strong networks and relationships that CRP2 will draw from and further develop.

CRP2 has three types of partners: (1) research partners; (2) policy and practitioner partners; and (3) knowledge-sharing partners. Research partners will participate in the design and conduct of CRP2 research. Policy and practitioner partners are organizations that have a direct stake in the outcomes of research, such as government agencies, donor organizations, nongovernmental organizations, farmers' organizations, and private sector actors. Knowledge-sharing partners are those who help to store and transmit knowledge. In some cases, the same organization may have all three types of partnerships with CRP2, such as when an agricultural research institute or NGO participates in the research, helps to implement policy innovations, and contributes to or spearheads dissemination of research findings.

Capacity Strengthening

Strengthening the capacity of partners and of those who will translate research results into on-the-ground impacts is a core function of CRP2. Capacity strengthening in CRP2 can be divided into two broad sets of activities, which will be combined to maximize development impacts: (1) capacity strengthening through collaborative research partnerships; and (2) production of global public goods for long-term capacity development. The specific mechanisms that will be used range from links with formal academic programs, to collaboration with developing-country policy analysts to ensure they have the tools they need to answer policy questions in their countries, to the creation of development-oriented learning networks at the regional scale. Meeting the demand for capacity strengthening creates international public goods that can help amplify the impact of CRP2 over time and beyond the immediate areas where research is done.

Communications Strategy

The effectiveness of all three impact pathways for CRP2 will depend on regular communication of research results to diverse audiences. Consequently, this program will rely on a state-of-the-art communications strategy based on successful past and current CGIAR outreach strategies. This comprehensive strategy will spread the word about the program's progress and findings through a wide range of traditional and new media, including scholarly papers, policy reports and briefs, print and broadcast journalism, websites, social media, and videos, as well as through presentations at workshops and conferences. These communi-

cations efforts will be designed to help forge close ties with local collaborators and key policymakers, increase opportunities for hands-on research in the field, and promote seamless collaboration among CGIAR centers and partners—all of which will lead to enhanced dissemination and impact of research results.

Management Structure

The design of the oversight, planning, management, and implementation structure of CRP2 is based on the following criteria: high involvement of stakeholders, high-quality scientific oversight, transparency, low transaction costs, clear accountability and responsibility, and minimal bureaucracy. CRP2 will have one Lead Center—IFPRI—accountable to the Consortium Board under the terms of the performance contract with the CRP. The Lead Center will have responsibility for governance, intellectual and fiduciary oversight, and financial management of the main performance contract for the CRP. The CRP2 director, assisted by a Management Committee, will be responsible for overall management of CRP2. The CRP2 director will be appointed by the Lead Center and will report directly to the IFPRI director general.

The Management Committee will be made up of the CRP2 director, the leader of Theme 1 and another representative of Theme 1 chosen among the subtheme leaders, the leader of Theme 2 and another representative of Theme 2 chosen among the subtheme leaders, the leader of Theme 3, and the leader of the Strategic Research on Gender. To reflect the importance of the participation of other centers and partners in the management processes, a minimum of three members will be drawn from centers or partners other than IFPRI. The CRP2 director and Management Committee will be assisted by a small Program Management Unit, including a program manager and a research coordinator. A Science and Policy Advisory Panel will provide independent oversight of the content and quality of the scientific research and overall program, and will interact regularly with the Management Committee and Lead Center. Advisory panel members will come from outside CGIAR centers and core partner organizations of CRP2 and will be actively recruited from participating centers and partners by the Management Committee to ensure broad acceptance and representation. This panel will advise CRP2 management on strategic directions, the research program, research priorities and focus, and relevant management and partnership issues.

Budget

The CRP2 budget is projected at US\$82 million for 2011, rising to US\$95 million in 2013. This budget captures the costs of the research program and those associated with collaboration among 11 CGIAR centers, including IFPRI, in addition to the large number of research and implementing partners.

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For more information, please contact Mark Rosegrant (IFPRI) at
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To read the full proposal, please visit
http://www.ifpri.org/sites/default/files/crp2proposal_final_oct05_2011.pdf