The livestock sector within Pro-poor policies: experience from the Livestock Sector Investment and Policy Toolkit (LSIPT)

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Atelier de Formation Collective
“Systèmes d’information et outils de pilotage du secteur élevage dans les pays du Sud: Postures et méthodes”
(Montpellier, July 11-13th)
Overview

- History and objective of the Toolkit
- The content of the Toolkit
- Testing the toolkit in Mali and Zambia: main lessons
Part 1: History & objectives of the toolkit
History of the Methodological Guide

- Contrast after few years of PRSP formulation:
  - scant recognition by national policy makers and donors, given the poverty reduction potential of the livestock sector (Ls)

- Main reasons:
  - Lack of common vision for the sector’s development
  - Dearth of reliable data to demonstrate payoffs for Ls investment
  - Lack of capacity to develop appropriate sector plans and policies
In 2002, the Partnership for Livestock Development, Poverty Alleviation and Sustainable Growth for Africa (ALive) initiated by the World Bank.

- A regional partnership based on a multi-stakeholders Platform

Mandated two diagnostic studies "Livestock Poverty Growth Initiatives“ or first generation Livestock-PRSP in Mauritania and Burkina Faso.

Based on these experiences, the ALive Executive Committee decided to develop a toolkit:

Overall objectives of the Guide

Short term objectives → (a) Support SSA countries to prepare poverty focused livestock sector analyses and subsequent action plans

(b) Support advocacy that will ensure appropriate inclusion of these analyses and action plans in Poverty Reduction Strategy Papers (PRSP) and follow-up investments

(c) Support SSA countries to prepare pro-poor projects using the growth potential of the livestock sector

(d) Monitor and Evaluate the sector, for its sustainable development.

Longer term objective →

Sustainably strengthen national capacities to carry out social, economic and technical diagnoses of the sector on which to formulate suitable strategic action plans
Elaboration of the Methodological Guide

- Modules “Initial assessment” – “Coalition for change” – “Learning based monitoring and evaluation”:
  PPLPI with in-kind participation

- Modules “Livestock in national economy” – “Livestock in households economy”:
  CIRAD with in-kind participation and initial support from TCIW-FAO and a contribution from IIED

- Module “Preparation of Strategy and Action Plan”:
  ALive Secretariat
Part 2: The content of the Toolkit
Organization of the toolkit: 3 phases interlinked

- Preparation (M1 & M2)
- Diagnostic (M3 & M4)
- Planification & monitoring (M5 & M6)
Poverty focused livestock diagnostic made and strategy and action plan developed with multiple stakeholders to reinforce the contribution of livestock to poverty reduction.
Modules 3&4: Diagnostic
## Structure of the diagnostic (M3 & M4)

<table>
<thead>
<tr>
<th>Category</th>
<th>M3 (micro / meso)</th>
<th>M4 (macro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main production systems (MPS)</td>
<td>typology (SM1-A1)</td>
<td>Aggregation of all results in M4 according to MPS</td>
</tr>
<tr>
<td>Livestock systems</td>
<td>Technical and economic performance of LS (SM1-A2&amp;A3)</td>
<td>GDP (SM1-A1&amp;A2)</td>
</tr>
<tr>
<td>Households</td>
<td>Vulnerability of households (SM1-A4)</td>
<td>Food security, poverty and equality (SM1-A3&amp;A4)</td>
</tr>
<tr>
<td>Value chain and sector</td>
<td>Organization and performance of VC (SM2)</td>
<td>GDP and sector opportunities (SM1-A1; SM2)</td>
</tr>
<tr>
<td>Policies and institutions</td>
<td>Households constraints and OPLI (SM3)</td>
<td>Policies and institutional diagnostic (SM3)</td>
</tr>
</tbody>
</table>
2 options: with or without households survey data

- **Without survey data:**
  - Working with average indicators (e.g., income: either all households are poor or none)
    - Advantage: quick assessment
    - Limitations: characterizing poor livestock keepers and the level of heterogeneity within each category

- **With household-level survey data:**
  - Working with raw data sets (individual observations for key variables (assets) entered into the tool)
    - Advantage: better knowledge of level of poverty
    - Limits: representativeness of the systems upon the sampling procedure of survey data
Module 3: Livestock in the household economy

**Module 3: Livestock in the household economy**

- **SM 1 Analysis of production systems**
  - A1 Identify and characterize the livestock production system
  - A2 Assessment of technical performance
  - A3 Assessment of economic results
  - A4 Assessment of the vulnerability at the household level

- **SM 2 Chain analysis and vulnerability**
  - A1 Identify and characterize the livestock products value chains
  - A2 Profitability at the level of each value chain
  - A3 Identify the factors of vulnerability for the different actors/agents

- **SM 3 Impacts of the institutional, policy and legal environment (OPLI) on the actors**
  - A1 Identify the priorities and constraints of the agents in the chain
  - A2 How the organizations, policies, legislations and institutions answer to the constraints or priorities of agents?
  - Weak and driving force of the institutional environment

**Results:** Strategies, priorities, weaknesses and driving forces of the agents along the chains

**Module 4**
Serre & Steinfeld, 1996

Production systems

LG: Grassland
MR: Mixed crop-livestock
MI: Commercial

C: Cattle
S: Sheep
CF: Fattening
G: Goats
D: Dairy
P: Pigs
L: Layers
Br: Broilers

Backyards pigs (mixed)
Backyard poultry (village)

16 systems!
Module 3: Technical and financial performance of LS

STEPS AND TOOLS

- Technical parameters
- Economic and financial parameters
- Socio-economic parameters at the household level

EXPECTED OUTPUTS

- Animal productions
- Financial indicators: net income, cost of production,
Households typology and assets
Method of income calculation in the Toolkit

\[ I_{i,ps} = (A_{i,ps} \cdot Y_{ps} \cdot P_{ps}) - (F_{i,ps} \cdot C_{ps}) \]

Where:
- \( I = \) income of hh i in PS
- \( A = \) assets
- \( Y = \) average yield
- \( P, C = \) average prices / inputs costs
- \( F = \) average use of inputs (feeds, veterinary services, ..)
Contribution of each species to livestock income (without)

Impact of an intervention on the level of inequality of household income

HH vulnerability and income inequality
Characterization of the marketing chain (case of bovine chain) (Source: Modibo et al., 2009, Mali)
Analysis of the financial performance of the bovine marketing chain
(Source: Modibo et al., 2009, Mali)

<table>
<thead>
<tr>
<th>Chain</th>
<th>Effective (heads)</th>
<th>850978</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part of the chain (%)</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Nb in the chain</td>
<td>102117</td>
</tr>
<tr>
<td></td>
<td>Unit value (per animal)</td>
<td>% increase of the unit value</td>
</tr>
<tr>
<td>Herder</td>
<td>150 000</td>
<td>17 380</td>
</tr>
<tr>
<td>Broker</td>
<td>151 000</td>
<td>0,67%</td>
</tr>
<tr>
<td>Collector</td>
<td>180 000</td>
<td>19,21%</td>
</tr>
<tr>
<td>Trader/exporter</td>
<td>250 000</td>
<td>38,89%</td>
</tr>
</tbody>
</table>

Results at the chain level

| Unit result (/animal ou kg ou litre) | 250 000 | 39 540 | 210 460 |
| Total result for the chain (in millions) | 25 529 | 4 037 | 21 496 | 100% |
Module 4: Livestock In the national economy

SM 1 Contribution of the livestock sector to the national economy

A1 Direct contribution to the GDP

A2 Indirect contribution: environment, health

A3 Contribution to food security

A4 Contribution to the reduction of poverty

Importance of the livestock sector in the economy

SM 2 Potentiality of the sector

A1 Potentialities in terms supply-demand

A2 Competition analysis

A3 Feed resources

A4 Animal health

A5 Animal genetic resources

Potentialities of the sector

SM 3 Policies and institutions

A1 Weaknesses and strengths of policies and institutions to enhance the socioeconomic conditions of the livestock sector

A2 Identify dynamics and synergy with other sectors

Priorities and capacities for the development of the sector

Results: Contribution of the sector to the economic growth and global objective of the reduction of poverty
Livestock contribution to GDP: results compared with existing references (Source: Modibo et al, 2009, Mali)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>PIB élevage</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valeur (milliards de FCFA)</td>
<td>290,2</td>
<td>428,0</td>
<td>744,4</td>
</tr>
<tr>
<td>Contribution au PIB National (%)</td>
<td>9,6</td>
<td>13,0</td>
<td>19,2</td>
</tr>
<tr>
<td><strong>PIB production élevage</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valeur (milliards de FCFA)</td>
<td>428,0</td>
<td>574,1</td>
<td></td>
</tr>
<tr>
<td>Viande (%)</td>
<td>50</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Lait (%)</td>
<td>21</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Œufs (%)</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Cuirs et peaux (%)</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Energie (%)</td>
<td>14</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Fumier (%)</td>
<td>11</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>
Module 5&6: Strategy, action plan & monitoring
Poverty focused livestock diagnostic made and strategy and action plan developed with multiple stakeholders to reinforce the contribution of livestock to poverty reduction.
Part 3: Implementing the toolkit in Mali & Zambia and lessons learned
# Implementation of the LSIPT

<table>
<thead>
<tr>
<th></th>
<th>Mali</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Period</strong></td>
<td>Nov08/ jun09</td>
<td>March11/oct11 (exp)</td>
</tr>
<tr>
<td><strong>Team</strong></td>
<td>6 from ‘livestock profession’, 1 economist</td>
<td>4 from ‘livestock profession’</td>
</tr>
<tr>
<td></td>
<td>1 leader full-time</td>
<td>3 ag.-economist, 1 sociologist, 1 gender-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>specialist, 1 statistician</td>
</tr>
<tr>
<td></td>
<td></td>
<td>None full time</td>
</tr>
<tr>
<td><strong>Data</strong></td>
<td>All existing (mainly aggregated) + expert</td>
<td>All existing + raw household level data +</td>
</tr>
<tr>
<td></td>
<td>knowledge</td>
<td>expert knowledge</td>
</tr>
<tr>
<td><strong>Context</strong></td>
<td>New livestock ministry</td>
<td>New livestock ministry, no sector strategy,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WB livestock development project to start</td>
</tr>
</tbody>
</table>
Strengths of the toolkit

- An innovative tool allowing:
  - An exhaustive, integrated and participative approach
  - A complete diagnostic of the livestock sector (micro and macro / qualitative and quantitative)
  - A declination of strategic options and the development of an Action Plan

- Good transferable tool:
  - very well received
  - strong educational power and potential in strengthening national capacities
  - A good companion modeling exercise in view of preparing investments or donors projects

- Allows to model impacts of certain events (drought, health, ..)

- Allows flexibility according to the need of end users:
  - focus on a sub-sector,
  - feed back loops between diagnostic and planning
  - results can be easily actualized if data available
  - Relative modularity & division of workload
Possible difficulties in the process...

- Composition and organization of the team:
  - integration of sociologists and economists
  - Task divisions?

- Bibliography
  - Focus on technical parameters less on socio-economic data sets

- Attractivity of Excel tools can be detrimental to qualitative analysis

- Enough time should be devoted to:
  - the training (first workshop)
  - interpretation and coherence of results

- Difficulty while developing action plan to avoid ‘business as usual’
  - action plan disconnected from other initiatives / sectors
  - lack of prioritization, …

- The coalition of actors (M2) should be fully active in the action plan development
Context in evolution: the LSIPT objectives with it

- Poverty focused & growth potential (initial level of poverty)
- Investment focus vs policies focus according to funding partners
- No longer PRSP but CAADP
Perspectives

- Training of trainers and hand over to AU-IBAR
- Most interested countries expected to implement the toolkit
  - Those involved in the LSMS-ISA and LDIA projects
  - Those with new livestock ministry (need for capacity building) and/or no policy strategy to be developed/updated
  - Those about to develop livestock development program
THANK YOU