

"Voice and Choice"

Rural Advisory Services in Kyrgyzstan



Learning from 20 Years of Development Cooperation

Peter Schmidt; Zürich; July 2012



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Contents

1. Always easy with hindsight
2. Main achievements and challenges
3. Accountability to farmers
4. Financial and institutional sustainability
5. Innovation system
6. Conclusions

Abbreviations

AKIS	Agricultural Knowledge and Information System
EU	European Union
GTZ	German Gesellschaft für Technische Zusammenarbeit
ICCO	Inter-Church Organisation, The Netherlands
IDA	International Development Association (of the World Bank group)
IFAD	International Fund for Agricultural Development
KSAP	Kyrgyz Swiss Agricultural Project
NGO	Non Governmental Organisation
NPO	Not for-profit Organisation
RADS	Rural Advisory and Development Services (predecessor of RAS)
RAS	Rural Advisory Services
SDC	Swiss Agency for Development and Cooperation
TACIS	Technical Assistance to the Commonwealth of Independent States (EU financed)
TES Centre	Training and Extension System Centre; GTZ sponsored
ZOKI	Training Advisory and Information Centre

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1. Always easy with hindsight

The “Kyrgyz Swiss Agricultural Project” (KSAP; 1995-2010) was one of the most prominent and significant (also in financial volume) projects of the Swiss Agency for Development and Cooperation (SDC) and Helvetas in the field of agricultural extension. After the breakdown of the Soviet Union agriculture in the newly formed Kyrgyz republic underwent drastic changes. The former large-scale agricultural collective enterprises were dismantled and the 'workers' suddenly became 'farmers'. Switzerland decided to support this transition process with a contribution to the establishment of an agricultural advisory service, or the Rural Advisory Service (RAS). Starting with a fact-finding mission in 1993, the support to the Kyrgyz advisory system through KSAP evolved over 17 years, seven phases and a total investment of over 20 million Swiss Francs. The project was funded by SDC and implemented by Helvetas.

The first pilots in Naryn Oblast (province) were replicated and today this RAS system has been extended to the entire country. An average 50'000 farming families are being reached each year. A main turn-

ing point came in 2007 when the support to the Kyrgyz agricultural extension system was changed from its focus predominantly on strengthening the supply side to the introduction of a demand-based funding of rural extension. Switzerland was of course not the only donor in this thematic field but collaborated closely with other donors, in particular the World Bank. The Swiss contribution complemented IFAD (channelled through the International Development Association (IDA) of the World Bank), DFID and other donor funds brought together in a basket funding mechanism. The Swiss support to the RAS system, through KSAP, came to an end in 2010.

In the course of these two decades the local context has evolved and development paradigms have also changed. But the fundamental questions about **sustainability** and **ownership** remained the same and accompanied the project like a red thread through its lifespan. Thus, this case offers opportunities for learning on fundamental questions related to agricultural extension in a transition country and for development collaboration in general. Recognising this, in 2012 SDC financed a learning process with the objective to harvest.

“Lessons learnt from development cooperation in agricultural extension in Kyrgyzstan with particular attention to sustainability and ownership issues are drawn, discussed and widely shared”.

The initiator and author of this case-study was manager of the KSAP project from 1999 until 2002. On the basis of a desk-research he facilitated the formulation of the research questions. As part of the methodology, he conducted around 20 personal semi-structured interviews with stakeholders who know the case well. Preliminary conclusions served as input for a learning event in Bishkek, Kyrgyzstan on April 20th, 2012. Today, with the benefit of hindsight, the conclusions are self-critical in nature given the own long involvement and commitment to the project but also have critical insights that may be useful for donors and implementing agencies to analyse their behaviour, approaches and policies.



2. Main achievements and challenges

The evolution of agricultural extension in Kyrgyzstan had four distinct phases:

1. Advice as part of Soviet agricultural production: During the Soviet era agricultural production formed a part of the planned economy and was organised in the form of large Sovkhoses / Kolkhoses. The territory of each of the Sovkhoses is the basis for defining the territory of the lowest administrative level, the Ail Okrug, today. Agricultural extension was inbuilt in the Sovkhoses / Kolkhoses and provided by specialists stationed on these large farms.

2. Supply side intervention: After the breakdown of the Soviet Union, land was privatised, private farms emerged and the centrally planned economy gradually transformed to a market economy. On the

basis of several pilot projects donors intervened on the supply side of agricultural extension and created the semi-governmental Rural Advisory Services system.

3. Demand-side intervention: 2007 marked a turning point for agricultural extension in Kyrgyzstan. The former attempts to create accountability of service providers to their clients (membership system, farmer councils steering the service providers) were abolished and a new mechanism of routing donor funds for RAS through the “Koshuuns” (= territorial farmer groups in each Ail Okrug) was introduced. This was meant to foster a clear articulation of the demand, backed by resources to pay for it and ensure greater demand responsiveness from the service providers.



4. Growing competition: Alongside the evolution of the RAS system, gradually private commercial and not-for-profit agricultural extension service providers also evolved. In recent years the provision of services has become increasingly competitive, driven by the private sector (credit institutions, input suppliers, processing and marketing companies). The donor driven paradigm of strictly separating the provision of advice from rendering other services and inputs, started to disappear.

KSAP had the objective to contribution to “effective, decentralised, demand driven extension services steered by farmers” (KSAP Project Document 2002). By and large it remained unchanged over the project’s lifespan.

An assessment of achievements and critical issues against this objective, undertaken during the learning exercise, yielded the following analysis:

In the 2000 – 2010 decade the RAS system reached a substantial coverage.

On average 55’000 men and women were trained per year, also in very remote places.



Table 1: Objectives of KSAP and Current Status: Outputs from the Learning Exercise, 2012

Achievements	Critical issues
1. Unlike in other former Soviet Republics in Kyrgyzstan there is today a decentralised and fairly pluralistic provision of rural advisory services .	1. The service providers are oriented more to the demand of donors than of farmers. Accountability of the service providers to farmers is weak.
2. According to an outcome study of KASP conducted in 2010 (KSAP 2011) there is evidence for positive effects of rural advisory services on the livelihoods of farmers in Kyrgyzstan (yield increase, income increase, positive return on investment). The same study reports a high client satisfaction.	2. The financial and institutional sustainability of today's service providers is still doubtful as the service providers are still dependent on donor funding.
3. In the 2000 – 2010 decade the RAS system reached a substantial coverage (1'000 villages or 55% of total), trained on average 55'000 men and women per year, served an estimated 30% of all farms, and had around 50'000 permanent clients (nearly 20% of all farm households) in hundreds of farmer groups.	3. The links between agricultural extension and agricultural research on the one hand and to agricultural education on the other hand are largely absent. Linked to it is the poor performance of the agricultural innovation system .
4. Intensive capacity building resulted in the availability of a critical mass of qualified extension specialists (including 350 field advisors).	

The subsequent chapters discuss the above identified critical issues.

3. Accountability to farmers

In the late nineties, when the decision to create a nationwide rural advisory service was taken, an institutional vacuum characterised the agricultural sector in Kyrgyzstan: a research system uncoupled from reality, a defunct agricultural vocational education system, absence of university education for extension staff, absence of an agricultural extension system, lack of supply of agricultural inputs from the private sector, defunct processing units, interrupted market channels and non-availability of credit facilities. To further aggravate the situation, local government structures were largely non-existent and the civil society was unorganised.

It was in this context that the central government and donors chose – among other interventions – a supply side intervention in agricultural extension. However, the visions held by the different actors for the future agriculture system and the agricultural extension system that was therefore needed, did not

“Membership was a very Swiss concept. The Kyrgyz farmers were not ready for it.”

match and were in fact contradictory. This contradiction persists till date.

The Government’s unspoken vision was an industrialised agriculture with large Kolkhose-type farms while the donors – in particular the Swiss – envisaged a small-scale agriculture run by family-farms. The Government hoped to receive tractors and buildings for “Advisory Centers” while the Swiss – on the basis of the pilot extension service in Naryn Oblast – promoted a farmer owned, membership based rural advisory service. In this model the main intervention would be capacity building for advisors and organisational development for service providers. The resulting hybrid – the RADS Foundation – leaned more towards the Swiss vision and largely incorporated the organisational structure of the first EU financed advisory services attempts, usually referred to as the “TACIS” model (Technical Assistance in CIS countries). The development of the extension system was driven by approaches adopted by expatriate advisors, including the author, which were often contradictory. One of the concepts promoted was the membership system. With the intention of assuring accountability of the service provider to the clients, farmers were encouraged to

become members of RAS and to participate in steering councils at several institutional levels. A specific study (Undeland, 2006) showed mixed results of the membership system. Today all involved admit that the membership system never really worked because there was no real benefit for the farmers to become members and that the society, which was in transition, was not ready for it. The phase-evaluation of KSAP in late 2006 (Goodman, 2006) pointed this weakness and criticised RAS for:

- insufficient coverage
- being too expensive
- lacking governance by the farmers (membership system and councils ineffective)
- weak demand orientation as the service providers themselves conducted the needs assessments.

As a remedy, the evaluation proposed to test three alternatives:

- 1) to arrange for external needs assessment by independent consultants;
- 2) to establish Farmer Koshuuns and route donor funds through them; or
- 3) to introduce the procurement of agricultural extension as a formal function of the Ail Okrugs.

In the option finally selected, the Koshuuns were supposed to identify farmers' needs and to contract advisory services. It was envisaged that decreasing donor funds would be compensated by the fees paid by the farmers overtime. The intention to shift the attention from the supply side of agricultural extension to the demand side and to introduce what the literature calls "reversed flow of funds" (Katz, 2002) was right and timely. Delays in implementation and perceived practical necessities led to a country-wide roll-out of the Koshuun system only in 2009.

Today, the interviewed knowledge bearers are highly critical of Koshuuns on the grounds that they lack legitimacy, understanding of farmers' needs and the capacity to conduct a proper needs assessment. Only 10% of the 458 Koshuuns are expected to survive (estimates ranged from 0% to 50% with a clear inclination towards the lower figure). Fee payments by the farmers for advisory services are lower today as compared to the period before the Koshuuns were created. To survive, the service providers have turned

"The reason to choose the Koshuun solution was to comply with funding procedures of the World Bank."

their attention to 'hunting' for donor funding rather than focussing on their original mandate of responding to farmers' needs.

And what are lessons to be learned?

- In the design and introduction of rural advisory services systems the demand side deserves as much attention as the supply side. In the case of Kyrgyzstan more means should have been invested to foster demand articulation ("voice") by farmers in the early stages, informed by a better context analysis.

- In 2007 Kyrgyzstan adopted a local Self-Governance Act. Prior to this approaches to development of rural advisory services in Kyrgyzstan largely ignored the local government as the legitimate body to steer advisory services as also as a source of funds for advisory services by earmarking tax-money for it. However this continued even after the introduction of this new Act and the significant change in the role of the Ail Okrug that it brought about. Before introducing a parallel structure such as the Koshuuns an involvement of the Ail Okrug in the procurement and funding of advisory services should have been tested.

"It is easier to get money from donors than from farmers."

„Voice and Choice“ for Rural Advisory Services in Kyrgyzstan

"Even in 2007 donors had a solid mistrust on local government structures."



4. Financial and institutional sustainability

Apart from an IFAD loan that the Government took, the establishment of the advisory services was entirely financed from donor money. Contribution by farmers by payment of fees for services in the private interest never exceeded 10% of the total costs of advisory services. The underlying assumption – today one would call it “killer assumption” – was that the Government in the future would step in and replace donor funding for advisory services in the public interest. This was the official version in the planning documents. The unofficial understanding was that advisory services with a wide coverage were needed only during a transition period and would disappear as institutions. The following schematic tables present the vision of various stakeholders on a) who should provide advisory services and b) who should pay for it.

The first two tables show the differing visions of the Government and the Swiss at the time of conceptualising rural advisory services in Kyrgyzstan, as discussed above. What they have in common is a shared understanding that public funding is justified for rural advisory topics in the public interest and that these funds can be tapped from outside as donor assistance

or from the government. There is no vision for a role for other actors or financing mechanisms.

In reality there was no funding from the central government except for the soft-loan from IFAD. There were several reasons for it:

1. Donor assistance was abundant and crowded out other actors.
2. The evidence for the effects of advisory services was documented poorly and too late.
3. The Swiss bypassed the central government when routing their funds to the service providers.
4. There was a persistent lack of a strategic vision for rural development.



Government's Vision 1998

Sservice Rovidors		Government	Sservice Rovidors		Farmers
Funding Source			Commercial	NPO	
Public Funds	Donors				
	General Government				
	Local Government				
Private Funds	Enterprises				
	Farmers				

“In the ten years from 2001 to 2011 I worked with 16 ministers for agriculture. Only the last three understood the need for agricultural extension.”

The next table presents the situation today. Service Providers in Kyrgyzstan are largely not-for profit organisations (NPO, such as the RAS or the TES Centre). With the growing pluralism of service providers there are first commercial service providers (consulting companies). To a rather limited extent there is farmer-to-farmer extension (e.g. in the case of Farmer Field Schools for Integrated Pest Management). Increasingly the service providers are funded by enterprises, either following the example of the approach developed by the Local Market Development project of Helvetas and ICCO where processors and traders finance advisory services or by following the TES Centre model where the funding of advisory services is linked to the supply of agricultural inputs and/or credits (“embedded services”).

Swiss Vision1998

Sservice Rovidors		Government	Sservice Rovidors		Farmers
Funding Source			Commercial	NPO	
Public Funds	Donors				
	General Government				
	Local Government				
Private Funds	Enterprises				
	Farmers				

Average Service Provider in reality, 2012

Service Providers		Government	Sservice Providers		Farmers
Funding Source			Commercial	NPO	
Public Funds	Donors				
	General Government				
	Local Government				
Private Funds	Enterprises				
	Farmers				

The last chart presents a vision for a pluralistic service provision and funding situation in 2020. It is characterised by diversified funding sources, a new role for the local government and an increased importance of private sector funding. The role of the central government would be to set the frame-conditions, to issue standards for service provision and to facilitate the links to research and education.

What are the lessons to be drawn with regard to financial sustainability of rural advisory services?

- Public funding for rural advisory services in the public interest is justified. In a development or transition context the source of public funding can well originate from the international community. However, at least part of the (Swiss) donor funds should have been routed through the central government for awareness and capacity building. In hindsight it is difficult to understand why the local government as receiver and source of public funds for rural advisory services was not explored.

- Although there is quite sound evidence for the positive effects of advisory services, the RAS system has a

Vision for an Average Service Provider in 2020

Sfervice Roviders		Government	Sfervice Roviders		Farmers
Funding Source			Commercial	NPO	
Public Funds	Donors		<div></div>		
	General Government		<div></div>		
	Local Government		<div></div>		
Private Funds	Enterprises		<div></div>		
	Farmers			<div></div>	

poor reputation among many policy makers and donors (contrary to the views held by the farmer clients and local authorities themselves). The designers of rural advisory services in Kyrgyzstan should have given much more importance to prove the results of rural advisory services and to invest in the public perception of rural advisory services. The outcome study in 2010 came far too late.

- The chances to reach institutional sustainability for a service provider are higher if the service provider combines various services (e.g. TES Centre). The expatriate extension advisors – including the author – should have been receptive to other models, in particular to revising their rigid opposition to combining rural advice with the provision of agricultural inputs and credits and instead should have invested in mitigating the possible negative effects of the combination (such as biased advice, unequal coverage etc.).

While farmers generally have a positive appreciation of extension service providers in Kyrgyzstan, donor representatives and government authorities are more critical. Rural Advisory Services failed to convincingly communicate their effectiveness.



5. Innovation system

A key feature of agricultural extension is its capacity to create innovation. In the context of Kyrgyzstan two questions are at the centre: First, how does the agricultural knowledge and information system (AKIS) work; and second, what is the influence of competition among service providers on the quality and innovativeness of advisory service provision.

The interviewed specialists unanimously state that agricultural research in Kyrgyzstan is of little practical relevance. The timid attempts to introduce agricultural extension as a subject in the university level education had no lasting effect. The respondents acknowledge the intended role of ZOKI (Training, Advisory and Innovation Centre) as the place to assure the education of rural advisors and to promote innovations. However, the fight for survival, reflected in the fight for donor contracts, drives ZOKI to become another rural advisory service provider rather than a meta-level institution supporting other service providers.

Today's situation of a certain and growing competition among service providers has certainly accelerated the organisational evolution of the service

providers and increased efficiency. The various RAS have shown great flexibility and astonishing adaptability to changed funding situations. They have certainly learned to respond to the requirements of donors e.g. with regard to proposal writing and reporting. Whether the increased competition has contributed to the quality of services to farmers remains a question mark.

Typical "second generation problems" (Swanson, 2008) of increased competition among service providers are already evident in Kyrgyzstan:

- **Coverage** as a whole and the outreach to disadvantaged and remote clients has **reduced** as compared to some years ago.
- **Duration** of advisory services contracts has **reduced**. This makes the management of an advisory service more challenging. It constrains the freedom to experiment with new approaches and therefore hampers the development of innovations.
- The investments into **capacity building** for advisory staff and the exchange for learning among the service providers are **reducing**. This constitutes a risk for the innovativeness of the system and the quality of the services.

The answer to the above described situation is two-fold: First, the government – with support from donors – should renovate the agricultural research and education system to cater to the needs of the time. Second, as a self-help measure, it would be advantageous and timely for the advisory service providers to create one joint umbrella organisation to defend their interests, to create

further education and certification system for rural advisors and to offer a space for exchange and learning.

Exchange and learning is not only important for farmers in Kyrgyzstan but also for service providers. An association of service providers – initiated by themselves – could serve as vehicle for this purpose.



6. Conclusions

Did we, government decision makers, donors and development practitioners do the right thing, when we decided to invest in an agricultural extension system in a transition country such as Kyrgyzstan?

Yes, I think so. But:

- We should have paid more and earlier attention to the **demand side** of agricultural extension. Today, the large number of informal groups, the increasing number of cooperatives and NGO, the widespread existence of Pasture-User-Committees and Water User Associations etc. reflect the vast opportunity for articulation of farmers' demands which was not tapped in time.

- We should have aimed at a **pluralistic service provision system** rather than trying to establish a uniform country-wide rural advisory service. Looking back, the decision of the German GTZ not to join the other donors (World Bank, IFAD, SDC, DFID) for the establishment of the RAS system but to invest into a parallel and competing organisation, the TES Centre, was enriching for the system as a whole.

- We severely **underestimated** the **fragility** of the context. In the close to 20 years of history of rural advisory services in Kyrgyzstan two revolutions and one serious social unrest took place. In ten years the country saw 16 agricultural ministers who were in charge for rural development. The response to this situation should have been to pay more attention to contribute to the state and democracy building at the local level.

We succeeded in that today Kyrgyz farmers have a comparatively good choice for rural advisory services. The challenge for the coming years remains that these services really respond to the needs voiced by men and women in rural Kyrgyzstan. A vivid civil society, e.g. farmers organised in user groups for natural resources, marketing groups, NGO etc. is crucial to this end. Compared to other Central Asian states the civil society enjoys a reasonable space in the political system in Kyrgyzstan. This space deserves protection. At the same time truly democratic processes need to grow from the bottom. The progressive decentralisation and the self-governance Act from 2007 provide the space for this. Rather than setting up and promoting parallel bodies outside of democrati-

cally elected and accountable local governance structures, donors should put their efforts to strengthen the local governance system.



Five recommendations for extension practitioners

1. Assure that farmer women and men are heard and have a say in the design and procurement of advisory services.
2. Aim at multiple funding sources for advisory services right from the beginning; payment by farmers for services in the private interest is therefore a must.
3. Include local government structures, both for expressing demand and funding of advisory services.
4. Use the combination of extension with input and credit supply as one of the sources to finance advisory services.
5. Use the link to processing and trade as one of the sources to finance advisory services.

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