Scaling Up Agricultural Projects – Best Practices, Lessons Learned and Challenges
Monday, April 4th 2011, 9am – 1pm
USDA Waterfront Building, Room 3455

Panel/Session 4 – Pulling it all together: Opportunities and challenges of bilateral scale-up efforts and open discussion

Thank you: I would like to start by thanking the NIFA and CRS organizers who have put together a very informative and excellent program. I am much honored to be part of this event.

To accomplish the MDGs and the ambitious goals of Feed the Future Initiative to reduce poverty and under-nutrition, it is essential to take to scale proven strategies and best practices. As today's speakers have mentioned and Dr. Linn and his colleagues mention in their review of IFAD's approach to "Scaling up the fight against rural poverty", this means **expanding, adapting, and sustaining successful** projects, programs and policies **over time for greater development impact**.

FtF: Although I was asked to talk about how we can pull together the information we have heard so far, I would like to first take a few minutes to explain how USDA fits in the whole of government FtF effort. As most of you are probably aware, USDA is an important partner in this effort under USAID's leadership. We have played a particularly important role in developing the FtF research strategy.

USDA's role in FTF: USDA agencies are uniquely suited to contribute to the challenge embraced by FtF. USDA carries on a range of activities designed to benefit U.S. agriculture, which at the same time often contribute broadly to global food security. For example, ongoing research on crop and livestock production, markets, human nutrition, biotic and abiotic stresses on agriculture, and climate change adaptation and mitigation, can all be adapted and extended to the developing countries. Similarly, USDA extension, education, and outreach programs have broader applicability in other countries, both via newer information technologies and communications mechanisms and as a model for developing countries' education and extension systems. Many of these tools can be brought to scale and result in significant impact with minimal additional investment.

Let me move on to pulling it together and discussing the opportunities and challenges:

Today, several speakers emphasized the need for scale-up. They talked about the challenge of halving the number of hungry by 2015, the fragmentation of investments and the need to better link them together.

Opportunities: Given the tremendous opportunity provided under FtF's whole of government effort, we now are able to explore how best to take to scale best practices and programs that have worked for us in the US and in other countries. It adopts a country-owned approach and emphasizes working in partnership with multilaterals, NGOs, and all other stakeholders. To maximize impact, FtF adopts a comprehensive strategy which brings to bear all relevant

resources across the US Government. Under the systems approach adopted by FtF, scaling-up activities will be implemented such that impact and productivity gains are generated through-out the research-to-farm-to-market and ultimately to the consumer chain. Nevertheless implementing this strategy will be a challenge. To use Hiram Larew's words, it needs both "science and art," and the questions that need to be considered are if, when, how and why.

Challenges: Many challenges were identified this morning. These include the tension between efficient resource allocations between different aspects of scale up, the tension between short and long-term goals, between quantity and quality of programs. Speakers also stressed the need for scale-up to be context specific and be based on client demand. Two types of general errors were discussed, Type I error which results from insufficient scale-up and Type II from improper scale-up. The gaps evident in scale-up were identified as being related to institutional issues, evaluation, incentives and partnership issues. Being an economist, I would like to discuss these under the five key points which I believe need to be considered when taking to scale best practices/ programs/policies.

- Start with proven practices/programs/policies. This was also referred today as "good tested design elements" or "evidence based."
- Scale up of proven practices/programs/policies should not go beyond the point of diminishing returns. Speakers talked about "evolutionary approach" and the need to perhaps "scale down efforts temporarily."
- Proven practices/programs/policies need to address local constraints posed by most limiting constraints. There were repeated mention of context, and client demand.
- Scale-up needs to be based on market incentives.
- Scale up needs to include monitoring and evaluation (M&E) component. In fact we've repeatedly heard that learning agenda needs to be built into scale-up efforts and that evaluation needs to be conducted as the program is being implemented and not only when it is completed.

To illustrate these concepts, suppose farmers in a given area are producing products which they sell in the local market place. But suppose all these farmers are currently operating below the poverty line. So we invest in the local agriculture, taking to scale the practices that have worked elsewhere, to increase production with the hope of raising them above the poverty line. Initially it may help them, but as outputs continue to increase and the local market is increasingly unable to absorb the surplus output, **diminishing marginal returns** start to set in. Prices will start to fall and the farmers will be ruined rather than helped! If we were smart, we'd have made sure that these farmers were connected to external markets before the diminishing returns from our agricultural investments kicked in. This illustrates both the need for a comprehensive approach to scale-up in agricultural development as well as the need to be sure that these efforts are centered on **market based incentives**. This is also an example of what speakers referred to today as allowing scale-up to be implemented both "vertically" as well as "horizontally", and as allowing an evolutionary approach.

How do we know which area to focus on for scale-up? There is no universal answer. We've heard that it needs to be based on "client demand." Scale-up has to be specific to the needs of each country/region. The selection of which proven practice to adapt and/or extend to a country/region depends on its specific need. This rests on **the most limiting factor** of production for that that particular case. To build on the example Bill Easterly provides in his book "The Elusive Quest for Growth," suppose I have to make pancakes for 10 children who had a sleepover at my house. Being the busy working mom that I am, I had failed to notice that I have sufficient batter but oil only sufficient for 5 pancakes. If somebody hands me a bowl with ready-to-use batter with super gourmet pancake mix with all types of nuts and berries I am still unable to make the pancakes for the 10 hungry children. If someone gives me a fancy skillet with all types of gadgets and gizmos, it still does not help me. What I need right now is more oil, that is the limiting constraint for my productivity. The most expensive skillet does not do it.

In the same way for success, scale-up has to address the most limiting factor of productivity in every case. This can vary from one situation to the next and needs to be context specific. Some may be complex and some very simple solutions. Dr. Linn has pointed out that unfortunately scale-ups have tended to be skewed toward innovation but often simple solutions may be necessary. For example, in many countries simple knowledge transfer (extension, education, training) can dramatically increase productivity from the current levels. It may be a matter of teaching farmers more efficient planting practices, improved tillage practices, better timing of irrigation and fertilizer application and so on and so forth. Similarly for improved nutritional outcomes, it may again be the case of knowledge transfer, teaching safer food handling and preparation techniques. It may not always require the transfer of complex technology or fortified food products to result in significant productivity or nutritional impacts.

Our goal – for those of us involved in agricultural development, as USAID Administrator Dr. Shah has stated often times, is to work ourselves out-of-jobs. To do so, we need to balance the right amount of investments for the most limiting constraints along the complete value-chain, ensuring that all investments are based on market-based incentives which create sustainability long after our programs have ended.