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The Millennium Villages Project – a new approach to ending rural poverty in Africa?

Lídia Cabral, John Farrington and Eva Ludi

Proponents of the Millennium Villages Project argue that the complex problems facing rural development in Africa require a 'big push' if substantive progress towards the Millennium Development Goals (MDGs) is to be made – and propose the simultaneous introduction of improvements in agriculture, health, transport, energy, technology, telecommunications and internet connectivity, costing US$110 per person per year over 5 years, and funded mainly from aid flows. This paper examines the challenges this initiative faces, and the questions it raises, in its search for 'quick wins' to reach the MDGs.

'We cannot move forward without an African vision'
Prof. Wiseman Nkuhlu[1]

Policy conclusions

- The Millennium Villages Project (MVP) usefully draws attention to underinvestment in rural areas, where the majority of the poor are still located.
- Yet, conceptually, the MVP is characterised by a number of tensions – important among these is its claim to be 'bottom up', despite being underpinned by a blueprint.
- The blueprint is driven by a 'campaign' approach – easy enough on a pilot scale, but the longer the period and larger the scale, the greater will be the need to engage with markets, with policy prioritisation in economic, social and environmental spheres, and with issues of aid absorption.
- At any scale above that of a few villages, 'big pushes' generally have to be replaced by carefully sequenced initiatives which exploit complementarities and lie within local administrative capacity.
- As a number of earlier initiatives (such as Integrated Rural Development and Sasakawa Global 2000) have discovered, 'big push' is inappropriate where much local adaptation is needed (as e.g. in agriculture) if innovations are to be adopted widely and sustainably.
- How far the MVP will be integrated into larger African-owned initiatives such as the CAADP of NEPAD remains unclear.

Background

The Millennium Villages Project (MVP) is an initiative developed by a team of scientists headed by Jeffrey Sachs at The Earth Institute at Columbia University and overseen by the UN Millennium Project. It is described by its proponents as a '*bottom up approach to lifting developing country villages out of the poverty trap*'[2].

The project aims to provide successful evidence of how to achieve the Millennium Development Goals (MDGs). It offers an integrated package of interventions at the village level thought to be essential to help villages get out of extreme poverty. The premise is that a critical platform of basic needs satisfaction has to be reached before economic development can take off. The package comprises investments in agriculture and environment, health and nutrition, infrastructure, energy and communication, and education and training in villages, or conglomerations of villages, with an average of 5,000 people – see Box 1.

The costs of the MVP package are estimated at about US$110 per person per year, for a five year period. These are expected to be co-funded by grants from governmental and non-governmental donors, national and local governments and community-based contributions.[3]

Twelve impoverished villages in 10 countries – Kenya, Ethiopia, Ghana, Malawi, Mali, Nigeria, Senegal, Rwanda, Tanzania and Uganda – have initially been selected and cover the principal agro-ecological zones and farming systems in Africa. Eligible villages are located in '*countries that are reasonably well-governed, at peace and have governments seriously committed to achieving the MDGs*'.[4] Villages, defined as a '*cluster of rural communities served by a primary school and with some form of local government*', are selected from those where the '*Earth Institute, its partners, international centres, UN Organisations or grass root NGOs have successful ongoing activities, well-established relationships and mutual trust*'.[5]

These villages are pilot projects that aim to demonstrate how to use community-based, low cost interventions to reduce poverty and meet the

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Box 1: MVP Interventions

The MVP agenda comprises over forty interventions, including:
Agriculture and environment: provision of fertiliser and improved seed for basic staples; training of extension agents in soil and water conservation and in the use of improved crop varieties; construction of local grain storage facilities; and promotion of community forestry.
Health and nutrition: provision of insecticide-impregnated mosquito bed-nets; basic health care for common diseases, parasite infestations etc; provision of ARV therapy and voluntary AIDS counselling and testing; improved access to drinking water; provision of school feeding programmes and of micronutrient supplementation for pregnant and lactating mothers.
Infrastructure, energy and communication: provision/rehabilitation of health and education facilities and equipment; provision of a village vehicle modified to transport cargo or to serve as an ambulance; provision of a generator; individual solar lanterns; improved cooking stoves; VSAT equipment to provide internet access and mobile phones.
Education and training: training for all primary school children in the use of computers and internet, establishment of a secondary school scholarship for the village; training activities in agriculture, health etc.; training of local facilitators.

Source: http://www.millenniumpromise.org

MDGs and help to identify the mechanisms for scaling up the project. The MVP plans to reach some half-a-million people by the end of 2006, and at the time of writing, negotiations were in hand for an expansion to about 100 villages across the 10 countries. There have also been talks about expanding the project to countries outside Africa.

The MVP envisages scaling up interventions to the district, regional and national levels. The project distinguishes three types of villages for scaling up at the local and country levels, starting with pilot Millennium Research Villages and progressing through regional clusters of ten villages adjacent to the core type one village. These type two villages would demonstrate the potential for scaling up and developing district-level interventions (such as referral hospitals, transport infrastructure, electricity generation and distribution). Type three villages will replicate and scale up village-level interventions in 'hunger hotspots' beyond the immediate vicinity of the type one and surrounding type two villages[6].

The MVP's concern with rural poverty and the development of remote rural areas is to be welcomed in a continent where about 70 percent of the poor live and work in rural areas. The motivation is sound, but is the approach right? How different is the MVP from past rural development narratives and experiences? Pedro Sanchez, the Director of the MVP, recognises it as a '*new approach based on an old paradigm*', with the main difference being the level of intervention – the community.[7] This paper sets out the challenges and questions likely to be faced by the MVP as it expands. It examines: the MVP's *Big Push* philosophy; its heavy reliance on aid, and on blueprint and campaign modes of intervention; the (as yet) unexplored need for upstream and downstream market linkages; and wider questions of scaling up, particularly to do with aid absorption.

2. Towards a critical understanding of the MVP

Relying on 'Big Push'

The MVP rests strongly on the premise that in order to overcome the poverty traps – i.e. the vicious circle of low savings and limited investment opportunities which characterise many remote rural areas in Africa – massive injections of capital are required. Hence, only with a big push in investments supported by foreign aid will lagging countries and regions surpass critical income thresholds above which economic growth can take off. The *big push* argument has been influential in development economics since the work of Rosenstein Rodan in the early 1940s,[8] and more recently has helped to interpret rapid industrialisation processes in East Asian economies, but has also attracted criticism. Hirschmann, for example, objected that, instead of a big industrial push, *un*balanced growth in key industries would stimulate backward and forward linkages and so generate widespread investment and growth. *Big push* further lost ground during the 1980s and 90s, a period when large-scale aid-based investments were moderated by concerns over macroeconomic stability and aid dependency. More recently, the *big push* paradigm has been criticised for its technocratic and prescriptive character which neglects the role played by the institutional environment and governance in sustaining economic development.

Blueprints and campaigns

On the one hand, the MVP acknowledges ownership of the development process as a crucial element of success and villagers are encouraged to engage with the project from the beginning. Work with various levels of government institutions is also presented as an essential ingredient to get their 'buy-in', to ensure that the project is consistent with national plans, achieve cost-sharing and provide a framework for scaling up. Yet, on the other hand, the MVP proposes a '*proven, integrated package of interventions to help villagers out of extreme poverty*'[9]. These are based on the recommendations of the UN Millennium Project MDG Task Forces. Hence, despite the rhetoric, the MVP has many of the features of a blueprint approach where activities to be undertaken are already defined with little choice being left to the beneficiaries in devising solutions embedded in local environmental, socio-economic and cultural realities.

Certain interventions, usually based on the in-kind distribution of resources – whether from government or directly from aid programmes – lend themselves to 'campaign' mode. Generally, these are time-bound initiatives, with little need for local adaptation or management, nor for ownership by local people. Vaccination programmes of various kinds fall into this category, as would (in the case of the MVP) the distribution of impregnated bed-nets.

A central difficulty with the MVP is that it extends this mode of operation to three other types of intervention, none of which is inherently suited to campaigning.

One is the provision of ***capital assets*** for shared use, such as a generator and a truck. Development history is littered with examples of capital assets handouts (e.g. community water pumps) which have failed less for technical reasons than for the difficulty of creating ownership and management arrangements which are equitable and to which people are prepared to contribute over a sustained period. Proponents of the MVP refer to the establishment of local committees intended to agree on the use of and responsibility for shared assets. To establish committees is easy enough; to have them operate over an extended period and in ways that prevent social exclusion and elite capture is much more complex.

A second is the promotion of any activity – whether in spheres of economic or social development – which requires ***local adaptation***. A literature over several decades tells us, for instance, of the sustained efforts needed to screen, test and adapt agricultural technologies to local socio-economic and agro-ecological conditions (Tripp, 2006). The MVP acknowledges that extension workers will be needed for this purpose, but can enough extensionists with adequate skills, and adequately backed up by research, be provided for a scaling up of the approach?

A third is in the promotion of economic activities which, on a small scale, can easily integrate into local markets, but when ***scaled up***, can face major problems of surplus disposal or of input acquisition unless carefully designed and sequenced. To have a dozen villages increase their maize production by 50% will have little impact on national markets; yet, to have several hundreds do so may be hugely problematic, unless systems are in place for marketing, storage, processing and possibly exporting, as the experience of e.g. Sasakawa Global 2000 in several African countries has shown (see below).

A further difficulty with the 'campaign' approach is that it requires little prior evidence of commitment to positive change by villagers. By contrast, good practice, particularly among NGOs, has long required villagers to demonstrate specific commitments (in terms of e.g. labour, materials or social organisation) relevant to an external intervention *before* it is made.

Finally, there are some striking similarities between the MVP and past rural development initiatives, which, for various reasons, proved to be ineffective in *sustaining* rural development – see Box 2.

Box 2: Integrated rural development and other area development projects – lessons from the past

Integrated rural development in the 1970s and 80s had strong donor support and focused on several spheres, including infrastructure and service delivery in the social sectors. Experiences were mixed but common criticisms focused on their top-down nature, supply-driven approach, and excessive reliance on technical assistance and on heavy, non-sustainable, project-specific management structures.

Other area-based rural development initiatives have followed, putting a stronger emphasis on rural people's voice and ways of supporting governments to respond to those voices. A number of weaknesses have been identified in relation to these more recent approaches (Farrington et al., 2002), including inadequate ownership by government; the tendency to see the rural poor mainly as farmers, with limited attention to their role as labourers and consumers; the weak links with the macro policy environment and the wider processes of governance; and the difficulty of translating the rhetoric of participation into practice, and of sustaining the interventions once external funding comes to an end.

Many of the activities planned in the MVP relate to the quick wins identified by the UN Millennium Project.[10] Undoubtedly, these have potential value in reducing poverty. But their introduction *en bloc* in campaign mode risks ignoring complex issues of institutions, politics and governance. If the poor are to be more fully included in processes of development, larger questions of how to strengthen their voice, improve their access to goods, services and rights, and make public policy and expenditure more pro-poor will need to be addressed.

Linkages and sequences in the productive sectors

Several of the activities carried out by the MVP relate to improving agricultural production as a means of kick-starting economic growth, and individual activities at village level are reported to show positive outcomes.[11] But as agricultural growth moves to a larger scale, the Sasakawa-Global 2000 project in Ethiopia demonstrates how vital functioning markets and transport infrastructure are. This project, with substantial donor and national support – including from the Prime Minister – promoted a package of improved seeds, fertilisers and improved crop and land management practices, and has led to considerable increases in yields. These increases were welcomed given the declining land fertility and land availability. However, bumper crops in some areas of Ethiopia in 1999 to 2001 flooded local markets and surplus maize was not traded because in many areas transport and market infrastructure were not available. Prices fell by half, and farmers were often left poorer than before (Howard *et al*., 2003).

The lesson here is that public and private investments must be in place in appropriate combinations, levels and sequences if marketing, storage, transport and processing are to serve both producers and consumers adequately. Further, there must be more flexibility and less of a blueprint for rural people to switch between farming and non-farm activities as contexts change – earlier papers in this series argue that non-farm income accounts for at least 40% of household income in some areas and is rising (e.g. NRP 52).

The MVP's current focus on working at very local level through packages of inputs is valuable in demonstrating the potential of the approach. But larger questions of how the policy environment can be made more conducive to pro-poor growth cannot be postponed indefinitely. A recent policy paper from DFID (2005) highlights the preconditions for accelerating agricultural growth and reducing poverty, including: creating a supportive policy and operational framework; tackling market failures; improving access to land and securing property rights; targeting public spending more effectively, i.e. in roads, irrigation and agricultural research; filling the agricultural finance gap; and reducing distortions in international markets.

Wider issues in scaling up

Although there is still little information about the magnitude and the format of a fully-fledged MVP[12], some of the challenges that are likely to emerge with the scaling up of the project can be noted.

Recent research (e.g. de Renzio, 2005) points to the potential importance of ***absorptive capacity*** as a constraint to the scaling-up of aid. Large increases in aid inflows can provoke significant macroeconomic imbalances and undermine the government's incentives to build a strong and sustainable tax base, and hence the sustainability of aid funded investments (Clements and Radelet, 2003). The macroeconomic implications of scaling up the MVP will depend on a series of factors, including: the relative contributions of each funding source (external donors, government, and communities), the nature of additional resources (financial or in-kind), the degree of absorption of foreign exchange by the economy, and the extent to which there is actually an expansion of public expenditure (rather than a reallocation of public resources). In all events, much-strengthened macroeconomic management is likely to be needed if potentially damaging impacts are to be avoided.

Further, institutional and policy structures may not be strong enough to absorb additional resources without wastage, leakage and corruption – due to, for example, poor planning and resource management systems, and weak transparency and accountability. Local and national government are rightly expected to play central roles in project management and scaling up. Yet, given the hurry to produce quick wins, this is likely to put substantial pressure on government planning, procurement, financial management and accountability systems, and to provide inputs in kind instead of via the public administration is at best a short term palliative.

There may be operational limitations to what can be done with additional resources because of scarcity of human and physical capital to support the development, management and delivery of services, and the inevitable time-lags in expanding these. There is little doubt that as long as the project is at the pilot stage, high quality extension agents, doctors and teachers can be deployed to the selected villages. But as the project is scaled up, success will heavily depend on whether governments can supply the necessary skilled workers. For instance, Rwanda's 9 million inhabitants are served by about 200 doctors. The medical schools may be able to supply 60 to 80 doctors a year, but it will take many years for the recommended level of one doctor per 5,000 people to be reached (Tomlin, 2006).

5. Conclusions

The MVP is helping to bring donor attention back to rural development after two decades of neglect. This is to be welcomed, and the MVP has a clear vision of the types of intervention likely to be necessary if rapid poverty reduction is to be achieved. What is not yet clear is whether or how the MVP will allow space for nuances in form, combination and sequence to be determined – particularly by the people concerned. We hear that local committees have been formed in some favourable village contexts, but this tells us nothing about how longstanding problems of elite capture and social exclusion will be overcome. Nor does the MVP locate the proposed changes in the larger politics of how (inevitably increased) resource flows within the public sector will be prioritised, or links with markets beyond the village will be forged. Once the MVP addresses these requirements, which it must if it is not to repeat the mistakes of earlier blueprint models, it has the potential to support the underlying processes of poverty reduction for which the MDG 2015 targets and goals are merely indicators.

To do so effectively, it will also have to base itself more squarely on well-established facts about rural poverty and rural development:

- The rural poor are not a homogeneous group and their livelihoods draw on a *diversity* of activities, assets and income sources;
- Hand-outs of improved seed and fertiliser will certainly boost production, but it is *market accessibility* (both commodity, capital and labour markets) that is critical to getting farmers 'stepping up' beyond a subsistence mode (Dorward, 2006);
- In addition, the *terms on which the poor participate in markets* – i.e. their relative position within the specific agricultural commodity value-chain – determine the sustainability of their activity;
- The *rural non-farm economy* (a diversified sector in itself) also constitutes an important – and growing – source of income and employment for rural households, particularly for the landless poor;
- *Rural-urban interactions*, whether in the form of migrants and remittances or goods and services being exchanged between the two, are increasingly important and need to be integrated in any rural development approach;
- The ability of the poor to engage in productive activities in a sustainable manner and the prospects for development of rural areas depend heavily on the *wider political and institutional environment* (e.g. stability, legal framework, network of infrastructures), within and beyond the rural domain.

Thus, from a *policy* perspective, the MVP will need to carefully sequence interventions within the context of changing government capacity (institutional and operational), national policy priorities (as set by Poverty Reduction Strategies and sectoral plans and investment programmes) and economic opportunities (considering those beyond agriculture and beyond the rural space). From a *political* perspective, strong ownership of development interventions is required, whether at continental (e.g. via NEPAD), national or local levels – building on existing governance systems and institutions, but in ways that address threats such as elite capture and social and economic exclusion.

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Lídia Cabral is a Research Officer and John Farrington and Eva Ludi are Research Fellows at the Overseas Development Institute.
Email: l.cabral@odi.org.uk, j.farrington@odi.org.uk and e.ludi@odi.org.uk.

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Endnotes

1 Chairman of the NEPAD Steering Committee, at the Nelson Mandela Metropolitan International Conference, Port Elisabeth, 22 October 2003.

2 http://www.earthinstitute.columbia.edu/mvp/about/index

3 Indicative estimates point to the following breakdown of contributions: $70 to be provided by donors; $30 from local and national governments; and $10 from community-based contributions (in cash or in kind).

4 'The Millennium Villages Project' at http://www.earthinstitute.columbia.edu/mvp/about/village_selection.html

5 'The Millennium Villages Project', op. cit.

6 'The Millennium Villages Project', op. cit.

7 Interview at the 2005 World Food Prize International Symposium, October 13-14, Iowa.

8 In a pioneering article published in 1943 on the difficulties with industrialisation of E and SE Europe.

9 http://www.earthinstitute.columbia.edu/mvp/about/index

10 http://www.unmillenniumproject.org/documents/4-MP-QuickWins-E.pdf.

11 http://www.earthinstitute.columbia.edu/mvp/

12 Although there are yet no details on the scaling up, there is talk of expanding the project at the national and even continent level. If, for example, half of the rural population considered poor in Ethiopia were to benefit from the US$110 per capita investments proposed under the pilot MVP, the government would need to allocate an additional US$ 888 million, corresponding to 72% of total government revenues in 2003, to support investments in the villages (a contribution of US$ 30 per person). ODA would have to increase by 40% relative to 2003 levels in order to cover its contribution of US$70 per person.

Overseas Development Institute

111 Westminster Bridge Road, London SE1 7JD

Tel: +44 (0)20 7922 0300

Fax: +44 (0)20 7922 0399

Email: nrp@odi.org.uk

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