

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

THRU: AFR/DP, David Shear

FROM: AFR/CWA, Stephen Christmas

SUBJECT: Approval of Non-Capital Project Paper - National Agricultural Planning (641-11-110-048) in Ghana.

(We submit the National Agricultural Planning Project in Ghana for your approval. The target of this project is to upgrade the quality of agriculture sector planning, project appraisal, and performance evaluation (of the Ministry of Agriculture.) *high quality*)

AID will provide for four years, two operational specialists in agricultural economics and administration who arrived at post in late 1969. These specialists will give leadership to the new planning unit in the Ministry, utilizing the findings of the AID-financed contractor now completing an agriculture sector study and maintaining liaison with the national planning services in the Ministry of Economic Affairs.

The concept of this project is to inject U.S. expertise and influence at the decision-making level of the principal Ghanaian entity in the agriculture sector. Evaluations of achievements should be appraised primarily in qualitative terms. The periodic evaluations by USAID should focus on these indicators: (A) Soundness of analysis and design of operating strategies for development plans, (B) Effectiveness of continuous monitoring and evaluation of planned programs; (C) Upgrading of the capabilities of an appropriate number of Ministry planning officers, and (D) Progress toward developing a permanent unit that will continue to function adequately upon termination of the U.S. assistance.

Recommendation: That you indicate approval of the PROP for continuing the National Agricultural Planning Project by signing below and on the attached Project Authorization.

Approval: 78/ Samuel C. Adams, JR.

Disapproval: _____

Date: MAR 17 1970

AFR/CWA:MFeldstein:2/5/70
AFR/CWA/B:JEmerson

Clearances:

AFR/MOT:AAshcanase @ Date 2/9/70
AA/AFR:PBirnbaum Date _____

Non-Capital Project Paper (PROP)

Summarized Financial Requirements (FY 1970 - FY 1972)

U.S. Dollars	\$166,400
Ghana Government	173,000

Summary Description:

Recent changes in the Ministry of Agriculture indicate increased emphasis on planning and administration. In this respect, the Development Coordination Unit (DCU) has primary responsibility for translating policies into programs and monitoring implementation. As the body responsible for agriculture sector planning, the DCU will also play a key role in preparing programs using the recommendations of the AID loan financed sector study. These changes and activities of the agriculture sector study add to the urgency of developing the Development Coordination Unit as an effective administrative and planning tool of the Ministry of Agriculture.

This project is directed towards institutionalizing the planning, programming and budgeting function in the Ministry of Agriculture. This project will provide two OPEX experts in agro-administration and agriculture economics for four years, each on a salary topping basis. These men are of senior standing in their respective fields and the expectation is that each man will function as an important operational part of the DCU to improve the planning and programming function within the Ministry of Agriculture.

During FY 1968 this project was approved by AID/W but could not be funded for legislative reasons. Funds were approved in FY 1969 and the OPEX agro-administrator arrived in July 1969. The OPEX agriculture economist position was filled in December 1969.

Setting:

The DCU was set up in the Ministry of Agriculture in October 1964 for the purpose of preparing agricultural development plans and coordinating the technical activities of the service organizations of the Ministry of Agriculture, maintaining close liaison between the Ministry of Agriculture and other ministries and organizations whose activities are directly and indirectly related to the planning of agricultural development. The DCU functions under the authority

of the Commissioner of and Principal Secretary of the Ministry of Agriculture. Owing to administrative and staff difficulties, the achievements of the DCU since its inception have not been up to expectation.

The woeful lack of staff, especially agriculture economists for the DCU, has rendered it virtually ineffective. At the present time staff for the DCU is secured largely on the basis of secondments from other divisions in the Ministry because the Public Service Commission has failed to establish a permanent staff for the DCU. Until this situation is rectified, career minded civil servants will shy away because of the DCU's outwardly uncertain status. Securing a competent staff is the most important immediate step towards effective planning and programming of Ministry of Agriculture activities.

One of the primary functions of the DCU is that of assisting in the presentation of the Ministry of Agriculture budget to the Ministries of Economic Affairs and Finance. Over the past few years, the relations of Economic Affairs and Finance with Agriculture have been strained in the course of budget presentations. This has led to a considerable communication barrier between these ministries. The primary reason for this situation is that the DCU has not thoroughly examined the individual division's presentation and has abdicated the role of in-house "devil's advocate" in favor of the Ministries of Economic Affairs and Finance. The DCU must strive to get the Ministry of Agriculture's budgetary process in order if it expects funding for implementation of future programs and projects.

The dearth of well thought out programs has opened the Ministry of Agriculture to extensive criticism. Clearly the planning function must be strengthened if the Ministry is going to implement programs that will increase the efficiency of both agriculture marketing and production in Ghana. To do this, the role of the DCU within the Ministry of Agriculture will have to be markedly strengthened.

Because of the ongoing nature of the planning function, the recommendations growing out of the sector study will not lessen the DCU's planning responsibility towards the problems in the agriculture sector. The DCU should have final responsibility for coordinating the review of sector study recommendations. Possible contingencies will have to be examined to assure that unforeseen and yet possibly simple problems do not thwart implementation efforts.

The DCU also has a mandate for monitoring implementation, appraising performance, and feeding this information back through the implementation process. Critical appraisal of Ministry functions and performance in the past has been left to persons outside the Ministry of Agriculture. The monitoring of implementation has been neglected or thwarted, and communications have been so poor that the Ministry often fails to learn from its past errors. The major reason for these problems is that lines of responsibility and control have been snarled within by the bureaucratic framework. Because the DCU now has a clearly defined mandate to monitor implementation, appraise performance and generate feedback, responsibility and control will also have to be built into the managerial change. If not, the DCU will be unable to allocate funds efficiently.

Strategy:

This project was initiated in the first quarter of FY 1967 at the request of the Ministry of Agriculture and the Economic Committee of the Government of Ghana. From the outset the plan has been to recruit OPEX personnel of senior competence in agricultural planning for developing countries. The main purpose of these services is to strengthen the competency of the Unit's staff for the purpose of preparing agriculture development plans and coordinating the technical activities of the service organizations of the Ministry. This approach was chosen because the Ministry of Agriculture wanted experienced specialists in the field of agriculture planning who could provide leadership and expertise by entering as fully as possible into the administration of the Ministry of Agriculture. This project is a key link in the overall USAID strategy of fostering improved implementation of current Ministry of Agriculture policies in support of improved marketing efficiency and increased production.

Planned Targets and Results:

The immediate goal of this project is to assist the Ministry of Agriculture to ~~develop and operate~~ the Development Coordination Unit. Success will be reflected in the attainment of the following more specific targets:

1. To improve the Ministry's capacity for staff level analysis of policy problems;
2. To develop and institutionalize rigorous planning, programming and budgeting of Ministry activities;
3. To improve the implementation and evaluation of Ministry programs and projects.

2025

Effective

purpose
in operation

Course of Action:

As a result of the NLC's decision to give its highest priority to agriculture, the GOG requested USAID to provide two OPEX personnel to assist the DCU in executing its development planning responsibilities. The GOG specifically requested USAID to provide an agro-administrator and an agriculture economist. These OPEX men will assist the DCU in planning, programming, budgeting, and implementing sound agriculture development projects. Concurrently, these men will train and provide management guidance to the DCU. To successfully carry out these tasks, they must operate as a team and thus their tours of duty must coincide. The team will work separately but in collaboration with the consulting firm executing the agriculture sector study.

Specifically, the OPEX personnel will:

1. Provide creative thinking and leadership for full consideration of the broad range of elements critical in designing a framework of policies and actions for agricultural development, thus enlarging the agricultural development horizons of top-level policy makers within and outside of the Ministry of Agriculture.
2. Assist in developing, implementing and evaluating an action oriented development planning, programming and budgeting system/for monitoring and evaluating the Ministry's short-run and long-run development activities.
3. Provide the unit's staff with on-the-job training in order to upgrade the Ghanaian officers' capabilities in development planning and programming. Central to this training will be teaching the techniques and skills of writing lucid reports, position papers, and program documents.
4. Assist the unit in serving as liaison between the Ministry of Agriculture, and other concerned agencies (Ministry of Economic Affairs, Ministry of Finance, and the Economic Committee of the National Liberation Council).
5. Assist in promoting and coordinating adaptive and applied research among the Faculties of Agriculture of the University of Ghana and the University of Science and Technology for Industrial and Scientific Research and large private and public agricultural enterprises.

To improve the DCU's capacity to fulfill its role, some members of the DCU will be trained as participants in the U.S. They will attend special courses in agriculture economics, the field thought to provide the best background for development planning and programming of agriculture projects.

It is expected that both OPEX men will be on board in the first quarter of FY 1970. This places their arrival at the early stages of the agriculture sector study's Phase II. As interim results of the sector study evolve, they will be incorporated into the Ministry's program planning efforts. It is fully realized that in the initial months of development planning, the DCU must remain flexible in integrating the results and recommendations of the sector studies.

Funding Requirements:

1. Total Requirements (FY 1970 - FY 1972)

<u>Item</u>	<u>USAID</u>	<u>Participating country</u>	<u>Other Donor</u>
U.S. Technicians	-	-	-
Participants	56,400	22,000	-
Contract	110,000	69,000	-
Commodities	-	-	-
Other costs	-	-	-
Total	166,400	91,000	-

2. U.S. Technicians:

None

3. Participants:

<u>Number</u>	<u>Field</u>	<u>Type of Training</u>	<u>Duration</u>	<u>Funding Estimates</u>		<u>FY 1972</u>
				<u>OF FY 1970</u>	<u>BY FY 1971</u>	
1	Rural Sociology	M.S.	8/69-8/71	6,000*		
1	Ag. Econ.	M.S.	8/69-8/71	6,000*		
2	Ag. Econ.	M.S.	8/70-8/72	13,200	12,000*	
1	Ag. Econ.	M.S.	8/71-8/73		6,600	6,000*
1	Ag. Econ.	M.S.	8/72-8/74			6,600
	Total			25,200	18,600	12,600

*Extensions

4. Contract Services:

(a)	(b)	(c)	(d)	(e)	(f)
<u>Pos'tion Title</u>	<u>Arrival and departure dates</u>	<u>Pipeline funds through</u>	<u>FY 1970 to 3/31/71</u>	<u>FY 1971 to 3/31/72</u>	<u>FY 1972 to 3/31/73</u>
Agr. Administrator (OPEX)	7/69 ETA 7/71 HL/R	7/71	-	30,000	32,000
Agr. Economist (OPEX)	10/69 ETA 10/73 HL/R	10/71	-	18,000	30,000
	Total	...		48,000	62,000

5. Commodities:

None

6. Other Costs:

None

7. Cooperating Country Contribution:

It is estimated that the GOC will contribute \$12,000 annually for salary, housing, transportation and other direct support to each OPEX. The GOC will also maintain participants' salaries and pay their international travel.

Funding Estimates

		<u>OY</u> <u>FY 1970</u>	<u>BY</u> <u>FY 1971</u>	<u>FY</u> <u>FY 1972</u>
OPEX Support	...	21,000	24,000	24,000
Participant Support	...	10,000	7,000	5,000
Total	...	31,000	31,000	29,000

8. Other Donor Assistance:

Ford Foundation is financing a Harvard Development Advisory Services expert to work in the DCU. He arrived in April, 1969, and is assigned for a two-year period.

9. Related Projects:

Project Number

641-11-110-007
641-22-995-050

Project Title

- Agriculture Extension and Production
- Sector Studies

NATIONAL AGRICULTURAL PLANNING
 FUNDING TABLE FY 1969 - FY 1972

	FY 1969 and Prior	1970	1971	1972	
<u>Direct Hire</u>					
<u>Contract</u>	159		48	62	
<u>Participants</u>	13	25	19	13	
<u>Commodities</u>	4				
TOTAL	176	25	67	75	343