

PD-AAM-322
 SN: 15787

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY
 Type C Field Support

3. PROJECT NUMBER

936-4084.01

4. BUREAU/OFFICE

S&T/AGR

10

5. PROJECT TITLE (maximum 40 characters)

Agricultural Policy Analysis

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 09 30 88

7. ESTIMATED DATE OF OBLIGATION

(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 83

B. Quarter 3

C. Final FY 87

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 83			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	890		890	7,370		7,370
(Grant) S&T/AGR Funds	(890)	()	(890)	(7,370)	()	(7,370)
(Loan)	()	()	()	()	()	()
Other U.S.:						
1. Missions/Bureaus						
(anticipated buy-ins)	0		0	1,830		1,830
Host Country						
Other Donor(s)						
TOTALS	890		890	9,200		9,200

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ARON	180 I	053	---	---	---	7,370	---	7,370	---
(2) ARON	180 I	053	---	---	---	1,830	---	1,830	---
(3)									
(4)									
TOTALS						9,200	---	9,200	---

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	B. Amount	BR	BU	INTR	NIHR	TNG	EQTY	PART
030	140	150	240	250	340	200		

13. PROJECT PURPOSE (maximum 480 characters)

Improve knowledge and understanding of LDC and AID decision-makers about key policy issues and constraints affecting agricultural and rural development in LDC's.

14. SCHEDULED EVALUATIONS

15. SOURCE/ORIGIN OF GOODS AND SERVICES

Interim	MM YY	MM YY	Final	MM YY	MM YY	000	941	Local	Other (Specify)
	5 85	10 86		5 88		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

17. APPROVED BY

Signature

Name J. S. Robinu

Date Signed

18. DATE DOCUMENT RECEIVED IN AIDAW, OR FOR AIDAW DOCUMENTS, DATE OF DISTRIBUTION

Project Authorization and Request for Allotment of Funds

Part II

Entity : Science and Technology Bureau
Project : Agricultural Policy Analysis
Project No: 936-4084

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961 as amended, I hereby authorize the centrally-funded project entitled Agricultural Policy Analysis involving planned obligations not to exceed \$9,200,000 of grant funds over a period of five years from signing of the contract, subject to availability of funds, in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.
2. The purpose of the project is to increase the availability of basic food in low-income rural and urban households as the result of improved agricultural policies. The Activities will be carried out under a contract between A.I.D. and a contractor to be selected competitively.
3. Each developing country where training or other assistance takes place under this project shall be deemed a cooperating country for the purpose of permitting local cost financing.
4. Goods and services, except for ocean shipping financed by A.I.D. under the project shall have their source and origin in a cooperating country or in the United States except as A.I.D. may otherwise agree in writing and except as provided under waiver below.
5. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

6. Based on the analysis in the action memorandum, attached, I conclude that the circumstances meet the following criteria of HB 1, Supp B, 5D, 10a (1) (e) namely: such other circumstances as are determined to be critical to the success of the project objectives. By signing below I approve a blanket waiver to permit services to be procured from free world countries (Geographic Code 935) having a cumulative value of \$600,000. However, appropriate provision, such as an order of preference, shall be made in the contract so that such services if available shall come first from U. S. or local sources. I certify that the interests of the United States are best served by permitting the procurement of services from Free World Countries other than the cooperating country and countries included in Code 941.



J. S. Robins
Agency Director
for Food and Agriculture
Bureau for Science and Technology

Date 1/28/83

Attachment: a/s

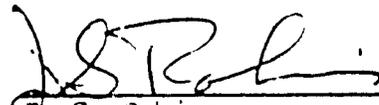
- 1. Action Memo
- 2. Project Paper

Clearances:

F&T/AGR/EPP:P. Church	_____	Date	_____
S&T/AGR/EPP:R. Suttor	_____	Date	_____
S&T/AGR:M. Blakeney	_____	Date	_____
S&T/AGR:M. Mzynski	_____	Date	_____
S&T/AGR/D:A. Bertrand	_____	Date	_____
S&T/PO:E. Roche	_____	Date	_____
S&T/PO:G. Eaton	_____	Date	_____

(See Attached Sheet for Clearances)

6. Based on the analysis in the action memorandum, attached, I conclude that the circumstances meet the following criteria of HB 1, Supp B, 5D, 10a (1) (e) namely: such other circumstances as are determined to be critical to the success of the project objectives. By signing below I approve a blanket waiver to permit services to be procured from free world countries (Geographic Code 935) having a cumulative value of \$600,000. However, appropriate provision, such as an order of preference, shall be made in the contract so that such services if available shall come first from U. S. or local sources. I certify that the interests of the United States are best served by permitting the procurement of services from Free World Countries other than the cooperating country and countries included in Code 941.

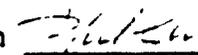
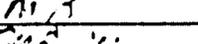
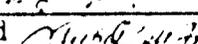
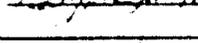
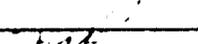
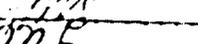
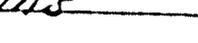


J. S. Robins
Agency Director
for Food and Agriculture
Bureau for Science and Technology
Date 1/28/83

Attachment: a/s

- 1. Action Memo
- 2. Project Paper

Clearances:

S&T/AGR/EPP:P. Church		Date	<u>1/28/83</u>
S&T/AGR/EPP:R. Suttor		Date	<u>26 Jan. 1983</u>
S&T/AGR:M. Blakeney		Date	<u>1/27/83</u>
S&T/AGR:M. Mozynski		Date	<u>Jan 27 1983</u>
S&T/AGR/D:A. Bertrand		Date	<u>Jan 27, 83</u>
S&T/PO:E. Rocne		Date	<u>2/1/83</u>
S&T/PO:G. Eaton		Date	<u>2/1/83</u>
* GC/CP:J. Miller		Date	<u>2/2/83</u>
SER/CM:MDarvin		Date	<u>2/7/83</u>

ACTION MEMORANDUM FOR THE AGENCY DIRECTOR FOR FOOD AND AGRICULTURE, BUREAU FOR SCIENCE AND TECHNOLOGY

FROM: S&T/AGR, Anson R. Bertrand, Director *Sup. Officer* January 27, 1983

Problem: Your approval is required for the five year Agricultural Policy Analysis Project. Total funding for this project is estimated at \$9,200,000.

Discussion: The Agricultural Policy Analysis Project is designed to assist in improving participating USAID missions and LDC decision-makers' knowledge and understanding of policy issues and constraints affecting agricultural and rural development. Specifically this project will assist participating LDCs and USAID missions in the design, implementation, and evaluation of agricultural policy analysis issues and projects.

The goal of the Agricultural Policy Analysis Project is to increase the availability of basic food in low-income rural and urban households as the result of improved agricultural policies. It will accomplish this goal by developing and/or strengthening the capacity of USAID and LDC decision-makers to analyze and implement agricultural policies intended to increase the availability of basic food. The project will provide technical assistance to design and evaluate agricultural policy analysis projects, develop a decision-maker's network, and provide information dissemination through workshops. The project will fund 639 person months of technical assistance, 12 workshops, develop a decision-maker's network, and provide policy analysis guidelines. The activities will be phased in on a staggered basis over the five year life of project.

The Economics Subcommittee of the Agricultural Sector Council provided guidance in the development of the project paper, and will continue to meet as the Project Review and Steering Committee throughout the life of the project to review project implementation, provide general guidance, and review the annual work plan proposed by the contractor. The Economics Subcommittee reviewed and endorsed the project paper on September 10, 1982. The Agricultural Sector Council reviewed and endorsed the project paper at their meeting held on October 12, 1982. Copies of the endorsement sheets and the minutes of both the subcommittee and the Sector Council are attached.

The project will fund a contract between A.I.D. and a contractor to be selected competitively. The contractor must have the ability to access the agricultural policy analysis expertise which is widely scattered among many institutions in this country and abroad. Institutions may join together but A.I.D. will sign only one contract with an institution or group of institutions. It is expected that the contractor will sub-contract extensively to obtain the needed expertise from other institutions.

For the following reasons it was determined that procurement of services within Geographic Code 935 (Free World and Participating Countries) will be necessary:

Procurement of services under this project must be based upon professional or technical criteria and result in obtaining the most experienced and technically qualified persons to respond to Mission needs.

Providing services in the most expeditious manner possible requires that the contractor be able to hire experts already in the field, who may not be U. S. citizens. Approval of this approach in the project authorization (as opposed to on a case-by-case basis), further facilitates rapid response to field needs. It provides an opportunity to involve experts in our client countries and to have them participate in the development of their own and LDC institutional capacities.

Recommendation: That you approve the five year Agricultural Policy Analysis Project, Number 936-4084, by signing the attached PAF.

Attachments: a/s

1. Project Paper
2. PAF
3. Subcommittee Endorsement Sheet and Minutes
4. Sector Council Committee Endorsement Sheet and Minutes

Clearances:

S&T/AGR/EPP:RSuttor	<u>Paul E. Suttor</u>	Date	<u>26 Jan. 1983</u>
S&T/AGR/EPP:PChurch	<u>P. Church</u>	Date	<u>1/27/83</u>
S&T/AGR:MMyzynski	<u>M. Myzynski</u>	Date	<u>Jan. 27, 1983</u>
S&T/PO:ERoche	<u>E. Roche</u>	Date	<u>1/27/83</u>
S&T/PO:GEaton	<u>G. Eaton</u>	Date	<u>1/27/83</u>

October 12, 1982

MEMORANDUM TO: IAC/DR/RD, Albert L. Brown
NE/TECH/AD, Richard Cobb
ASIA/TR/ARD, Allen C. Hankins
AFR/DR/ARD, David Schaer
PPC/PDPR, Douglas D. Caton
S & T/AGR, Anson R. Bertrand
BIFAD/S, James Nielson
S & T/HR, Jerome French
S & T/N, Nicolaas Luykx
S & T/FA, Donald Wadley
S & T/FA, Larry K. Laird

FROM: S & T/FA, J. . Robins

SUBJECT: Sector Council for Agriculture Meeting

The next meeting of the Sector Council for Agriculture will be held on October 19, 1982 in room 2248 NS at 10:30 a. m.

The Agenda for the October 19, 1982 meeting includes:

1. Report on plans for BIFAD cosponsored programs at NASULGC,
2. Farm level postharvest grain losses,
3. Relationship between S & T and Office of Personnel and,
4. Follow-up on Ms. Josette Murphy's (PPC/E/S) Memorandum on the agricultural services sector.

Please note that the Council review of Pre/Postharvest Rodent and Bird Control, Project 936-4120, Project Paper, is postponed until the October 26 meeting in order for members to review it at the bureau level.

The minutes of the October 12 meeting are attached.

cc: S & T: Mr. Curtis Farrar
S & T: Mr. Len Yeager
S & T/FA: Ralph W. Cummings, Jr.
S & T/AGR: Division Chiefs
S & T/AGR: James L. Walker
S & T/PO: Betty Poone

S & T/Executive Secretariat:LKLaird
10/12/82

AGENCY FOR INTERNATIONAL DEVELOPMENT

Sector Council for Agriculture

Minutes of the Regular Meetings

October 12, 1982

Volume I, No. 36

Council members and alternates present included: J.S. Robins, Council Chairman, S&T/FA; Donald Wadley S&T/FA; Larry K. Laird, Council Executive Secretary, S&T/FA; Anson R. Bertram S&T/AG; Wayne Nilsestuen, LAC/DR/RD; Richard Cobb, NE/TECH/LD; Allen D. Hankins, ASIA/TR/ARD; Don Brown, AFR/DR/ARD; Douglas D. Caton, PPC/PDPR; Jerome French, S&T/HR; Jerry Oweis, BIFAD/S.

Special guests included: Shirley Pryor, S&T/AGR/ERP; Phillip Church, S&T/AGR/EPP; Betty Roche, S&T/PO; Ralph W. Cummings, S&T/FA; and Mary Mozynski, S&T/AGR.

The agenda included two items: (1) Discussion of the proposed Agricultural Policy Analysis Project and (2) A review of the Council's stance toward the Memorandum on the Agricultural Services Sector (submitted for consideration by PPC/E/S).

BACKGROUND to item (1), the proposed Agricultural Policy Analysis Project: The purpose of the proposed project is to "Improve participating field missions' and LDC decision-makers' knowledge and understanding of policy issues and constraints affecting agricultural and rural development." S&T/AGR planned and designed this project during the past six months. Ms. Shirley Pryor is primarily responsible for the completed project proposal. On September 10, 1982 the proposed project was studied by the Economic Subcommittee of the Agricultural Sector Council and endorsed for funding in FY 83 with a LOP funding level of \$7,318,900. It is to be an incrementally funded grant with a maximum annual budget not exceeding \$1.6 millions. The most important issue to surface in the September 10 review was which contracting mode would be appropriate for securing the technical assistance required for implementing the project. This issue, along with others, carried over into the October 12 meeting of the full Council.

DISCUSSION OF ITEM 1:

A. Contracting mode: The basic issue discussed regarding this point was whether the contracting procedures outlined in the original draft of the Project Paper were so exclusive that they eliminated the private sector (in violation of USA directive 87-6) and others, from competing for the contract to be awarded once this new project began. Many questioned whether the cooperative agreement mode (through some arrangement similar

to a CRSP) was best suited to the tasks proposed under the project and whether, in fact, the 25% counterpart requirement virtually dictated that only U.S. universities would qualify for the technical assistance contract proposed to implement the project.

Council members reviewed this point rather carefully and project designers present demonstrated that substantial changes were made in the PP text so as to ensure that both university and non-university candidates could qualify to bid on the proposed TA contract. It was pointed out that the 25% counterpart requirement was not a serious obstacle to setting up a contract for TA since many non-university groups could also provide such counterpart; for example, "Stanford Research" or the "ERS" section of the USDA. Should counterpart become a major problem in the future it was felt that it could be waived.

Several members felt that a cooperative agreement mode presented advantages such as greater flexibility and greater collaboration with AID monitors. Others countered by pointing out that greater collaboration with AID project monitors inevitably meant there would be additional, perhaps excessive, demands upon staff time in the unit managing the project. S&T/AGR indicated they were cognizant of this problem and in anticipation of it would reassign project management responsibilities within their unit. S&T/AGR indicated that at this time they preferred the collaborative agreement mode because they felt it would stimulate a more collaborative style with host governments which would be receiving periodic policy guidance from contract representatives over the life of the project.

OUTCOME: The consensus of the Council was that contracting would be carried out in a fashion assuring maximum competition among a wide range of potential bidders but that a cooperative agreement is preferred rather than a more conventional contract. That would help to assure continuity and a longer term relationship between contract representatives and host governments and missions. Project designers indicated that contracting procedures will be finalized only after a scope of work is completed in accordance with the selection criteria specified in revised pages 24 and 25 of the PP.

B. Council members also raised questions as to how the proposed project would be implemented once approved and specifically, what the Council's role would be in monitoring project activities. One member asked whether the project was directed toward promotion of AID's broad policy needs or was set up primarily to satisfy demands of missions or host governments. Concurrently several members expressed concern as to how missions would be chosen to participate in the project---there was some fear that under a cooperative agreement the contractor would actually choose the countries in which they most desired to work.

OUTCOME: Project designers assured the Council that S&T/AGR would monitor the project closely with a full time person so as to safeguard against diversion of the project from its goal of providing policy guidance to

decision makers in countries and missions where such assistance is needed, desired, and serves AID's overall policy interests.

C. The Council expressed its concern that the proposed policy project not duplicate or conflict with similar "policy oriented" projects presently underway in AID. Other projects include one in S&T/RAD, two in nutrition and several policy papers coming out of PPC. PPC's new draft policy paper dealing with subsidies, for example, cuts across most disciplinary areas and is directly relevant to all the other policy related projects alluded to above, as well as the new one under discussion.

ACTION OUTCOME: The Council agreed that Mr. Bertrand would head a group to monitor potential duplication or conflict between this project and others currently underway. Other members of this subcommittee are Mr. Robins, Mr. Oweis and a representative from Nutrition (to be designated).

D. The Council briefly discussed how missions could make maximum use of assistance forthcoming under the new project and how that assistance can be fully incorporated into the long term decision making process of missions and host governments.

DISCUSSION: It was agreed that ground rules for securing TA under the new project will be clearly described in correspondence to all missions after final project approval. Project managers will spell out ground rules for "cost sharing activities," so called "free activities" (those with no costs to USAIDs on very short term basis), and "add-on activities" in which missions utilize their PD&S or project funds to expand or extend the centrally funded contract for TA. It was observed that the entire Agency would benefit if there were a common policy specifying how missions "add on" to all centrally funded project activities.

ACTION OUTCOME: The Council did not resolve all the questions raised vis-a-vis details of how project TA could be arranged under all the distinct situations existing in the field. However, S&T/ASR project managers will give these issues priority attention immediately after final project approval. A cable will then be sent to the field indicating exact procedures to be followed by missions desiring to work in the policy area.

E. The Council debated the pros and cons of making the policy project a ten year rather than a five year activity. There was some consensus that, in the long run, a longer LOP might be preferable because assistance in policy making will be required beyond the present five year LOP. However, it was concluded that excessive time would be lost and implementation would be delayed if the PP were redesigned for the longer time period before final approval. It was also agreed that the project should not be extended until an evaluation of its impact is held in the third year of implementation. All agreed to do the evaluation.

F. ACTION DECISION: The Council endorsed the policy project, with modifications being made in the final PP as discussed in the meeting.

BACKGROUND to item (2): On September 23, 1982 Ms. Josette Murphy sent a memorandum to Mr. J. Robins informing the Sector Council that PPC/E/S is undertaking a series of evaluations and studies in the agricultural services sector. Further, Ms. Murphy offered to meet with the Sector Council to coordinate the proposed evaluations with Council members.

DISCUSSION: Council members raised a number of questions about the focus and usefulness of the proposed PPC evaluation activity and the role the Council might be able to play, if any, in its coordination. It was noted that the Asia Bureau had already designated a liason person to work with Ms. Murphy.

ACTION DECISION: It was felt that since the regional bureaus are taking the lead in this matter they should continue to do so rather than having the entire Council review the proposal at this time. To that end Mr. Cobb agreed to obtain the scope of work for the proposed evaluations and bring it before the Council at a future time. In addition S&T/FA agreed to prepare an issues paper on the proposed evaluations and to send it to Ms. Murphy. It is hoped that once countries are selected for evaluation the interagency working group will have the opportunity to review the list.

ANNOUNCEMENTS

1. The Sector Strategy Papers are expected to be completed in final draft by November 15 for circulations to missions. They will be circulated then as tentative guidance only to missions to assist them in preparing their next CDS. Missions are expected to have 90 days to review and comment upon the Strategy Papers.
2. The Agricultural Strategy Paper is tentatively scheduled for review in the Council at 11:00 a.m., November 4. Even if approved by the Council the Strategy Paper will still be treated as a draft until mission reviews are completed.
3. Several members indicated that they wished to see resumption of the Ag. Sector Newsletter. S&T/FA is reviewing the feasibility of doing so.
4. Attempts to collect data about personnel matters is continuing and some results will be presented at the next meeting of the Council.

RECORD OF S&T PROJECT REVIEW COMMITTEE MEETING

COMMITTEE MEETING DATE:

Project Office: S&T/AGR

Project Number: 936-4084-01

Project Title: AGRICULTURAL POLICY ANALYSIS

Proposed Contractor:

Proposed Project Period: 5 year 1983-88

Proposed Budget Period:

Budget: FY 1983 \$ 890,000
LOP \$ 7,318,900

(If any, prior total est. cost: _____)

(Grand total after adding this action: _____)

The members of this committee, and their findings are specified below:

<u>Office Symbol</u>	<u>Type Name/Signature</u>	<u>Date</u>	<u>Endorsed</u>	<u>Not Endorsed</u>
AFR/DR	Don Brown		<i>(Signature)</i>	
ASIA/TR	C. C. Lu		<i>(Signature)</i>	
LAC/DR	Felipe Manteiga		<i>(Signature)</i>	
NE/TECH	Bob Morrow		<i>(Signature)</i>	
PPC/PDPR	Mike Fuchs-Carsch		<i>(Signature)</i>	

It is the decision of this Committee that this project be:

X ENDORSED

NOT ENDORSED

SIGNATURE *(Signature)* DATE September 10, 1982
Chairperson

Any dissenting opinions are attached.

4 CONTRACTOR
- A SELECTION CRITERIA TO BE INCLUDED IN IP AND STATE AS RFP

memorandum

DATE: September 29, 1982

REPLY TO: SET/FA, Don Wadley *D*
 ATTN OF: SET/ASR, Anson Bertrand *new for*
 Thru:
 SUBJECT: Agricultural Policy Analysis Project Paper Review

TO: Members of the Agricultural Sector Council

Attached is the Agricultural Policy Analysis Project Paper which we will review at the Agricultural Sector Council meeting of October 12, 1982. The packet of materials includes the Project Paper, the minutes of the meeting with the Economic Sub-Committee held September 10, 1982, and the endorsement sheet that was signed by the members of the Sub-Committee.

Dr. Pryor has made the suggested changes in the Project Paper. She has contacted Molly Hasebeck, as suggested by Michael Fuchs-Carsch, PPC/IDEP ED, several times but has been unable to get any comments from her. Dr. Pryor has had several conversations with Betty Fuchs in the Program Office and has altered the project paper accordingly.

*Moved to the 12th, rather than the 5th as mentioned in the proposed Ag Sector Council Agenda, to give members more time to review the PP.

Minutes of Economic Sub-committee of Agricultural Sector Council

September 10, 1982

Attended by :

S&T/AGR

Anson Bertrand

S&T/AGR/EPP

Phil Church

Dick Suttor

Shirley Pryor

Ralph Hanson

Marshall Godwin

NE/TECH

Bob Morrow

ASIA/TR

C.C.Lu

PPC/PDPR/RD

Michael Fuchs-Carsch

The following suggests/comments were made by regional bureaus representatives present:

1. The verbiage in the PP gives the impression that the project will be able to develop capacity for policy analysis at the host country level when the effects are indirect not direct. The language should be clarified.
2. The outputs are listed as though they were inputs; the language should be clarified.
3. The appendices are too numerous and should be cut down.
4. Since appendix G-1, "Possible Workshop Topics," is incomplete, it should be excluded.
5. The evaluation criteria should be specified better. Michael Fuchs-Carsch suggested that Shirley Pryor should meet with Mollie Hagenboeck in order to clarify the evaluation criteria.
6. The major outstanding issue is the implementation procedure. Anson Bertrand stated that S&T is currently in the process of evaluating various procedures and will have made a decision before the review of the project paper by the Agricultural Sector Council. The sub-committee was very concerned that the procedures not be changed in midstream. Indeed the one caveat to project paper approval is that contractor selection criteria be included in the PP and be the same in the RFP.

The Sub-Committee moved to endorse the Project Paper with the corrections as suggested. After Shirley Pryor makes the corrections, the Project Paper will go to S&T/PO in preparation for submission to the the Agricultural Sector Council for review.

The direct benefits of this project will accrue to the decision-makers faced with alternative policy measures to select. The indirect beneficiaries will include most of the people in the host country because better policy will mean more balanced broadly based economic growth.

A cooperative agreement will be employed as the implementation instrument for the project. The selection process will have two phases: Phase I: The expressions of interest will be solicited by appropriate notification procedures. Phase II: Applications will be invited from those interested organizations known to have capacity and potential to carry out the project. The recipient of project funding will provide a project leader responsible to the AID project officer for all project activities. Two other core staff are proposed although alternative management modes will be invited during competitive submissions.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

TRANSACTION CODE

A ADD
C CHANGE
D DELETE

PP

DOCUMENT CODE
3

1. COUNTRY ENTITY

S&T/AGR

4. DOCUMENT REVISION NUMBER

Original

5. PROJECT NUMBER (7 digits)

936-4084

6. BUREAU OFFICE

A SYMBOL

B CODE

S&T

10

7. PROJECT TITLE (Maximum 40 characters)

Agricultural Policy Analysis

8. ESTIMATED FY OF PROJECT COMPLETION

88

9. ESTIMATED DATE OF OBLIGATION

A INITIAL FY 83

B QUARTER 3

C FINAL FY 88

(Enter 1, 2, 3 or 4)

10. ESTIMATED COSTS \$000 OR EQUIVALENT \$1 -

A FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B FY	C - C	D TOTAL	E FY	F - C	G TOTAL
AID APPROPRIATED TO AL	890		890	7,370		7,370
GRANT S&T/AGR Fund	890		890	7,370		7,370
LOAN						
OTHER Missions/Bureau						
US (anticipated buy-in)	0		0	1,830		1,830
HOST COUNTRY						
OTHER DONORS						
TOTALS	890		890	9,200		9,200

11. PROPOSED BUDGET APPROPRIATED FUNDS \$000

A APPROPRIATION	B PRIMARY PURPOSE CODE	C PRIMARY TECH CODE	E 1ST FY 83		F 2ND FY 84		G 3RD FY 85	
			D GRANT	D LOAN	D GRANT	D LOAN	D GRANT	D LOAN
1 S&T ARDN	180 1	053	890		900		1,100	
2 BAN ARDN	180 1	053	0		500		500	
3								
4								
TOTALS			890		1,400		1,600	

A APPROPRIATION	B PRIMARY PURPOSE CODE	C PRIMARY TECH CODE	E 1ST FY 83		F 2ND FY 84		G 3RD FY 85	
			D GRANT	D LOAN	D GRANT	D LOAN	D GRANT	D LOAN
1 S&T ARDN			1,600		1,900		7,370	
2 BAN ARDN			500		330		1,830	
3								
4								
TOTALS			2,100		2,230		9,200	

13. DATA CHANGE INDICATOR (IF ANY CHANGES MADE IN THE PID FACESHEET DATA BLOCKS 12, 13, 14 OR 15 OR IN PBP FACESHEET DATA BLOCKS 17, 18 YES ATTACH CHANGED PID FACESHEET)

1 NO CHANGES

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE

DATE

DATE SIGNED

MM DD YY

15. DATE DOCUMENT RECEIVED
NAC NUMBER FOR ALL DOCUMENTS
DATE OF DISTRIBUTION

MM DD YY

TABLE OF CONTENTS

I.	Project Recommendations and Summary	1
	A. Recommendations	1
	B. Summary Description of Project	1
II.	Project Description	1
	A. Project Justification	1
	B. Project Purpose	7
	C. Project Outputs	7
	D. Project Inputs	11
	E. Relationship to Other Projects	11
III.	Project Analyses	12
	A. Economic Feasibility	12
	B. Social Soundness	13
	C. Technical Feasibility	13
	D. Administrative Feasibility	13
	E. Environmental Concerns	14
IV.	Financial Plan	14
V.	Implementation Plan	18
VI.	Evaluation Arrangements for the Project	22

TABLES AND DIAGRAMS

Diagram 1:	Missions' expressed interest in agricultural policy analysis.	4
Diagram 2:	Strategies to address policy-making constraint	5
Diagram 3:	Linkages between project purpose and project outputs	8
Table 1:	Illustrative summary budget by input and year	16
Table 2:	Illustrative summary budget by activity and year	17
Table 3:	Implementation timetable	21

APPENDICES

- A. Cable sent to missions before PID approval. (State 73283)
- B. Summary of mission responses to cable
- C. Logical Framework
- D. Job descriptions of core staff
- E. Illustrative budgets: Core staff(E-1) and for each activity(E-2)
- F. Summary of MAC Bureau evaluation of planning projects.

I. Project Recommendations and Summary

A. Recommendations

Authorization of a project of \$7.37 million over a five year period is recommended. This represents an obligation of \$890 thousand in FY83, \$900 thousand in FY84, \$1.1 million in FY85, \$1.6 million in FY86, \$1.9 million in FY87 and \$980 thousand in FY88. The missions will contribute approximately \$1.83 million to the project bringing the total to \$9.2 million over 5 years.

B. Summary description of the project

The agricultural development process calls upon the decision-maker to grapple with increasingly complex policy issues and deal with them in a timely fashion. The poorer a country is the less likely it is to have the resources necessary to do the appropriate analysis and to implement the policies.

In many LDC's the current policy environment discourages food and agricultural development because of inappropriate pricing, marketing, trade and exchange rate policies. This makes it difficult for development efforts to succeed and slows the development process.

This project is designed to support missions' and LDCs' decision-makers' efforts at coping with policy issues and constraints affecting agricultural and rural development. This will be accomplished by assisting missions in doing better analyses of host country policies and in institutionalizing the policy analysis process in host countries by increasing capacity and fostering demand for policy analysis by host decision-makers. The major emphasis in both cases is on making policy analysis useful to decision-makers.

The project supports field missions' policy analysis efforts and institutionalizing efforts by providing technical assistance to analyze host country policies and to design and evaluate policy analysis projects. The cross-country and cross-regional nature of the project provides a means to apply the lessons learned from one country or region to another.

The direct benefits of this project will accrue to the decision-makers faced with alternative policy measures to select. The indirect beneficiaries will include most of the people in the host country because better policy will mean more balanced broadly based economic growth.

A contract will be employed as the implementation instrument for the project. The contractor will provide a project leader responsible to the AID project officer for all project activities. Two other core staff are proposed although alternative management modes will be invited during competitive submissions.

II. Project Description

A. Project Justification

The process of developing the food and agriculture sector calls upon the decision-makers to grapple with increasingly complex policy issues and deal with them in a timely fashion. There is ample evidence that sound rational

policy is an essential component of economic development. The poorer a country is the less likely it is to have the resources necessary to do the appropriate analysis and to implement the policies.

The A.I.D. policy paper Food and Agricultural Development (May 1982) notes that the overall objective of the U.S. development assistance program is to stimulate in developing countries broadly-based, self-sustaining economic growth that promotes international peace and stability and that assists people to conquer poverty, hunger, illness, and ignorance. Following from this overall objective, the objectives of U.S. assistance in food and agriculture are to enable countries to become self-reliant in food, assure food security to their populations, and contribute to broadly-based economic growth. These general objectives entail two closely interrelated sub-objectives, namely:

1. Increased food availability, through:
 - * increased agricultural production, with an emphasis on increasing and sustaining the productivity, incomes, and market participation of small farmers, with special attention to food production;
 - * greater economic efficiency in the marketing and distribution of agricultural and food production, exports and imports; and
2. Improved food consumption in rural and urban areas, through:
 - * expanded productive employment and incomes of men and women who at present lack the purchasing power to obtain adequate food;
 - * increased awareness and incorporation of sound nutritional principles in the design and implementation of production, marketing, and health and education policies and programs, including improved access to, and utilization of, food for those at nutritional risk;
 - * effective direct distribution of food from domestic or external sources to those facing severe malnutrition and temporary food shortages (i.e. a short-run lack of food security).

The policy scenarios are different from country to country but some generalizations can be made. In sub-Saharan Africa, a region where per capita food production is declining, agricultural pricing, taxation and exchange rate policies have been found to have retarded agricultural production ^{1/}. Some countries in Africa have over-valued exchange rates, encouraging increased consumption of imported grains, rice and wheat in particular, at the expense of the domestic producers. This is often further aggravated by official

^{1/} The World Bank. Accelerated Development in Sub-Saharan Africa: An Agenda for Action. Washington, D.C. 1981.

producer prices below parallel market prices for these grains encouraging increased importation of grains because of limited domestic production and supply. Subsidized consumer prices, another common policy in LDC's, exacerbate the problem because the subsidized and imported grains often reach only urban dwellers. Increased demand for food imports coupled with high oil prices have left many countries virtually bankrupt.

Urban favoritism is certainly not the only inappropriate policy in many LDCs. In an alternative policy scenario (the food self-sufficiency scenario) official producer prices are very high for the staple grains. This is also a costly policy because, while local farmers are getting high prices for their grains, there is no incentive for anyone to buy them. There is still an incentive to import grain (if there is enough foreign exchange) because the delivered price of grains bought on the international market is much lower than the government subsidized price.

A.I.D. encourages LDCs to employ appropriate food and agricultural policies 1/ as incentives to development. The Agency now is looking beyond the usual project development concerns to the food and agricultural sector policy environment recognizing that agricultural projects cannot be properly implemented and can in fact, be severely hampered without appropriate food and agricultural policies that complement the goals and objectives of these projects. Both improved policy analysis and the institutionalization of the policy analysis process are aims of the project.

As part of the process of approval of the Project Identification Document, a cable was sent to fifty-four missions describing the project and asking for comment on the various outputs proposed.2/ All missions responding to the S&T cable (See Appendix A) identified policy as an important area (See Appendix B). Some missions wished to make use of the services provided by the project (See Diagram 1). In some cases, the missions identified policy as an important area but felt that policy-making was not a major constraint because the host country itself had developed a sufficient infrastructure and seemed capable of making the appropriate policy decisions. Some missions felt that their programs were too small to address policy questions. On the other hand, several missions believed that agricultural and food policies were indeed constraints to development but were not sure to what extent or had not developed an appropriate strategy to deal with the issue.

1/ Policy as used here refers principally to measures that affect agricultural production, employment and incomes directly through price, subsidy and foreign exchange and trade interventions. Interventions such as infrastructure, land reform, research and development, and extension policies while also important are often dealt with in other development contexts.

2/ Although it is likely that missions personnel as well as interest in the project will change considerably over the lifespan of the project it is unlikely that the typology of the missions will change.

Diagram 1-- Missions' interest in agricultural policy analysis.^{1/}

54 Aid missions:

AID RECIPIENTS:

Is the policy	<u>:MISSIONS TOO:</u>	<u>:THE POLICY</u>	<u>:POLICY-MAKING:</u>	<u>: NOT SURE</u>
making process	<u>:SMALL TO</u>	<u>: MAKING PROCESS:</u>	<u>:PROCESS NOT</u>	<u>: OF EXTENT</u>
a constraint to	<u>: HANDLE</u>	<u>: IS MAJOR</u>	<u>: MAJOR</u>	<u>: TO WHICH</u>
development?	<u>: ISSUE</u>	<u>:CONSTRAINT**</u>	<u>: CONSTRAINT</u>	<u>: POLICY</u>
				<u>: MAKING IS</u>
				<u>:CONSTRAINT**:</u>

If the policy	<u>:MISSION NOT</u>	<u>:MISSION INTERESTED:</u>	<u>:MISSION PHASING:</u>
making process	<u>:INTERESTED IN:</u>	<u>: IN CENTRALLY</u>	<u>:OUT BECAUSE OF</u>
is major	<u>: CENTRALLY-</u>	<u>: FUNDED SUPPORT</u>	<u>: POOR POLICY</u>
constraint	<u>: FUNDED</u>	<u>:FOR POLICY ISSUES</u>	
	<u>: SUPPORT</u>	<u>:(39 missions) **</u>	

** These field missions will receive support from this project

^{1/} See Appendix B for a mission by mission response.

The differences in country situations therefore must be recognized. In some countries the project will help field missions determine whether policy-making is indeed a constraint to development. Where the missions have determined that it is a problem, the project will help determine the appropriate strategy to alleviate the constraint. The approaches will vary according to the situations and will consist of some combination of three strategies: collaborative policy analysis to encourage policy reform, creation of indigenous capacity and/or stimulation of demand for policy analysis (see Diagram 2).

Diagram 2 - Strategies to address policy making constraints for those missions interested in centrally-funded support (39 missions).

Strategies:	1. <u>COLLABORATIVE ANALYSIS WITH GOVERNMENT TO ENCOURAGE POLICY REFORM</u> :	2. <u>DEVELOP INDIGENOUS CAPACITY FOR POLICY ANALYSIS</u> :	3. <u>DEVELOP INDIGENOUS DEMAND FOR POLICY ANALYSIS</u> :
Activities:	1. TA for policy analysis	5. Design and evaluate policy analysis proj.	9. Networking for decision makers.
	2. Identify analysts for missions to work with	6. Evaluation and comparison of policy analysis projects over the past ten years and guidelines on how to build better ones.	
	3. Guidelines on better policy analysis techniques to meet decision makers needs.	7. Workshops	
	4. Develop guidelines and implement program for agricultural officers	8. TA to on-going projects.	

Strategy 1: Collaborative Analysis. Encouraging policy reform through collaborative analysis with the host country is an important part of AID's program.^{1/} Agricultural policy change is, in some cases, a "condition" for receiving further aid.^{2/} But there are at least two major constraints to implementing this strategy: insufficient resources to do the analysis and the political sensitivity of AID involvement in the host country's policy issues.

This process requires extensive resources at a time when internal AID resources are limited. Missions often have difficulty in identifying the appropriate analyst to contract. The project will help missions identify policy analysts to work with on a regular basis and provide technical assistance to missions to aid them in analysing policy. In some cases - particularly where dialogue with the host country is necessary - the analyst must be well known and well respected. In all cases, the analysts must be very capable as well as sensitive to host country concerns.

^{1/}See AID Policy paper Food and Agricultural Development (May 1982).

^{2/}PPC has recently (May 1982) issued a policy paper on "dialoguing", entitled Economic Policies of Developing Countries and the Effectiveness of U.S. Economic Assistance: Approaches to the Policy Dialogue. This gives guidance to missions on implementing policy "dialogues".

Greater in-house capacity to understand and manage the analysis if not to do the analysis is also necessary. The project cannot change AID hiring practices but can provide guidance to interested missions on how to analyze policy better or at least how to better manage and make use of policy analysis done by others.

USAIDs which have to deal with host governments on a daily basis realize the sensitivity of the policy issues.^{1/} Policy analysts must be capable of understanding decision-makers' perspectives in order to identify the full range of impacts a policy change can have on the economy, also on various sectors of the population, and on the government. Several cables have pointed out the shortcomings of some of the policy work that has been done in the past. Examples are:

- i. La Paz: "Many of these changes require further and on-going analysis in order to minimize the disruption caused by the transition from a relatively high order of government intervention in the economy to one with considerably more latitude for encouragement of private sector activity."
- ii. REDSO/East: "We are also concerned that the subject project might become centered only on constraint identification and making recommendations without following through on a systematic basis in prediction and quantifying the impact the proposed changes will have on agricultural policies, production, rural incomes, imports, government expenditure, etc. On a more detailed note, the importance of parastatals, public enterprises or whatever one calls them is not brought out in the proposal. A key element in any evaluation of agricultural policies in Africa and future ideas will have to account for these institutions with more than standard arguments."

Strategy 2: Develop indigenous capacity. In the longer run, each LDC should have the manpower, tools and institutions to do its own policy analysis. Unfortunately many decision-makers in LDCs are in a position of having insufficient analyses with which to assess the impacts of alternative policies on the overall performance of the economy or on various groups within the society. There is a great need to develop this analysis capacity.

Policy analysis consists of the work of the staff economist and that of the researcher. The staff economist works closely with the decision-maker doing the analyses necessary for timely responses to the decision-maker's policy analysis needs. This analyses tends to be of the type the researcher calls "quick and dirty" but yet decisions must often, although not always, be made on the spur of the moment. The researcher on the other hand is usually more insulated if not isolated from the decision-maker and therefore has the time to reflect on issues but often not the capacity for the timely response that is needed by the decision-maker.

^{1/}At the Africa Bureau ADO conference in Ibadan (May, 1982) this was mentioned frequently. Tunisia and Cameroon also brought up the issue in cables responding to State 73283.

In theory, government-funded research should be supportive of the timely analytical needs of the government staff economist and therefore of the decision-maker but this is not always the case. Both short term quick turn-around capability and long term supportive research are needed. An important question is which should have top priority in which type of situation. Can it be said that in countries with very limited resources that the short term analytical capability must be developed before the longer term capacity and that in countries with more resources they can be developed simultaneously? Or should capacity for longer term in-depth analysis be developed while day to day decisions are made with little analytical support. One of the aims of this project is to ensure that the capabilities and capacity of the staff economist, the person who analyses policy for the decision maker, are enhanced.

Many missions particularly in Asia and Latin America have financed projects to increase the capacity of LDCs to do their own planning and policy analysis. The key lessons from the LAC experience strongly support the need to make policy analysis useful to the needs of the decision-maker and to focus attention on the "fast turn-around, highly focused, problem-oriented studies" and to keep analytical methods "simple" (See Appendix F). This project will use these lessons to make policy analysis more relevant and the experiences in the other regions will be evaluated in order to understand the problems of trying to institutionalize the policy analysis process in countries with various resource constraints.

Strategy 3: Develop indigenous demand for policy analysis. Most projects in the past have emphasized the capacity building aspect of planning and policy analysis. The assumption is that the "supply" of planning and policy analysis provided by these projects creates its own "demand". One of the major conclusions of the LAC Bureau's review of planning and policy analysis projects is that the lack of demand for policy analysis is a major constraint in implementing these projects. Decision-makers, according to the report, were just not interested in the analysis provided by these projects. This is certainly true in some cases but evidently not true in all. The missions in Senegal and Egypt for example think that demand for policy analysis among host country decision-makers is high. But several missions also identified the lack of demand for policy analysis as a clear issue.

This project will enhance the usefulness of policy analysis to decision-makers and enable those decision-makers previously unacquainted with the role of policy analysis to make effective use of policy assessments.

B. Project Purpose

The project purpose is to improve participating field missions' and the LDC decision-makers' knowledge and understanding of policy issues and constraints affecting agricultural and rural development.

C. Project Outputs

Diagram 3 shows the linkages between the project purpose, the project strategies, and the project activities. Diagram 3 and the following list of activities explain how the strategies will be implemented.

Diagram 3 -- Linkages between project purpose and project outputs: Strategies for developing appropriate agricultural policies.

Purpose : Improve the missions' and the LDC's decision-maker's knowledge and understanding of policy issues and constraints affecting agriculture and rural development and incorporating that knowledge into policy.

Mission:

Host Country:

Strategy: 1

2

3

Increase mission supply of policy analysis : No need to increase mission demand for policy analysis : Increase host country's supply of policy analysis : Increase host country's demand for policy analysis

Provide TA to help missions do analysis : Develop in-house capacity

Provide TA to host country to do policy analysis : Create indigenous capacity : Create demand for policy analysis

Activities:

- | | | | | |
|---|--|---|--|--|
| <ul style="list-style-type: none"> 1. TA for policy analysis 2. Roster 3. Guidelines on better analysis techniques | <ul style="list-style-type: none"> 4. Guidelines for ADOs | <ul style="list-style-type: none"> 1. TA for policy analysis in conjunction with mission | <ul style="list-style-type: none"> 5. Design and evaluation of policy analysis projects. 6. Evaluation & recommendation from global experiences in policy analysis 7. Workshops 8. TA to on-going projects | <ul style="list-style-type: none"> 9. Decision maker travel |
|---|--|---|--|--|

The following activities contribute to Strategy 1: Collaborative Analysis:

1. Major agricultural and food policies analyzed to help missions identify whether policy and policy-making are major constraints and if they are to identify the extent of the constraint. The analysis must be useful to decision-makers and therefore would likely include: a.) possible policy reforms, b.) impacts of reforms on important economic variables such as production, rural income, imports, government expenditure and on various income groups and c.) policy implementation strategies. (Activity 3 will provide guidelines on how policy analysis can be made more useful to decision-makers). This TA will be used for dialoguing efforts, CDSSs, project development activities and developing PL 480 programs. A roster (Activity 2) will be developed to help identify appropriate analysts for particular missions.
2. A roster of people capable of analyzing food and agricultural policies. It will be comprehensive enough so that missions can evaluate the appropriateness of the analysts for each particular country situation.
3. Guidelines developed, disseminated and yearly updated on how to ensure that all policy analysis is useful to decision-makers. The LAC Bureau study (See Appendix F) lists some suggestions. These efforts might include predictions on both economic and political impacts of policy changes and implementation strategies. These guidelines will serve as an input into Activity 1.
4. Improvement of the policy analysis capabilities of the agricultural development officers. Develop guidelines and implementation strategies to help them analyze and manage policy questions.

The following activities are designed to implement Strategy 2: to help the missions develop a capacity within the host country to do policy analysis:

5. Newly designed policy analysis projects or policy analysis components of new projects. Technical assistance will be provided to missions to design new projects and components of new projects in the policy area. Activity 6 will provide a mechanism to ensure that new knowledge about how to design better projects is incorporated into any project design.
6. Evaluations of policy analysis projects intra and interregionally over the last ten years in order to identify major constraints to implementation of on-going projects and design better new projects. The interregional comparisons will help less developed regions gain from the experiences of the more developed. The recommendations and implementation strategies for building better policy analysis projects that come out of this evaluation will be updated yearly and will include lessons learned from the technical assistance provided in Activity 5 and Activity 8. The evaluation and guidelines will improve the TA provided in Activities 5 and 8.

7. Better trained policy analysts and decision-makers in LDCs. Many missions (21) expressed interest in workshops which disseminated information on policy issues as well as how to analyze policies better in countries with limited resources. The interest in workshops and training by regions is shown in Appendix B Table 6. There are twenty-nine missions that expressed interest.^{1/} The participants will consist of agricultural decision-makers (not necessarily from the Ministries of Agriculture), agricultural policy analysts from the countries within the workshop regions, some from other regions and also technical experts in the specific subject area. There was a concern that at least a portion of the workshops be targeted to decision-makers rather than analysts. Many missions saw these as a means of encouraging interest among decision-makers for policy analysis. USAID/Bangladesh saw this as a way for decision-makers to compare thinking on how to solve problems. The participants will be able to learn from each others experiences, as well as interact with more technical people and learn from experienced people in other regions. The workshops will be held in a participating country's agricultural institutions. The theme and site of each conference will be determined by the AID project manager, the project core staff and participating USAIDs. In order for these to be useful, they must address issues relevant to decision-makers.

8. Technical assistance provided to on-going projects or to policy analysis units in host countries to resolve major policy analysis questions (technical issues) or provide assistance in institutionalizing the policy analysis process. Either experts in policy analysis techniques or experts in how to ensure that the policy knowledge is incorporated into the decision-making process will be provided.

The aim of the following activity is to implement Strategy 3: increase demand among decision-makers for policy analysis:

9. Network of LDC decision-makers interested in policy reform. This project will provide a means for high level personnel to travel to other countries where they can meet with decision-makers who have been more successful in solving a particular policy problem. Also consultants knowledgeable about policy analyses for decision-makers will travel to LDCs to give guidance to decision-makers on how to manage policy analyses.

^{1/5} in Asia: Bangladesh, Burma, Indonesia, Nepal, Thailand; 3 in Middle East: Egypt, Jordan, Tunisia; 9 in LAC: Peru, Equador, Barbados, Bolivia, Costa Rica, Equador, Guatemala, Haiti, Jamaica, Panama and 12 in Africa: Burundi, Cameroon, Kenya, Lesotho, Niger, Rwanda, Senegal, Swaziland, Uganda, Upper Volta, Zambia, Zimbabwe.

D. Project Inputs.

There are nine project activities and each requires a different level and combination of inputs and funding. Appendix E-2 has an illustrative budget for each project activity. All inputs are categorized according to salaries and consultants' fees, travel, per diem and materials. The largest percentage of the inputs goes to salaries and consultants fees (53%) and the next to travel (20%), followed by per diem and materials (see table 1, p. 22).

E. Relationship to Other Projects

Several missions have on-going or are planning new policy projects, of which this project will be directly supportive. Based on mission responses (see Appendix B) requests for approximately two evaluations, four project design activities (two PIDs and two PPs) per year are anticipated. New information gathered from the technical assistance activities (project design and evaluations) of the project on how to build better policy analysis capability will be used in any future project design activities. Any particular problems that arise in on-going projects on institutionalizing the policy analysis process can also be addressed by providing technical assistance.

This project also directly supports periodic mission policy analysis activities in preparing CDSSs, PL480 programs and any dialoguing efforts. The roster of policy analysts will help missions to minimize their search costs. The TA to on-going projects will provide assistance to any projects which are having difficulties in defining or addressing policy analysis problems.

There are three projects sponsored by the Office of Nutrition which focus on food and agricultural policy issues. These are entitled "Economic Analysis of Agricultural Policies," "Consumption Effects of Agricultural Policies" and "Subsidized Food Consumption." In general, these projects emphasize understanding and predicting the impacts agricultural and other economic development policies have on consumer food behavior, and on various components of the food and agriculture system. These projects also are breaking methodological ground and improving the capabilities of individual and institutional developing country collaborators in these projects. The Office of Agriculture is represented on the formal and informal review and monitoring committees for these projects and there has been active interchange between the two offices on these activities. The proposed Office of Agriculture Agricultural Policy Analysis Project differs from these other projects in that enhancing and institutionalizing the policy analysis process is the primary objective. The choice of policy topics will be made by USAIDs and host country counterpart agencies within the general context of AID's new Food and Agricultural Development Policy statement released in May 1982.

III. Project Analyses.

A. Economic Feasibility.

In order to justify this project one must ascertain that: 1) improving policy is a more effective use of additional resources than other possible interventions in the agricultural sector; and 2) this project has the best design to accomplish that purpose.

1. Cost-effectiveness. Agricultural policy analysis is more essential in LDCs than elsewhere because resources are scarcer in LDCs. The misuse of funds has even more severe consequences in countries where people are very poor because of the alternative potential uses for the funds.

Where anti-agricultural biases exist, the small farmer often cannot get greater returns to his/her investment under other development initiatives. Low agricultural prices are an important example of that bias. Many countries with low agricultural prices are experiencing slow growth in agriculture, GNP and agricultural exports. Higher farm prices will raise rural incomes, employment and purchasing power and broaden domestic markets. A more profitable agricultural environment encourages investments and stimulates the generation and adoption of new technologies, lower production costs and, a reduced real price of commodities.

Therefore higher nominal agricultural prices in the short run will establish the conditions for lower real food prices in the long run. Policy analysis is necessary to help decision-makers understand the cost of not raising prices to incentive levels, especially in food-deficit, low income countries. Policy analysis will also help determine the incentive levels to which prices should be targeted and the optimum time frame to move prices to these levels, considering adverse effects of higher prices on the poor consumers.

Inappropriate policies often impede implementation of other agricultural projects. The adoption of new varieties, for example, may be discouraged because of low government determined producer prices. The actual need for marketing and storage facilities could be overestimated because of pricing policies or marketing policies which encourage overproduction. The policy environment must be appropriate in order for other interventions to work. Thus funding of agricultural policy analysis can improve the returns to most other agricultural projects. The more constraining the policy has been the higher the returns of this project are likely to be.

2. Project Design. All the outputs of the proposed project are complementary and essential in order to provide a comprehensive package in the area of better policy analysis capacity. The knowledge gained through the technical assistance will be used in the design of future policy projects and in making policy recommendations (through activities 3 and 6). Too often technical assistance is provided with no feedback mechanism. This feedback mechanism is an integral part of this project.

S&T, by implementing this project, can transfer the lessons learned in one region and one country to others. By developing new methodologies for analyzing policies and institutionalizing analysis, this project absorbs the development costs that individual missions are unlikely and usually unwilling to absorb.

B. Social soundness analysis.

Improved policy analysis will effect the whole society in that more appropriate policy will mean more economically efficient resource allocation and therefore more economic growth for the whole population. To the extent that there is an anti-agricultural bias, this project can help countries think through a policy to encourage agricultural production but at the same time not withdraw assistance from the truly needy. Because women represent a large proportion of the farm population in many parts of the world, improved policy analysis should improve their economic status.

C. Technical Feasibility.

One of the major aims of this project is to develop the technologies and techniques which make policy analysis possible in countries with limited resources. Many of the technologies used in developed countries are based on the availability of a good supply of human capital, computers and support services. In many developing countries these are in limited supply. This project will address the questions of appropriate policy analysis techniques for countries with various resource bases and will develop strategies to deal with the various situations.

D. Administrative Feasibility.

The continuity of the staffing both of the contractors and of AID staff is very important -- but this is true in every project. In addition, AID management of the project will have to be very tight in order to be able to coordinate with field missions.

This project must be able to access people from many sources (USDA, universities, consulting firms, international institutes, etc.), in order for it to be effective. The skills that are essential in order to implement the project are not abundant and are widely scattered. Developing a roster to locate the talent is one of the outputs of this project.

An important consideration will be the location (Washington or elsewhere in the USA) because of the need for coordination between AID/Washington and USAIDs and project personnel.

Many suggestions have come from the missions concerning potential implementors (see Appendix B, Table 11). Because of the diversity of the outputs of the project, both technical expertise as well as the capability to manage are needed. There is a large management component in all core staff positions. The necessity for project personnel both capable and willing to manage should not be underestimated.

The policy analysis skill that is needed for this project is the capability to analyze relevant policy problems applicable to the needs of decision-makers in a timely fashion. Fast turnaround, highly focused, and problem-oriented studies will be emphasized.

E. Environmental Concerns

Initial Environmental Examination -- The activities of this project fall into the area described in Environmental procedure regulations, Para. 216.2(c) "Analyses, Studies, Academic or Investigative Research. Workshops and Meetings." These classes of activities will not normally require the filing of an Environmental Impact Statement or the preparation of an Environmental Assessment. It is possible that an output of this project will be set of procedures, guidelines or research results which when used would require such assessment. However, the project itself only proposes research and directly supportive activities. Under these guidelines this activity clearly qualifies for a negative determination at the time when a threshold decision is determined.

IV. Financial Plan

The following summary budget (Table 1) is derived from:

- A) Table 2 illustrating project costs per year for every activity, (combining Tables 3 and E-2).^{1/} Table E-2 is an illustrative budget for each activity of the project. The budget for each activity is divided into four inputs: salaries, travel, per diem and materials. Table 3 (the implementation timetable) displays the level of each activity that will occur each year.
- B) Table E-1 which contains the costs for the core of the project: salaries, travel, per diem and materials.

Table 1, the summary table combines all activities (Activities 1-9) as illustrated in Table 2 with core project costs (Table E-1) to illustrate project costs per year per input. Inflation (10%) and overhead (30%) have been added on to the subtotal. The missions contributions will amount to approximately twenty percent of the project costs, half of the costs of the following activities: 1--TA for policy analysis, 5--Design and evaluation of policy analysis projects, 7--Participant costs of workshops and, 8--TA to on-going projects.

^{1/} Tables E-1 and E-2 are found in Appendix E.

The ability and willingness of missions to share the costs of the technical assistance teams (Activities 1, 5, and 8) will vary (see Table 12, Appendix B). Their willingness will probably depend upon the importance they attach to the policy area. In some cases the Project will be used as a means to identify individuals for the TA teams with the missions picking up the salaries, per diem, and travel costs. In other cases, particularly in small missions or those just beginning work in the policy area, the Project may be expected to pick up all costs. These variations should be expected and can be carefully monitored to ensure that missions are picking up, on the average, half the costs of these activities.

Unless otherwise approved by AID/W Project Manager: 1) The resources that go into each technical assistance activity (Activities 1, 5, and 8) shall not exceed what is listed in the illustrative budgets (Table E2) on pages E2-E4 in the Appendix. 2) No mission will receive assistance from more than one of these activities in one year. 3) No mission will, over the life of the project, receive assistance from Activities 1, 5, or 8 more than once.

If the missions are - on the average - not picking up half the costs of these activities, additional cost-sharing mechanisms will have to be determined by the Project Manager in conjunction with the Steering Committee.

Table 1: Illustrative summary budget by inputs and year.

INPUTS	PY 1	PY 2	PY 3	PY 4	PY 5	TOTAL
	-- thousand dollars --					
SALARIES	567.2	598.6	602.3	624.4	624.4	3016.8
TRAVEL	141.0	218.0	230.0	268.0	268.0	1125.0
PER DIEM	159.5	167.7	174.2	212.2	212.2	924.8
MATERIALS AND OTHER	86.0	122.0	122.0	152.0	152.0	636.0
SUB-TOTAL	954.6	1106.3	1128.5	1256.6	1256.6	5702.6
OVERHEAD ^{1/}	286.4	331.9	338.5	377.0	377.0	1710.8
INFLATION: ^{2/}	---	143.8	308.1	540.7	752.1	1750.6
Mission ^{3/}	181.0	393.4	393.4	425.2	425.2	1818.2
S&T	1033.0	1188.6	1381.7	1743.1	1966.5	7318.9
TOTAL	1414.0	1582.0	1775.1	2174.3	2381.7	9137.1

^{1/} 30% of sub-total. This is the expected overhead.

^{2/} Inflation assumed to be 10% per year.

^{3/} Missions costs are half of the costs of the following: a.) Activity 1--TA for Policy analysis, b.) Activity 5--Design and evaluation of PA projects, c.) Activity 7--participant costs of workshops and d.) Activity 8--TA to on-going projects.

PY = project year

Table 2: Illustrative summary budget by activity and by year. 1/

ACTIVITY	PY 1	PY 2	PY 3	PY 4	PY 5	TOTAL
	-- thousand dollars --					
1. TA for policy analysis <u>3/</u>	206.4	412.8	412.8	412.8	412.6	1857.6
2. Roster	12.0					12.0
3. Policy analysis: guidelines			<u>2/</u>			
4. Ag. officers guidelines	159.0		<u>2/</u>			159.0
5. Design and evaluation of PA projects <u>3/</u>	100.4	200.9	200.9	200.9	200.9	904.00
6. Evaluation of PA projects & guidelines	159.0			<u>2/</u>	<u>2/</u>	159.0
design----	23.1	7.7	7.7	7.7	7.7	
7. Workshops <u>4/</u>						749.2
workshops-		115.9	115.9	231.8	231.8	
8. TA to on-going projects <u>3/</u>	54.7	109.4	109.4	109.4	109.4	492.3
9. Decision-makers network	14.6	21.2	44.3	44.3	44.3	168.9
SUB-TOTAL	729.4	868.0	891.0	1006.9	1006.9	4502.0

TA = technical assistance
 PA = policy analysis
 PY = project year

- 1/ Refer to illustrative budgets in Annex E for individual cost of each activity. Refer to implementation timetable for level of each activity each year. These tables include neither inflation nor contingency costs nor core staff salaries. Refer to table 1, p. 16 for full budget.
- 2/ No additional funding needed. Work will be done by core staff.
- 3/ Missions will pay half the cost of these activities.
- 4/ Missions will pay half the cost of the participant training.

V. Implementation Plan

A. Contractual Agreement

A contract will be employed as the implementation instrument for this project. It is anticipated that one "lead" institution will be the signatory to the contract but will sub-contract other "participating" organizations for additional expertise required by the project.

B. Selection Process

Selection of a recipient will be based on competitively submitted proposals which specify the organizational arrangement, provide evidence regarding access to the professional resource requirements, indicate the extent of operational flexibility to meet project needs, and outline the ability to provide logistical support. The major decision criteria to be employed in selecting a recipient are the following. The recipient must show potential to fulfill these criteria:

1. The range and quality of management and technical resources;
2. Regional and country-specific experience and training in economic, political, social, and technical skills to meet project needs;
3. Operating procedures and administrative policies that permit timely logistical support of project personnel; and timely access to personnel in organizations affiliated with the project; and
4. Policies that provide incentives for sustained staff involvement of the caliber consistent with the policy focus of the project;

C. Project Management Activities

Provision for management or coordination of ongoing project activities by the contractor organization is a matter of singular importance. These managerial demands stem from the diversity of the expertise involved, the multiplicity of short- and long-term outputs expected, and the logistical and backup support that the project will entail. The requirement for control and coordination is reinforced by the ultimate objective of improving the quality of policy analysis available to missions and to decision-makers in host countries. Better capability for policy analysis should have a salutary effect on the economic and social climate in host countries that will both facilitate and encourage the country development process, and make USAID country programs more effective in meeting developmental goals.

There are three major dimensions of the managerial requirement for the recipient organization:

(a) General Direction and Coordination of Project Activities

The Project leader should have the managerial skills and the professional perspective necessary to plan, program and effectively use project resources to produce the optimum mix of output results. This person will be the principal coordinator with A.I.D., and serve as the focal point for project activities. Beyond the broad responsibilities of the project leader, there are two sub-elements of the project managerial process that must be fulfilled.

(b) Improving the Quality and Timeliness of Policy Analysis

The management requirement here involves oversight and control of the ongoing program to ensure that the project results in quality policy analysis activities that are directly relevant to and supportive of decision processes for both AID missions and the host country. Included in this cluster of managerial responsibility are activities to assist AID missions in conjunction with the host country governments in the following: identifying policy constraints, formulating viable policy options for alleviating these constraints, analyzing the impact of various policy alternatives upon various groups within the society, and developing appropriate implementation strategies for the various policy alternatives. In addition the responsibilities include the development of guidelines to improve internal AID mission policy analysis capability, and the identification of policy analysis expertise that AID missions can access to meet their future needs.

(c) Improving Host Country Capability

In this area the management requirement focuses on strengthening of host country institutional capability for policy analysis activities, and on fostering a climate that will encourage or induce decision-makers to make more effective use of available policy analysis resources. Activities entail the organization of workshops, seminars, symposia and other means to heighten the awareness of decision-makers regarding the importance of policy issues and the value of policy analysis; developing an information network to provide a flow of information on the importance of policy issues and analysis, and a linkage among decision-makers in LDCs to maintain interest and encourage dialogue on policy-related matters; evaluation and design of policy analysis projects to expedite the inter-country transfer of experiences to policy makers and policy analysis technicians, and providing technical assistance to ongoing policy analysis projects in order to institutionalize the within-country capability that projects develop.

D. Management Organization

There are many managerial configurations for conducting the above project activities. Among these managerial options are: (1) by functional specialization involving separate responsibility for managerial areas (b) and (c) as outlined earlier; or (2) on a regional basis. Alternative managerial modes will be invited as part of the competitive submissions, subject to the constraint of 48 person months per year for managerial activities by the recipient organization.

The project will be managed by S&T/AGR/EPP through a designated project manager. Agency-wide input into the managerial process will be maintained by a Project Review and Steering Committee comprised of a representative from each of the four regional bureaus, and from the Bureau for Policy, Planning and Coordination. These representatives will be the members of the Economic Subcommittee of the Agricultural Sector Council or their designates. When appropriate, representatives from other bureaus or agencies will be invited to participate in committee activity. The Project Leader for the contractor will also participate in committee meetings. The Committee will meet at least twice yearly to review project implementation and progress, and to provide project guidance through review and approval of annual work plans submitted by the project leader.

The S&T/AGR/EPP project manager will chair the project review and steering committee meetings.

The functions of the Project Review and Steering Committee are to:

1. Review the work accomplished during each six month period as to its quantity, quality, relevance and usefulness.
2. Review projected work plans for the following six months and assure that projected services are in keeping with AID's requirements in the field.
3. Provide feedback from the field as to problems and gaps in communications and coordination.
4. Provide information and exchange of information about the progress of work under the contract.
5. Identify specific subject areas for future conferences, workshops and/or topics for special studies.

Major discussions and conclusions will be summarized in the minutes of each meeting. The chair will be responsible for preparing and clearing the minutes and maintaining the committee meeting report file.

The following table (table 3) illustrates the phasing of the various activities. All technical assistance activities are to be slowly phased in and Activities 2, 3, 4, 6, and 7 have developmental stages before they provide any services.

Table 3--Implementation timetable.

ACTIVITIES	PY 1	PY 2	PY 3	PY 4	PY 5
1. TA for policy analysis <u>1/</u>	2	4	4	4	4
2. Roster	DEV	...Constant updating and use..			
3. Policy analysis guidelines	DEVELOP	...IMPLEMENI...			<u>2/</u> <u>2/</u>
4. Ag. officers guidelines	DEVELOP				
5. Design and evaluation of PA projects <u>1/</u>	3	6	6	6	6
6. Evaluation of PA projects & guidelines	DEVELOP			<u>2/</u> <u>2/</u>
7. Workshops	DEV	2	2	4	4
8. TA to on-going projects <u>1/</u>	2	4	4	4	4
9. Decision-makers network <u>1/</u>	2	3	6	6	6

TA = technical assistance

PA = policy analysis

PY = project year

1/ Mission requests were estimated from cables sent in response to State 71281 (See Appendices A and B).

2/ Update of guidelines to be done by core staff.

VI. Evaluation Arrangements for the Projects

This project which is designed to assist and foster diverse national efforts must be constantly monitored to ensure that its focus remains on the needs of the LDC decision-maker. Although only the project core staff can perform such continuous monitoring, even the most dedicated and knowledgeable staff can benefit from periodic, external reviews. Therefore, this evaluation plan combines continuous internal monitoring with independent external evaluation at critical points in the course of the project.

Each user of the services of this project will be requested to assess its usefulness. Thus missions will be asked to rate the actual composition of the teams in terms of the original requirements, and the helpfulness of the team members on other matters of mission interest. Workshop participants will be asked to rate the usefulness of the workshops. The project leader will provide these evaluation reports to the project officers in sufficient time for distribution to the project committee members before the meetings to be held at least twice a year. In addition, the project leader will provide the AID project officer with a complete accounting of activities undertaken in the previous time period and of those contemplated for the coming time period, including, in both cases, the extent and nature of mission add-ons. The project committee will consider these reports, in relation to the user evaluations, in its recommendations for project activities.

The project leader will provide detailed annual summaries of work undertaken, of user evaluations and of time commitments of all project staff, as well as a work plan for the up-coming project year. This work plan will be reviewed by the project committee, which has the authority to accept, reject, or modify the plan. This meeting thus provides an important opportunity to review progress in the project and to suggest greater or lesser emphasis or redirection in the project activities.

Internal monitoring through user ratings must be complemented with periodic, external evaluations. Three such evaluations are scheduled during the course of the project. The first evaluations will take place at the end of the second project year when initial efforts may be reviewed and still be strengthened. A second, mid-term evaluation is scheduled for the beginning of the fourth year, when all project activities will have been underway for at least a year. This evaluation will constitute the basis for a recommendation to continue or discontinue the project for a second five-year period. Finally, the end-of-project evaluation in the last quarter of the fifth year will review and assess the accomplishments and disappointments of the project. If the evaluation in PY 4 recommends continuation of the project, this end-of-project evaluation will be used to help set the agenda for the second phase.

These external evaluations will assess the effectiveness of the technical assistance and the success of institution-building efforts. When necessary, they will suggest changes in orientation or emphasis for the consideration of the project committee. Because it is particularly important that the evaluation teams ascertain users' opinions about the impact of the project all independent evaluators will make field visits to selected nations that participate in the programs to gather both more detailed information and important retrospective opinions.

The AID project officer in collaboration with the project committee is responsible for composing these teams on the basis of experience, language ability, etc., and for selecting the countries to be examined.

Evaluation criteria. The objective of the project is to ensure that decision-makers are working with policy analysts and are aware of the trade-offs involved in the decisions that they are making. This is difficult to measure. It is much easier to evaluate either the capacity to analyze policy or the policy changes that have occurred as a result of the increased capabilities.

The evaluation criteria will be developed further during the implementation of the project, but in general the project will have three evaluation criteria: 1.) Capacity building impacts (impacts on the capacity of AID and host country institutions to analyze decision-makers' policy questions effectively, in a timely manner and with quality analysis). This criterion will present the least measurement problem. 2.) Consciousness raising impacts (impacts on the awareness of AID and host country decision-makers about the need for data and analysis as an ingredient to more rational decision-making). In cases where the decision-makers are unaware of the usefulness of policy analysis, the consciousness-raising impact is the most important of the three criteria, but at the same time it is perhaps the most difficult to measure. Much of the evaluation will be somewhat subjective. 3.) Policy impacts (impacts on host country policy decisions and field mission strategy to handle policy issues). This criteria, although somewhat easier to measure, is not a necessary criteria in all situations. A policy change may not always be necessary and even though a policy was not changed does not mean that the policy alternatives were not taken into consideration.

PAGE 02 OF 03 STATE #79283 7641 015214 A102770
STILL AN INCENTIVE FOR OFFICIAL GRAIN MERCHANTS TO IMPORT GRAIN BECAUSE THE IMPORT PRICE IS MUCH LOWER THAN THE GOVERNMENT SUBSIDIZED DOMESTIC PRICE.

A.I.D. ENCOURAGES LOCS TO EMPLOY APPROPRIATE AGRICULTURAL POLICIES AS INCENTIVES TO DEVELOPMENT. A.I.D. IS LOOKING BEYOND THE USUAL PROJECT DEVELOPMENT CONCERNS TO THE AGRICULTURAL SECTOR POLICY ENVIRONMENT REALIZING THAT RURAL CULTURAL PROJECTS CANNOT BE PROPERLY IMPLEMENTED AND CAN, IN FACT, BE SEVERELY HAMPERS IF THERE ARE NOT APPROPRIATE AGRICULTURAL POLICIES THAT COMPLEMENT THE GOALS AND OBJECTIVES OF THESE PROJECTS.

AGRICULTURAL POLICY CHANGE HAS BECOME, IN SOME CASES A PREREQUISITE TO FURTHER AID. THE CONDITIONALITY ISSUE. THIS HAS ALWAYS BEEN THE POSITION OF THE INTERNATIONAL MONETARY FUND WHICH ASSISTS COUNTRIES WITH SEVERE ECONOMIC PROBLEMS ONLY IF THE COUNTRIES AGREE TO POLICY

CHANGES WHICH ARE DEEMED NECESSARY BY THE TECHNICIANS. THE CONDITIONALITY ISSUE, PROHIBITING AID TO COUNTRIES WHICH DON'T CHANGE POLICIES TO SUIT THE AID DONOR, IS VERY CONTROVERSIAL. THE IDEAL SITUATION, OF COURSE, IS FOR EACH COUNTRY TO HAVE THE KNOWLEDGE, TOOLS AND INSTITUTIONS TO DO THEIR OWN POLICY ANALYSIS. UNFORTUNATELY MANY DECISION-MAKERS IN LOCS ARE IN A POSITION OF HAVING INADEQUATE ANALYSIS WITH WHICH TO ASSESS THE IMPACTS OF ALTERNATIVE POLICIES ON VARIOUS CLASSES WITHIN THE SOCIETY. THERE IS A GREAT NEED TO DEVELOP THIS CAPACITY.

MANY MISSIONS HAVE FINANCED PROJECTS TO INCREASE THE CAPACITY OF LOCS TO DO THEIR OWN PLANNING AND POLICY ANALYSIS. BUT THERE HAS BEEN LITTLE ATTEMPT BY A.I.D. TO EVALUATE THESE EXPERIMENTS WITHIN A REGION OR TO COMPARE THESE PROJECTS ACROSS REGIONS, GETTING A PERSPECTIVE ON POLICY ANALYSIS NEEDS IN COUNTRIES WITH VARIOUS RESOURCE CONSTRAINTS. ONE EXCEPTION IS THE LATIN AMERICAN AND CARIBBEAN COUNTRIES WHICH HAS RECENTLY CONTRACTED WITH AN ASSOCIATE TO EVALUATE PLANNING AND POLICY ANALYSIS PROJECTS IN LATIN AMERICAN AND THE CARIBBEAN.

MOST PROJECTS EMPHASIZE THE CAPACITY BUILDING ASPECT OF PLANNING AND POLICY ANALYSIS. THE ASSUMPTION IS THAT A "SUPPLY" OF PLANNING AND POLICY ANALYSIS CREATED ITS OWN DEMAND. ONE OF THE MAJOR PRELIMINARY CONCLUSIONS OF LOCS REVIEW OF PLANNING AND POLICY ANALYSIS PROJECTS IS THAT THE LACK OF DEMAND FOR POLICY IS A MAJOR CONSTRAINT IN IMPLEMENTING THESE PROJECTS. DECISION-MAKERS, IN MANY CASES, ARE JUST NOT INTERESTED IN THE ANALYSIS PROVIDED BY THESE PROJECTS.

AN ADDITIONAL SUPPLY SIDE CONSTRAINT HAS BEEN THE AVAILABILITY OF APPROPRIATE TECHNOLOGIES FOR POLICY ANALYSIS. THE METHODOLOGIES USED BY U.S. POLICY ANALYSTS ARE SUITABLE FOR COUNTRIES WITH MANY HIGHLY QUALIFIED ANALYSTS AND MAINTENANCE SERVICES AT THEIR DISPOSAL (TYPEWRITERS, COMPUTERS, COMPUTER PROGRAMMERS, XEROX MACHINES, TYPISTS AND PAPER, RESEARCH ASSISTANTS, STATISTICAL DATA SERVICES, EMPIRICAL RESEARCH, ETC.). MANY OF THESE SERVICES ARE SIMPLY NOT AVAILABLE IN SOME LOCS.

3. PURPOSE: THE PURPOSE OF THE SUBJECT PROJECT IS TO IMPROVE THE KNOWLEDGE AND UNDERSTANDING OF BOTH LOCS & A.I.D. DECISION-MAKERS ABOUT KEY POLICY ISSUES AND CONSTRAINTS AFFECTING AGRICULTURAL AND RURAL DEVELOPMENT. IN ORDER TO ACHIEVE

THIS PURPOSE IT IS NECESSARY THAT THERE EXIST AN ADEQUATE CAPACITY TO PROVIDE ANALYSIS TO DECISION-MAKERS ABOUT KEY POLICY ISSUES AND CONSTRAINTS AFFECTING AGRICULTURAL AND RURAL DEVELOPMENT. IN ORDER TO ACHIEVE

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THIS PURPOSE IT IS NECESSARY THAT THERE EXIST AN ADEQUATE CAPACITY TO PROVIDE ANALYSIS TO DECISION-MAKERS IN SUPPLY OF ANALYSIS) AND THAT THERE BE AN INTEREST IN RECEIVING AND USING THAT ANALYSIS. IF DEMAND FOR THE ANALYSIS) OUTPUTS OF THIS PROJECT ARE DIRECTED TO BOTH THE DEMAND AND THE SUPPLY SIDE, THE ASSISTANCE HAS BEEN TARGETED TO BOTH THE HOST COUNTRY AND THE A.I.D. MISSION ASSURING THAT IMPROVED ANALYSIS AT THE MISSION LEVEL WILL MEAN IMPROVED ANALYSIS AT THE COUNTRY LEVEL. THERE IS ALSO A PROJECT COMPONENT AIMED AT INCREASING OUR UNDERSTANDING OF HOW TO INSTITUTIONALIZE THE USE OF POLICY ANALYSIS.

4. A.I.D. POLICY ISSUES: NEW POLICY INITIATIVES: THE PROJECT IS SUPPORTIVE OF TWO OF A.I.D.'S NEW POLICY INITIATIVES WHICH WERE STATED IN A RECENT DRAFT GOVERNMENT (1981) OF "A.I.D. FOOD AND AGRICULTURAL DEVELOPMENT POLICY". THEY ARE THE FOLLOWING: (1) IMPROVE COUNTRY POLICIES TO REMOVE CONSTRAINTS TO FOOD AND AGRICULTURAL MARKETING AND CONSUMPTION AND (2) DEVELOP HUMAN RESOURCES AND INSTITUTIONAL CAPABILITIES ESPECIALLY TO GENERATE, ADAPT AND APPLY IMPROVED SCIENCE AND TECHNOLOGY FOR FOOD AND AGRICULTURAL DEVELOPMENT. A CABLE SENT OUT TO ALL MISSIONS IN NOVEMBER 1981 (REF: 01) IDENTIFIED THE SAME AS MAJOR CONSTRAINTS TO BROAD-BASED DEVELOPMENT: "1) LOCS GOVERNMENT POLICIES WHICH INHIBIT THE OPERATION OF FREE MARKETS, DISCOURAGE PRIVATE INVESTMENT, HINDER RESOURCE MOBILIZATION, AND ALLOCATE RESOURCES INEFFICIENTLY. ... 2) THE LACK OF HUMAN INSTITUTIONAL CAPACITY NECESSARY TO COMPLEMENT PUBLIC AND PRIVATE INVESTMENT."

THE OBJECTIVES HAVE BEEN IMPLEMENTED AND ARE AFFECTING MISSION PROGRAMS. IN A CABLE SENT IN JUNE 1981 (REF: 01) THE MISSIONS IN A SET OF COUNTRIES WHICH HAD BEEN IDENTIFIED AS HAVING INAPPROPRIATE AGRICULTURAL PRICING POLICIES AND BALANCE OF PAYMENT PROBLEMS WERE ASKED TO PREPARE A STRATEGY TO ANSWER THESE PARTICULAR POLICY ISSUES AND TO BEGIN A DIALOGUE WITH GOVERNMENTS ON THESE ISSUES. IN SOME CASES, THE CONDITIONALITY CRITERIA ARE BEING APPLIED.

THE SUBJECT PROJECT WILL AID MISSIONS IN THEIR POLICY ANALYSIS EFFORTS AND AID THEM IN INSTITUTIONALIZING LOCS POLICY ANALYSIS PROJECTS. IT IS TO BE SUPPORTIVE OF THIS-CLASS ACTIVITIES AND PROJECTS.

5. OUTPUTS (THE BUDGET IS ILLUSTRATIVE):
(1) SERVICES TO MISSIONS: THE PROJECT WILL PROVIDE SERVICES DIRECTLY TO THE MISSIONS TO HELP THEM DEVELOP BETTER PLANNING AND POLICY ANALYSIS PROJECTS AND ANALYZE COUNTRY POLICIES IN ORDER TO DEVELOP BETTER COUNTRY STRATEGIES OF PL AND PROGRAMS. THE OUTPUTS OF THE PROJECT WILL INCLUDE ASSISTANCE TO MISSIONS: (A) TO WRITE PAPERS, AIDS, FOR PLANNING AND POLICY ANALYSIS PROJECTS AND EVALUATE PLANNING AND POLICY ANALYSIS PROJECTS (18 TEAMS AT \$50,000 DOLLARS EACH); (B) TO DO LONGER TERM POLICY ANALYSIS WITH SUPPORTIVE OF MISSION NEEDS IN PROJECT DESIGN, COUNTRY STRATEGIES AND PL AND PROGRAMS (4 PROJECTS AT 200,000 DOLLARS EACH).

(2) SERVICES DIRECTLY TO HOST COUNTRY: THE PROJECT WILL PROVIDE THE SERVICES DIRECTLY TO THE HOST COUNTRY: (A) LONGER TERM POLICY RESEARCH SUPPORTIVE OF COUNTRY NEEDS (3 PROJECTS AT 200,000 DOLLARS EACH); (B) ASSESSMENT-OF PLANNING AND POLICY ANALYSIS UNITS IN MINISTRIES OF AGRICULTURE AND RECOMMENDATIONS FOR IMPROVEMENT (REASSESSMENTS AT 100,000 DOLLARS EACH).

(3) APPLIED STUDIES: THE FOLLOWING OUTPUTS ARE DIRECTED TOWARDS GAINING NEW KNOWLEDGE ON AGRICULTURAL POLICY AND ITS EFFECT ON AGRICULTURAL DEVELOPMENT: (A) PLANNING AND POLICY ANALYSIS PROJECTS IN THE FOUR REGIONS WILL BE

PAGE 03 OF 03 STATE OFSWS

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EVALUATED AND COMPARED TO ASCERTAIN THE MAJOR CONSTRAINTS TO DEVELOPMENT AND IMPLEMENTATION OF PLANNING AND POLICY ANALYSIS PROJECTS. THE IAD BUREAU HAS ALREADY BEGUN THIS EVALUATION. II REPORT AT 200,000 DOLLARS. (8) THE TOOLS OF PLANNING AND POLICY ANALYSIS WILL BE REVIEWED TO DETERMINE THEIR APPLICABILITY IN LOGS WITH VARIOUS TYPES OF RESOURCE CONSTRAINTS. ALTERNATIVE METHODOLOGIES WILL BE DEVELOPED WHERE APPROPRIATE. II REPORT AT 200,000 DOLLARS. (9) IT IS HYPOTHESIZED THAT ONE OF THE MAJOR CONSTRAINTS TO GOOD POLICIES IS THE LACK OF DEMAND FOR THIS POLICY ANALYSIS. THIS PROJECT WILL FURTHER LOOK INTO THIS QUESTION, TEST THIS HYPOTHESIS AND DEVELOP ALTERNATIVE APPROACHES TO ALLEVIATE THIS CONSTRAINT. ONE POSSIBLE AMELIORATING INTERVENTION MIGHT BE THE TRAINING (SHORT COURSE) OF THOSE PEOPLE WHO MUST USE THE INFORMATION (THE DECISION-MAKERS). II REPORT AND 5 PROGRAMS-1, 200,000 DOLLARS. (10) THE PROJECT WILL CONSIDER RESEARCH OR OTHER TYPES OF POLICY OR AGRICULTURAL DEVELOPMENT STUDIES WHICH ARE NOT BEING ADDRESSED BY OTHERS AND ARE OF GENERAL INTEREST TO AID AND LOG'S (SHORT UNDECIDED). - - -

(11) WORKSHOPS WILL BE HELD IN EACH REGION PRESENTING THE RESULTS OF THE RESEARCH DONE UNDER THE THIRD SET OF OUTPUTS, COMPARING THE EXPERIENCES OF PLANNING AND POLICY ANALYSIS IN THE VARIOUS COUNTRIES AND DEVELOPING REGIONAL STRATEGIES TO IMPROVE THE QUALITY AND USE OF POLICY ANALYSIS. PARTICIPANTS WILL INCLUDE THE CORE STAFF OF THIS PROJECT, NOTED EXPERTS IN THE PLANNING AND POLICY ANALYSIS FIELD, A I.D. PERSONNEL AND LOCAL IN PLANNING AND POLICY ANALYSIS, HOST COUNTRY PERSONNEL AND CONTRACTORS. DETAILS AND TIMING WILL BE DETERMINED DURING PP PREPARATION. (12) ADDITIONAL WORKSHOP AT 400,000 DOLLARS.

(13) TRAINING. A LISTING OF SHORT AND LONG TERM TRAINING COURSES FOR PLANNING AND POLICY ANALYSIS WILL BE PREPARED TO HELP MISS IAD DECIDE WHICH COURSES SERVE THEIR PURPOSES BEST FOR TRAINING HOST COUNTRY PERSONNEL. DURING PP PREPARATION OF THIS PROJECT DECISIONS WILL BE MADE AS TO THE FEASIBILITY AND DESIRABILITY OF PROVIDING TRAINING THROUGH THIS PROJECT. II RESEARCH REPORT AT 200,000 DOLLARS.

B. ACTION REQUESTED. OLS/AD/EPF AND THE REGIONAL BUREAUS REQUEST MISS IAD RESPONSE TO PROPOSED PROJECT WITHIN FOUR WEEKS OF RECEIPT OF D-04E. AD/AD/EPF, IAD/EPF, IAD/AD/EPF AND EPF/AD HAVE REVIEWED D-04E AND WOULD APPRECIATE MISS IAD'S THOUGHTFUL RESPONSE TO THIS D-04E. (1) PLEASE BE AS SPECIFIC AS POSSIBLE ABOUT WHICH ACTIVITIES YOU AND/OR THE HOST COUNTRY WOULD ACTUALLY LIKE TO PARTICIPATE IN AND WHICH SERVICES YOU WOULD ACTUALLY REQUEST. BE CARE TO RANK THE OUTPUTS ACCORDING TO WHICH YOU THINK ARE HIGH PRIORITY FOR THE MISSION, HOST COUNTRY AND A.I.D. WE DON'T WANT A LONG LIST BUT RATHER A WELL THOUGHT OUT LISTING OF PRIORITIES. (2) SPECIFY WHICH POLICY AREAS ARE HIGH PRIORITY FOR THE MISSION AND HOST COUNTRY AND WHICH PROBLEMS IN THE AGRICULTURAL, PLANNING AND POLICY UNITS IN THE HOST COUNTRY MAY BE ADDRESSED BY THIS PROJECT. (3) SUBJECT PROJECT WILL NOT BEGIN FALL FY 83. THEREFORE CONSIDER WHAT YOUR REQUESTS MAY BE BETWEEN FY 82 TO FY 87. (4) COST SHARING ARRANGEMENTS AMONG THE IAD BUREAU, REGIONAL BUREAUS AND MISSIONS WILL BE DETERMINED DURING PP DEVELOPMENT. PLEASE SPECIFY HOW YOU THINK COST SHARING SHOULD OPERATE FOR ALL PROJECT OUTPUTS. (5) THE CONTRACTING MECHANISM HAS NOT BEEN DECIDED AS YET PLEASE GIVE US ANY SUGGESTIONS YOU MAY HAVE. ALL THE ABOVE INFORMATION CAN THEN BE BUILT INTO THE PROJECT DURING PP PREPARATION IF THE PID IS AVAILABLE UPON REQUEST.

PLEASE DIRECT ALL RESPONSES TO OLS/AD/EPF, ATTN: CHURLEY PRICE. 07300000.

Table 1 Summary of mission responses to agricultural policy analysis cable

REGION # Sent	NO RESPONSE	NOT INTERESTED BECAUSE:	mission feels it can be handled at mission level	mission phasing out or too small because of lsd policies	policy not major constraint	mission too small	DEFINITE INTEREST
Asia	10	1			1	1	7
ME	5	1	1				3
Africa	26	2	4	1	0	1	18
LAC	13	1		1			11
Total	54	5	5	2	1	2	39
Percent	100	9					72

Table 2 ASIA: RESPONSE TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRY	NO RESPONSE	NOT EXPRESSED REACTION:	mission planning out or too small because of land policies	policy not major constraint	mission too small	DEFINITE INTEREST
Bangladesh		mission feels it can be handled at mission level				X
Burma						X
India				X		
Indonesia						X
Nepal						X
Pakistan						X
Philippines	X					
S. Pacific					X	
Sri Lanka						X
Thailand						X
10	1			1	1	7

Table 3 NEAR EAST: RESPONSE TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRY	NO RESPONSE	NOT INTERESTED BECAUSE	mission planning out or too small because of bad policies	policy not major constraint	mission too small	DEFINITE INTEREST
Egypt						X
Jordan						X
Morocco		X				
Tunisia						X
Yemen	X					
5	1	1	1			3

Table 4

AFRICA: RESPONSES TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRY	NO RESPONSE	NOT INTERESTED BECAUSE:	DEFINITE INTEREST
Burkina Faso		mission feels it can be handled at mission level	
Burundi			X
Cameroun			X
Gambia			X
Ghana			
Kenya		mission phasing out or too small because of bad policies	X
Lesotho			X
Liberia			X
Niger			X
Nigeria			
Senegal			X
Sierra Leone			X
Tanzania		mission phasing out or too small because of bad policies	X
Togo			X
Zambia			X
Zimbabwe			X
Malawi			X
Mali			X
Mauritania			X
Niger			X
Senegal			X
Sierra Leone			X

Table 5

LAC: RESPONSE TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRY	NO RESPONSE	NOT INTERESTED BECAUSE:	DEFINITE INTEREST
Barbados		mission feels it can be handled at mission level	X
Bolivia		mission phasing out or too small because of bad policies	X
Costa Rica		mission phasing out or too small because of bad policies	X
Dominican Rep			X
Ecuador			X
ROCAP			X
Guatemala			X
Guyana			X
Haiti			X
Honduras	X		
Jamaica			X
Panama			X
Paraguay		X	
Peru			X
15	1	1	11

TABLE 6: SUMMARY OF RESPONSES

REGIONS	INTEREST IN SPECIFIC OUTPUTS:									
	I		II		III			IV	V	
	A	B	A	B	A	B	C			D
Asia	2	2	1	2	3	1	4		3	5
NE		1	1		1			1	3	2
Africa	3	6	2	5	3	7	7	0	9	9
LAC	5	3			2	1	5		6	7
TOTAL	10	12	4	7	9	9	16	1	21	23

- I. A. Aid to missions to write PPs, PIDs and evaluations for policy projects.
- B. Aid to missions for analyzing agricultural policies for dialoguing, PL 480, project development
- II. A. Aid to host countries to do policy analysis.
- B. Assessment of policy analysis units in MOAs.
- III. A. Global evaluation of ongoing policy analysis projects.
- B. Evaluation of policy analysis tools.
- C. Evaluation of demand for policy analysis issue and experiments in alleviating constraint.
- D. Other studies.
- IV. Workshops
- V. Training guide.

TABLE 7: ASIA: RESPONSES TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRY	INTEREST IN SPECIFIC OUTPUTS:								SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS		
	I		II		III			IV		V	
	A	B	A	B	A	B	C	D			
Bangladesh		H			0	0	0	0	X	X	<ol style="list-style-type: none"> 1) Mission has well established and on-going activities in this area. 2) Difficulty in recruiting. Believes that will be a major problem for this project. For ag. policy, technical people must be high-level experts. 3) <u>WORKSHOP</u> should gain perspective on policy needs in countries with various resource constraints and compare thinking of countries in the region as to how to deal with problems. 4) Lists research priorities.
Burma							X			X	See cable
Indonesia	X		H		0	0	0	0	0	X	<ol style="list-style-type: none"> 1) <u>Political</u> and <u>institutional</u> framework must be taken into account. The challenge for mission is to become more adept in analyzing political and institutional processes. 2) Mission has committee on policy analysis. 3) Constraint to capacity building is dispersion of responsibility and authority between ministries and within MOA. 4) There is inadequate consideration of alternative project strategies. 5) Training needs: assess relative quality of training resources as well as developing more innovative approaches to short-term training.

COUNTRY	INTEREST IN SPECIFIC OUTPUTS:								SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS			
	I		II		III			IV			V	
	A	B	A	B	A	B	C	D				
Nepal		X	X		X		X			X	X	<ol style="list-style-type: none"> 1) Demand issue is question of good analyses. Demand is of major importance and should be central to project. 2) Training component should be expanded.
Pakistan												<ol style="list-style-type: none"> 1) Must look into political overtones of analysis. Political scientists should be given role in implementation. 2) Review Barbara Lewis' paper on politics of food policy in West Africa. 3) Interested but uncertain as to how to use project.
Sri Lanka	X			X	X		X			0	0	<ol style="list-style-type: none"> 1) Demand issue is also a question of providing good analyses: Decision-makers lack patience and time to have policy matters analyzed by inexperienced and frequently untrained analysts. 2) Project should be able to transcend ministerial boundaries. 3) They will be developing a planning project. 4) Data management analysis, planning and integration and coordination are of primary concern. 5) Would like to do applied studies early on. Could benefit from experience of Korea, Thailand, Indonesia.
Thailand	0	0	0	0	X	X	X	0		X	X	<ol style="list-style-type: none"> 1) Project may be premature. Too many failures. 2) In process <u>now</u> of entering in project. Contractor is Iowa State. 3) Analytical techniques have been too sophisticated. 4) Training: develop 2 to 3 weeks course for USDBL personnel.

TABLE 8: NEAR EAST: RESPONSES TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRY	INTEREST IN SPECIFIC OUTPUTS:								SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS		
	I		II		III			IV		V	
	A	B	A	B	A	B	C				D
Egypt		X			X				X	X	<ol style="list-style-type: none"> 1) Good for S&T: policies and prescriptions appear to be general throughout the 3rd world. 2) Mission has been actively involved in policy area. Demand is high for agricultural price policy. No initial project development necessary. 3) Political issues important. 4) Pl. Egypt in Asia group.
Jordan							X		X	X	<ol style="list-style-type: none"> 1) Particularly interested in <u>agriculture marketing</u>. 2) Workshops should be used to gather information as well as to convey it. 3) Workshops can be used to spark interest. 4) Many of the problems identified in justification are inappropriate in Jordan.
Tunisia			X						X		<ol style="list-style-type: none"> 1) Team from Washington or University cannot handle policy questions - must have country expertise: must strengthen in-country (including mission) analytical capabilities and give these analyses additional credibility and visibility with policy-makers.

TABLE 9: AFRICA: RESPONSES TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRIES	INTEREST IN SPECIFIC OUTLETS:								SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS	
	I		II		III			IV		V
	A	B	A	B	A	B	C	D		
Guatemala		X								<ol style="list-style-type: none"> 1) Thinks this project will be most useful in country with large ag. dev. and/or PL 480 program. 2) Training budget too much because direct hire personnel should have placed such information into computer log a long time ago. Regularly updated printouts should be made available periodically. 3) Project planning needs strengthening particularly the weak link between projects and sector objectives/policies.
Cameroon			X		X				X	<ol style="list-style-type: none"> 1) Policies in Cameroon have been generally very good. 2) <u>Implementation</u> has been major problem because of lack of institutional capacity. Biggest constraints have been in areas of project management & program planning, rural credit institutions, rural infrastructure, and technology transfer. 3) Very difficult to get personnel to do this type of work. These resources are very scarce: limited to a few universities and USDA. 4) Host country sensitivity is crucial issue. 5) Suggest roster.

COUNTRIES

INTEREST IN SPECIFIC OUTPUTS:

SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS

	I		II		III			IV	V		
	A	B	A	B	A	B	C				D
Gambia										Sees it as important area and plans to use resources of project but not sure which ones yet.	
Kenya					X	X	X		X	X	<ol style="list-style-type: none"> 1) Mission very active already in area. 2) Until recently problem was on demand side. Severe agricultural problems changed that and policy reform has resulted.
Lesotho	0	0	0	0	X	X	X		X	X	<ol style="list-style-type: none"> 1) Project should be directed so that thrust is on providing information directly to policy makers. Problem is at highest levels of government not analysis units of MOA. There is cabinet level lack of understanding of what is involved in policy tradeoffs. 2) Range of project activities should be reduced to reduce duplication. 3) Diversity and lack of coordination in donor community are problem. 4) Cable lists research priorities.
Liberia											<ol style="list-style-type: none"> 1) Objective of Liberia USAID is to assist with regrouping of in-country capacity and working to encourage a stable corps of decision-makers.

COUNTRIES	INTEREST IN SPECIFIC OUTPUTS:								SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS			
	I		II		III			IV		V		
	A	B	A	B	A	B	C				D	
Mali									<ul style="list-style-type: none"> 2) Unsure of how they'll use project. 1) Asked for assistance in looking at implementation and implications for AID of food sector strategy. 2) No indication of further needs. 			
Mauritania		X							Research priorities listed in cable.			
Niger		X		X		X			X	X	Cable lists research priorities.	
Rwanda		X			X					X	X	Expect to use services of this project to analyze already available data from other projects.
Senegal		X	X	X	X					X	X	<ul style="list-style-type: none"> 1) Missions and governments have demand for policy analysis. 2) Workshops and applied studies would be useful to demonstrate practical utility of major involvement of LDC analysts and reporting on successful applications of policy analysis to effective government reforms. 3) Cable lists research priorities. 4) Major issue is <u>how to effect changes</u>. <p>From discussion with John Ballis:</p> <ul style="list-style-type: none"> 5) Emphasize responsiveness to mission needs. Support on-going projects. 6) Might have problem because REDSO tends to focus on smaller countries and universities like to work in larger countries. 7) There is a demand at the mission level. 8) We should be able to use our experience from other 3rd world countries in Africa. Bring Asians in. 9) Should work on how to modify parastatals.
Sierra Leone												Have not identified possible use of project services.

COUNTRIES

INTEREST IN SPECIFIC OUTPUTS:

SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS

	I		II		III			IV	V	
	A	B	A	B	A	B	C			
Swaziland			X		X					<ol style="list-style-type: none"> 1) Support wide scope of project. 2) ADOs are usually the people who have to deal with the MOA. Therefore suggest further training for ADOs or that experts be made available on a continuing basis. 3) Training course for decision-makers on the use of information. 4) Political and cultural constraints should also be taken into consideration.
Tanzania	X		X		X					<ol style="list-style-type: none"> 1) Analysis should focus on <u>how to effect changes</u>. Not knowing how to implement changes is major reason there appears to be lack of demand for policy analysis. Focus not only on project identification - but also on analysis and projection of implications of policy changes. 2) Mission has policy analysis unit. 3) Should develop models that have predictive capabilities. 4) Look at minicomputer capabilities. Lack of capacity is main reason work is done outside country. Need programs that will provide for very simple simulation analysis. Project should look at developing such software packages.
Uganda							X		X	<ol style="list-style-type: none"> 1) Factors often lacking in development effort are political will, initiative and adequate analysis on which to make sound policy decisions, personnel policies and management systems and procedures that create opportunities for inpropriety. 2) Should focus on members of parliament: suggest specially designed seminars, study tours. 3) Census capability should be developed. 4) Climate for changes must be created from top down.

COUNTRIES

INTEREST IN SPECIFIC OUTPUTS-

SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS

	I		II		III			IV	V	
	A	B	A	B	A	B	C			
Upper Volta	0	0	0	0	X	X	X			<ol style="list-style-type: none"> 1) Particularly interested in alternative methodologies and appropriate technologies. 2) Demand-side should address political process. Should address interplay of all factors.
Zambia	X		0	0		X	X		X	<ol style="list-style-type: none"> 1) Look at project done by TAB to develop simplified set of data needs, data collection methodologies and analytical techniques. Also another project to institutionalize planning and policy analysis capability. 2) Qualify support to extend that contractors are high quality. 3) Major emphasis should be on tools. 4) Talk with Rossmiller and Carl Gotch. 5) Money for workshops insufficient. 6) Tools analysis should be tied to training 7) USAID working to develop training course (6-9 months) for undergraduates. 8) Cable lists research priorities.
Zimbabwe		X					X			<ol style="list-style-type: none"> 1) Work should not be confined only to MOAs. 2) Must look at how information moves up and down the system. 3) Timeliness important.
REDSO/East										<ol style="list-style-type: none"> 1) Should hold seminars on pricing policies. Get top economists. Pay top people in governments to write on pricing. 2) Research should include quantification of impacts of policy changes, institutional issues i.e. parastatals, and linkages between agriculture and the rest of the economy.

TABLE 10: LAC: RESPONSES TO AGRICULTURAL POLICY ANALYSIS CABLE

COUNTRY	INTEREST IN SPECIFIC OUTPUTS:								IV		V	SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS	
	I		II		III								
	A	B	A	B	A	B	C	D					
Barbados	X	X									X		
Bolivia	X	X									X	X	1) Analysis need to minimize disruption caused by policy changes. Needs to understand transition process.
Costa Rica											X	X	1) Agricultural planning foster an esoteric aura. 2) Direct workshop & training to decision-makers.
Dominican Republic													1) Single most important contribution is comprehensive assessment and evaluation of the results of sector analysis programs by field-oriented staff. 2) Should strengthen competing institutions that do policy analysis: universities and private foundations.
Equador	0	0	0	0	X	X	Y				X	X	1) Think project should include such problem areas as data collection, processing and description. 2) Needs of private sector have been excluded from project. 3) Major emphasis should be on III because it is an S&T project. III IV, and V can be combined. Other funds should go to LAC Bureau. 4) Each regional bureau should develop own capacity so there would be lasting institutional impact on AID. 5) Cable lists research priorities.

COUNTRIES

INTEREST IN SPECIFIC OUTPUTS:

SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS

	I		II		III			IV	V	
	A	B	A	B	A	B	C			
Guatemala	0	0	0	0	X		X	0	X	1) Should do evaluations first and look more closely at the demand question and use workshops to disseminate information. 2) Project should look at data question also. 3) Can AID/W provide list of prior projects and evaluations. 4) Has the work of IFPRI been circulated to LDC decision-makers.
Guyana	X						X			1) GOG not receptive to policy analysis nor to needs for training. 2) An applied study of Guyana would set stage for evaluation of ag. sector planning project in second year. 3) Policy workshops should be called "Implementing Agricultural Policy." 4) Cable lists research priorities.
Haiti		X			0	0	0	0	X	1) Notes absence of short-term assistance for specific subsectoral policy analysis: e.g. studies of impacts of specific existing or proposed ag. sector policies.
Jamaica	X						X		X	1) Have had ag. planning project (532-0061) underway since June 1979. Beginning to experience lack of user demand. Political factors are of overriding importance.
Panama							X		X	1) In process of developing an agricultural policy and planning project. 2) Cable lists policy research issues. 3) Want short-term training course for Panamanian decision-makers to increase awareness and stimulate demand.

COUNTRIES

INTEREST IN SPECIFIC OUTPUTS:

SUMMARY AND OTHER SPECIFIC COMMENTS OR SUGGESTIONS

	I		II		III			IV	V	
	A	B	A	B	A	B	C			
Peru								X	X	<ol style="list-style-type: none"> 1) They've had a presidential agricultural mission. 2) Mission will be proposing a project in agricultural policy, planning and statistics in early FY 83. 3) Want us to help them <u>locate</u> expertise to help them assess planning and policy analysis capacity of MOA and overcome present planning weaknesses. 4) Is project the most cost-effective way of developing link between expertise and missions. 5) III B should not only look at less sophisticated tools but also sophisticated tools.

Table 11: Comments from Missions on Contractors

COUNTRY	COMMENTS
Bangladesh	Must be able to get highly qualified technical people.
Nepal	Consider possibility of several contracts. Tight management needed to feed back into AID.
Sri Lanka	No single institution can handle contract.
Thailand	Not through university. Universities are too esoteric.
Egypt	Consider contracting with USDA for implementation. Forward planning of personnel and divided responsibility issues must be addressed.
Jordan	Recommend one or more requirements contracts for provision of needed services. IQCs might be obtained.
Mauritania	Strict attention be paid to potential contractor's capacity for assuring timely continual staffing during project life.
Niger	International research and/or training institutes should be considered: ILCA, ICRISAT, etc. International institute combined with university would be good combination.
Senegal	University consortium suggested. Recommend inclusion of universities not eligible under Title XII.
Swaziland	Need stronger institutional framework team than IQC. Should use regional consortia.
Tanzania	Suggest Title XII.
Zambia	Type of consultants desired will determine contracting mechanism.

Table 12: Comments from Missions on Cost-sharing

COUNTRY	COMMENTS
Bangladesh	Yes
Nepal	To some extent: see cable.
Sri Lanka	Funds are limited at mission level for cost-sharing.
Jordan	Some cost-sharing: participant travel and per diem. See cable for other suggestions.
Barbados	Training and applied studies should be paid for by project.
Costa Rica	Should be centrally-funded to maximum extent possible. Mission willing to fund travel and per diem for workshops if they are directed to agricultural sector decision-makers.
Guyana	Should be like other centrally-funded projects: mission pays travel and per diem and S&T pays salaries and core costs of project.
Lesotho	Would be willing to pay on as needed basis.
Mauritania	Very limited funds available. Suggests that project be sufficiently funded by AID/W to allow maximum utility and integration with project design and implementation activities to be funded by USAIDs.
Senegal	Cost-sharing not feasible for the Sahel.
Swaziland	If supports objectives of existing project mission can support it. Otherwise can only cover expert's travel and per diem.
Zambia	If quality of consultants is high they'd be willing to pay most of cost.
Zimbabwe	Project should be as fully funded as possible.

PROJECT DESIGN SUMMARY LOGICAL FRAMEWORK

Life of Project From FY 83 to FY 88
Total U.S. Funding \$7,300,000
Date Prepared

Project Title & Number Agricultural Policy Analysis

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS										
<p>Program or Section Goal: The broader objective to which this project contributes</p> <p>Increased availability of basic food in both the rural and urban households</p>	<p>Measures of Goal Achievement</p> <ol style="list-style-type: none"> 1. Increased nutritional levels for urban and rural poor. 2. Increased earning power of small farmers. 	<ol style="list-style-type: none"> 1. Household surveys 2. Farm income surveys 	<p>Assumptions for achieving goal targets:</p> <p>Host country and mission request in policy analysis remains high.</p> <p>Other host country policies and institutions support goal.</p> <p>Policy analysis is useful tool in directing developmental changes.</p>										
<p>Project Purpose</p> <p>Improved knowledge and understanding by DDC and AID decision-makers about key policy issues and consultants affecting agricultural and rural development in DDCs.</p>	<p>Conditions that will indicate progress has been achieved: level of project status.</p> <ol style="list-style-type: none"> 1. Decision-makers in DDC's incorporate reliable policy analysis into decision-making 2. Improved economic analysis in mission long-term planning and project development activities. 	<p>Interviews with DDC decision-makers and policy analysts and with mission personnel.</p> <p>Review of mission documents.</p> <p>Review of country agricultural policies.</p>	<p>Assumptions for achieving purpose:</p> <p>Host country and mission acceptance and interest in policy analysis.</p> <p>Host country adopts recommendations.</p> <p>A pool of consultants can be developed to carry out the various tasks.</p>										
<p>Outputs</p> <ol style="list-style-type: none"> 1. US for policy analysis 2. Studies 3. Policy analysis guidelines 4. AGU office guidelines 5. Design and evaluation 6. Evaluation of two year history of US projects and guidelines 7. Workshops 8. US for ongoing projects 9. Decision-makers network. 	<p>Magnitude of Outputs</p> <ol style="list-style-type: none"> 1. 18 teams 2. 1 3. 1 4. 1 5. 27 teams 6. 1 7. 12 workshops 8. 18 teams 9. 23 studies 	<p>Periodic reports prepared by contractors</p> <p>Evaluation</p> <p>Final reports</p> <p>Conferences</p> <p>Research reports published disseminated and distributed</p>	<p>Assumptions for achieving outputs:</p> <p>Host country and mission acceptance and participation</p> <p>Interest in policy analysis and policy projects by both mission and host government remains high.</p> <p>Existence of planning and policy analysis units in some countries.</p> <p>A pool of people can be developed to carry out the various tasks.</p>										
<p>Inputs</p> <ol style="list-style-type: none"> 1. Host country policy analysts 2. Support for field teams for advisory services 3. AID regional bureaus and missions personnel <p>Estimated</p> <p>in-kind funding and personnel from company headquarters and other non-DDC sources</p>	<p>Implementations (Type and Quantity)</p> <p>Thousands -</p> <table border="1"> <tr> <td>Salaries</td> <td>1,016.8</td> </tr> <tr> <td>Travel</td> <td>1,175.0</td> </tr> <tr> <td>Per Diem</td> <td>1,175.0</td> </tr> <tr> <td>Materials and</td> <td>636.0</td> </tr> <tr> <td>Others</td> <td></td> </tr> </table>	Salaries	1,016.8	Travel	1,175.0	Per Diem	1,175.0	Materials and	636.0	Others		<p>Training and availability of inputs</p> <p>Cost estimates are good</p> <p>Qualified personnel are found</p> <p>AID interest in policy work remains high</p>	<p>Assumptions for providing inputs:</p> <p>Training and availability of inputs</p> <p>Cost estimates are good</p> <p>Qualified personnel are found</p> <p>AID interest in policy work remains high</p>
Salaries	1,016.8												
Travel	1,175.0												
Per Diem	1,175.0												
Materials and	636.0												
Others													

APPENDIX D Core Staff - Job Descriptions

- 1) Project Director
 - a. Overall management of project
 - b. Coordinating with AID personnel
 - c. Coordinate with other institutions
 - d. Supervision of other staff
 - e. Develop roster of people available for policy analysis and institutionalizing work.
 - f. Develop and coordinate in cooperation with policy analyst and "institutionalizer" the workshops for decision makers and policy analysis.
 - g. Develop and monitor yearly evaluations

- 2) Policy analyst
 - a. Put together teams for policy analysis work: Dialoguing efforts, CDSS, Project development activities, PL 480 programs
 - b. Develop and monitor research proposals.
 - c. Develop, update yearly and institutionalize guidelines on appropriate methodologies and techniques to make policy analysis meet the needs of decision makers. This may include the incorporation of impact (economic and political) analysis and implementation strategies into the policy analysis. The lessons learned from each trip taken must be incorporated into the body of knowledge on appropriate techniques for analysing policy so that it is seful to decision-makers.
 - d. Substantive input into training, workshops and roster

- 3) Institutionlizer
 - a) Put together teams for PID, PP and evaluations of policy analysis projects
 - b) Conduct/monitor evaluation of global policy analysis projects.
 - c) Substantive input into workshops and training
 - d) Develop and update yearly guidelines on how to institutionalize policy analysis in country with various resource constraints. This will include information gathered from evaluations of trips.

Table E-1: Illustrative budgets for core staff

CORE STAFF

	PY 1	PY 2	PY 3	PY 4	PY 5	TOTAL
	- thousand dollars -					
Project manager						
Salary	45.0	45.0	45.0	45.0	45.0	225.0
Travel (5 trips for 3 weeks each)	10.0	10.0	10.0	10.0	10.0	50.0
Per item	8.4	8.4	8.4	8.4	8.4	42.0
Policy analyst						
Salary	45.0	45.0	45.0	45.0	45.0	225.0
Travel (5 trips for 3 weeks each)	10.0	10.0	10.0	10.0	10.0	50.0
Per item	8.4	8.4	8.4	8.4	8.4	42.0
Institutionalizer						
Salary	45.0	45.0	45.0	45.0	45.0	225.0
Travel (5 trips for 3 weeks)	10.0	10.0	10.0	10.0	10.0	50.0
Per item	8.4	8.4	8.4	8.4	8.4	42.0
Secretary						
Salary	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>75.0</u>
SUB-TOTAL	205.2	205.2	205.2	205.2	205.2	1,026.0

PROJECT MATERIALS

Calculators, paper, xeroxing	20.0	20.0	20.0	20.0	20.0	100.0
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ASSUMPTIONS FOR BUDGET

Travel	
International	
Airfare	\$2,000.00
Per item	80.00
Domestic	
Airfare	400.00
Per item	50.00

Table E-2: Illustrative budget for each activity

Activity 1: Short term policy analysis

SALARIES		\$ 66,000
Senior agricultural economist	\$12,000	
2.5. months @ \$200/day		
Two research associates		
6 months @ \$125/day	30,000	
Two local research assistants		
6 months @ \$100/day	24,000	
MATERIALS AND OTHER		15,500
Scales, hand calculators,		
notebooks, report preparation and	15,500	
miscellaneous		
TRAVEL		14,500
International (3 round trips)	6,000	
In-country	8,500	
PER DIEM		
Per diem (one month each)	7,200	<u>7,200</u>
		\$ 103,200

Activity 2: Poster

MATERIALS:	
Microcomputer	10,000
printer and	
software	
Mailings	<u>2,000</u>
TOTAL	12,000

Salary included in core staff funding.

Activity 3: Policy Analysis Guidelines

No additional funding

Activity 4: Guidelines for Agricultural Officers

SALARY:	
Senior agricultural economist one year	44,000
Two research associates one year	48,000
MATERIALS:	10,000
Paper, xeroxing, etc.	
TRAVEL:	
International (6 trips)	12,000
In-country (10 trips)	5,000
PER DIEM:	<u>40,000</u>
TOTAL	159,000

Activity 5: Project design and evaluation.

a. <u>Evaluations and PID:</u>	
(4 people for 3 weeks)	
TRAVEL	8,000
PER DIEM	5,760
SALARY: Consultants (9 \$175)	12,600
MATERIALS: paper, typing, other.	<u>1,000</u>
TOTAL	27,360
b. <u>PP</u>	
(4 people for 6 weeks)	
TRAVEL	8,000
PER DIEM	11,520

Workshops

Participants (30)		
(One week long, thirty participants)		
TRAVEL	@ \$500	15,000
PER DIEM	@ \$80	16,800
Facilitators and advisors (2)		
TRAVEL	@ \$2000	4,000
PER DIEM	@ \$80 for 14 days	2,240
SALARY: Consultancy fees	@ \$175	4,900
OTHER: rental, typing,		<u>15,000</u>
translation, mailings.		
TOTAL		57,940

Activity 8: Assessment and advice to ongoing projects:

Same as Output 5a.

Activity 9: Networking

(Five day trip)

Government officials (4)		
TRAVEL	@ \$500 each	2,000
PER DIEM	@ \$80	1,600
Facilitators (1)		
TRAVEL		2,000
PER DIEM		560
SALARY: Consulting fees		<u>1,225</u>
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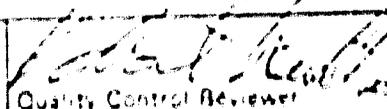
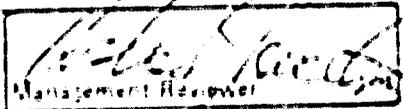
Evaluation of Agricultural
Sector Planning Activities
in Latin America and the
Caribbean

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EXECUTIVE SUMMARY

This document is the Final Report of a comprehensive study of agricultural sector planning in Latin America and the Caribbean over the last decade. It is based largely on a review of agricultural sector planning activities that have been supported by the Bureau for Latin America and the Caribbean (LAC) of the Agency for International Development (AID). A report of interim findings was reviewed in a seminar in AID/Washington in January, 1982. This document reflects suggestions that were made at that time. It also incorporates additional information that was obtained subsequently.

Objectives

Two main objectives were defined for this study:

- o First, to examine, on the basis of previous experience, the factors that are associated with the relative success/failure of agricultural sector planning and to make judgments as to their relative importance; and
- o Second, to outline in succinct, usable form, a set of recommendations for the design of agricultural sector planning projects in the future.

These objectives guided the conduct of the entire study, and this document is organized accordingly. The heart of the study appears in Chapters 3-8. The content of these chapters can be summarized under four headings: evaluation design, findings based on review of documentation on agricultural sector planning in Latin America and the Caribbean, findings based on country visits, and factors to be considered in the design of future agricultural sector planning activities.

Evaluation Design

Agricultural sector planning is a process. It takes place in the context of a national management system and, as an advisory service to decisionmakers, is geared toward the enactment of policies, programs, and projects -- and, ultimately to the achievement of agricultural sector objectives such as increases in production, increases in incomes, and an improvement in the distribution of income.

There are eight key functions of agricultural sector planning: data collection, data processing, data analysis, project identification, project proposals, policy analysis, policy formulation, and evaluation. With the exception of evaluation, these functions correspond closely with what is often referred to as the formulation stage of the planning process.

Since the ultimate objective of planning is presumably to achieve desirable results, it is natural to think of the achievement of agricultural sector objectives as the fundamental criterion for evaluating agricultural sector planning "success." This "results" criterion is indeed an appropriate standard for assessing the effectiveness of the overall agricultural sector management process. It would also be appropriate for agricultural sector planning if planners had control over all parts of the process -- which in fact they do not. As a consequence, this study does not attempt to say whether agricultural sector planning activities have been successful in an ultimate sense. It does, however, have much to say about the usefulness of different kinds of planning activities.

This study identifies four kinds of intermediate impacts that agricultural sector planning activities can have. The four kinds of impacts are capacity-building impacts (that is, impacts on the capacity of planning institutions to plan effectively), interinstitutional impacts (that is, impacts of planning institutions on other public sector institutions), consciousness-raising impacts (that is, impacts on the awareness of decisionmakers about the need for data and analysis as an ingredient to more rational decisionmaking and about questions of equity and the need to target resources to disadvantaged groups), and policy/program impacts (that is, impacts on policy and program decisions). In this study, the usefulness of agricultural sector planning activities is assessed according to the impacts that have resulted from them. Different kinds of activities are expected to have different kinds of impacts and, for this reason, variations of impacts are examined within and among distinct groupings of similar activities.

In examining the different factors associated with useful agricultural sector planning activities, this study adapts the framework that

AID uses in the design of development projects. Specifically, lessons and recommendations from the written record of agricultural sector planning in the region are organized in three categories: technical, institutional, and other.

More detail on the evaluation design for the study can be found in Chapter 3 of this document.

The Written Record

The written record examined in this study consists of two sources: AID documentation on agricultural sector planning activities and the results of a survey of planning units in 23 Latin American and Caribbean countries that was conducted by the Interamerican Institute for Agricultural Cooperation (IICA) in 1978. The findings of the examination of these sources of information appear in Chapters 4 and 7, respectively.

All countries in Latin America and the Caribbean have agricultural sector planning units. In 72 percent of the countries, these units serve as lead coordinating agencies of their agricultural sector planning systems.

Over the last decade, bilateral AID Missions have provided support to agricultural sector planning activities in 16 countries. RDO/Caribbean, ROCAP, and AID/Washington have also supported agricultural sector planning activities. In all, 63 different activities are identified in this study. Of the 63 activities, 40 are formal projects. Appendix A describes each of these activities and is a comprehensive inventory of AID's support of agricultural sector planning in the region.

AID-supported activities are distributed relatively evenly among the Caribbean, Central American, and South American subregions. The countries with the largest number of activities are Bolivia, the Dominican Republic, and El Salvador.

In dollar terms, the aggregate value of the planning components of agricultural sector planning projects supported by AID is \$93,632,300. AID's support comes to \$49,513,900, or slightly more than half of the total. Of AID's contribution, \$23,985,900 (51 percent) comes from grant funding, and \$19,528,000 (39 percent) comes from loan funding. Most

country contributions come to \$38,106,000, or slightly more than 40 percent of the aggregate amount.

The geographical distribution of the dollar value of agricultural sector planning projects is not as even as the geographical distribution of the number of projects or the number of activities. The total value of projects in Central America comes to \$40,749,000, in the Caribbean to \$28,310,300, and in South America to \$20,594,000. The countries with the largest dollar values of agricultural sector planning activities are Bolivia, Honduras, and Nicaragua.

In socioeconomic terms, the countries with the largest numbers of AID-supported agricultural sector planning activities are those with less than six million people, with GNP per capita less than \$1,000, with agriculture making up less than 20 percent of GDP, with less agricultural production per capita in 1977 than in 1961-65, and with more than 55 percent of the labor force engaged in agriculture. With minor variations, the same pattern holds for the distribution of agricultural sector planning projects, the aggregate dollar value of the projects, the proportion of the aggregate dollar value financed by AID, and the proportion of AID's contribution financed with grant funding.

For 22 of the activities supported by AID, an examination was made of available evaluation materials. Summaries of these materials appear in Appendix B. Summary findings on the impacts of these activities are:

- o Capacity-building impacts are identified in all 22 cases. This finding indicates that AID-supported agricultural sector planning activities have made an important first step in strengthening the capacity of planning institutions in countries throughout the region.
- o Interinstitutional impacts appear in 20 of the 22 cases, that is, in 91 percent of the agricultural sector planning activities evaluated. Most activities were instrumental in bringing about improvements in institutional relations. Nevertheless, interinstitutional impacts vary in intensity from one activity to another.
- o Consciousness-raising impacts are identified in nine of the 22 activities. The overwhelming majority of these impacts increased awareness of the need for analytical planning. In only one instance was increased concern for small farmers identified.

- o Finally, policy/program impacts are also identified in nine of the 22 activities. Since the sample of evaluations appears to be representative of agricultural sector planning activities in general, this suggests that at least forty percent of AID-supported agricultural sector planning activities have had an impact on agricultural sector policies and programs. It should be stressed, however, that this simple calculation does not account for differences among the policy/program impacts identified. As might be expected, some impacts were more dramatic than others.

The 22 activities can be broken down into three groups of relatively similar activities. The first group consists of nine "data-intensive" activities, the second group of nine "institutional support" activities, and the third group of four "multi-country" activities. The data-intensive activities resulted in a relatively high number of consciousness-raising impacts, but a relatively low number of policy/program impacts. The institutional support activities evidenced the opposite pattern: a relatively high number of policy/program impacts and a relatively low number of consciousness-raising impacts. The multi-country activities had the most difficulty in achieving policy/program or consciousness-raising impacts.

In addition to identifying impacts, the written record on agricultural sector planning in Latin America and the Caribbean cites a variety of constraints to effective agricultural sector planning and offers a wealth of lessons that are applicable to the design of agricultural sector planning activities in the future. The presentation in the text is in fact only a summary of what is found in available documentation. Nevertheless, the key findings that emerge from AID materials and from the results of IICA's survey are:

- o There appears to be a general and pervasive lack of real contact between agricultural sector planning units and decision-makers throughout the region. Institutionally, there appears to be little real demand for analytical planning, that is, a demand that grows out of policy concerns and is formulated in specific terms. Analytical units often have no clear mandate as to what they are supposed to do and, as a consequence, operate in a vacuum. In the final analysis, planning must be "demand- and decision-driven," and planners must target their products to address specific policy and program concerns.

- o As a rule, agricultural sector planning units have very limited relationships with other public sector institutions and evidence little interest in cultivating such relationships. For planning to be effective, however, such relationships must be cultivated.
- o Agricultural sector planning units are heavily dependent for information on institutions that are not conventionally regarded as part of the agricultural sector planning system. This suggests that activities to improve the effectiveness of agricultural sector planning cannot afford to be limited to agricultural sector institutions alone.
- o Effective planning requires leadership and continuity of technically capable personnel. Most countries have problems in attracting and retaining qualified people. Ideally, a critical mass of strong senior and middle-level staff must be created in agricultural sector planning units.
- o As a rule, agricultural sector planning units should concentrate on fast turn-around, highly focused, problem-oriented studies. Long-term data-intensive activities are wont to run into technical difficulties and often cost far more than initially estimated. If and when agricultural sector planning units engage in long-term studies, they should produce real, "live" findings on a periodic basis and engage in short-term analytical work as well.
- o Analytical methods need to be kept simple. In technology transfer activities, the absorptive capacity of host-country technicians must be kept clearly in mind. There is a real danger that esoteric techniques may never be used after AID support ceases. As a rule, therefore, keep it simple.
- o There is a substantial, unmet need for technical training of agricultural sector planning unit personnel throughout the region. The areas of training of highest priority are training in the preparation and evaluation of policies, programs, projects, and budgets and training in economics and statistics. The mode of in-country training preferred by agricultural sector planning units is in-service training. The preferred mode for training abroad is short-term special courses.
- o Capacity-building activities are long-term in nature, often at least five years.
- o AID and host-country procurement procedures are often a stumbling block to progress. This is particularly true for timely contracting of technical assistance.

Site Visits

The review of the written record on AID-supported agricultural sector planning activities was supplemented by site visits to different

countries. Short visits were made to Guatemala, Guyana, and Jamaica, and contacts were also made with key figures in agricultural sector planning activities in Colombia and Nicaragua. Findings on these countries appear in Chapter 5. Longer site visits were made to Bolivia, the Dominican Republic, and Honduras and are summarized in Chapter 6.

The findings of the country visits largely confirm what was found in the review of the written record. Nevertheless, the country visits suggest strongly that lack of demand for planning is more than just one of a set of problems to be addressed; rather, it is the central constraint to effective agricultural sector planning. This finding is the key finding of the study.

Agricultural sector planning can be viewed as a chain of events consisting of the eight functions discussed in Chapter 3. The country visits reveal that substantial progress has been made in data-related activities. The transition from data-related activities to policy analysis and policy formulation, however, has been far from automatic. Although AID-supported activities have had a relatively high degree of success in institutionalizing data collection capacity, in very few instances has the link to data and policy analysis been successfully forged. As a rule, agricultural sector planning has little link with decisionmaking processes. This is a reflection of the weakness of the general planning context in which agricultural sector planning takes place and, specifically, of the failure of decisionmakers to demand policy guidance from the planning process. Often, therefore, agricultural sector planning virtually truncates at the data stage.

The country visits point up a number of other lessons. Among the major lessons that receive less attention in the written record are:

- o In some countries, planning, budgeting, and implementation functions are highly fragmented. This fragmentation may also be reinforced by political, economic, and social unrest. In such an environment, it is difficult for even very useful planning activities to be translated into the achievement of agricultural sector objectives.
- o The annual budget process is a mechanism in which agricultural sector planning can play a very fruitful role, particularly decentralized agricultural sector planning. This will only be

objective of increasing awareness of the importance of data and analysis in decisionmaking. In a loose sense, therefore, AID would support a "program" of agricultural sector planning, a program that would consist of a set of well-defined, carefully selected activities.

Chapter 8 outlines a number of implications of the focus on demand generation for the design of future agricultural sector planning activities. Among the key implications are:

- o AID's conventional emphasis on capacity building is generally well placed. Nevertheless, if conflicts emerge between the objectives of institutionalization of capacity and the production of outputs, it is recommended that the balance be tipped toward production. Decisionmakers will only come to "want" planning if they see that planners' outputs are useful. Furthermore, the dynamics of capacity building can be expected to go much more smoothly if decisionmakers are convinced of the need for it.
- o Data-related activities have not proven to be an effective lever for triggering analytical work, nor for stimulating demand for analysis. In the future, therefore, it is recommended that AID shift its support priorities toward more directly analytical work. Future AID support of data-related activities should be seen as buttressing the demand process, but not stimulating it.
- o It is often through compliance with unappealing, short-term requests that planners can establish their credibility and spark interest in more thought-out analysis. To the extent that AID can provide support in meeting these requests, it may contribute to the ultimate objective of demand generation. Similarly, since projects are often a major concern of decisionmakers, the process of project development may be a useful activity for agricultural sector planning units to engage in -- and for AID to support.
- o Institutions are created to perform defined functions, and it is the functions that define how institutions should be organized. Before contemplating changes in organizational arrangements, therefore, the mandate of an agricultural sector planning unit must be clearly defined. A unit's mandate is the ultimate criterion for assessing its organizational adequacy.