

Abt Associates Inc.
Suite 500
4250 Connecticut Avenue, N.W., Washington, D.C. 20008
Telephone (202) 362-2800

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SUMMARIES OF MAJOR
TECHNICAL ASSISTANCE
ACTIVITIES

Year I and Year II

September 26, 1985

Submitted to:

Ms. Phillip E. Church
Office of Agriculture
Bureau for Science and Technology
Agency for International Development
Washington, D.C. 20523

Abt Associates Inc.
Suite 500
4250 Connecticut Avenue, N.W., Washington, D.C. 20008
Telephone (202) 362-2800

September 26, 1985

Dr. Phillip Church
S&T/AGR/EPP
AID
Room 403, SA-18
Washington, D.C. 20523

Dear Phil:

Enclosed are 20 copies of one page summaries of the technical assistance activities carried out to date on the Agricultural Policy Analysis Project. Each summary provides a bit of background on the situation that led to the request for assistance and briefly describes the work performed by the APAP advisor(s). The summary also provides the highlights of the conclusions and recommendations.

We feel these summary reports give a grasp of the breadth of issues being addressed by APAP. We also feel these reports will be of assistance to USAID Missions in identifying strategic issues in policy dialogue with host country governments.

Sincerely,



Stephanie Y. Wilson, Ph.D
Vice-President
Manager, International
Economic Development Area

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Department of State
Agency for International Development
Agricultural Policy Analysis Project

The Agricultural Policy Analysis Project is a five-year, \$9 million, worldwide initiative by the Office of Agriculture, Bureau for Science and Technology within AID to improve participating AID missions' and developing country decisionmakers' knowledge and understanding of policy issues and constraints affecting agricultural and rural development.

The Project is concerned primarily with three main categories of policy that are important to the food and agricultural sectors:

- Economic policies, such as trade policy, foreign exchange, government revenue and expenditure policies, and interest rates.
- Agricultural product policies, such as price support policies, the role of government agencies or parastatals in commodities disposition, commodity trade policy, taxation or subsidization of exports, and consumer food policy.
- Agricultural input policies, such as fertilizer subsidies, role of government agencies or parastatals in fertilizer and pesticide production and marketing, trade of major agricultural inputs, and subsidized credit for input purchases.

In general, three broad approaches are incorporated in the Project:

- Strategy 1 - Collaborative Analysis. Encouraging policy reform through collaborative analysis with the host country.
- Strategy 2 - Developing Indigenous Capacity. In the long run, each participating developing country should have the manpower, tools, and institutions to carry out its own policy analysis and to implement its own recommendations.
- Strategy 3 - Indigenous Demand for Policy Analysis. The most effective analysis activities will be those that, in the long run, are perceived by developing country decisionmakers to be responsive to their program and policy needs.

The project provides several types of assistance to AID Missions and host governments in support of the above strategies.

- Technical assistance to assess and evaluate agricultural policy issues important to individual Missions and host country governments, as well as issues common to groups of countries.
- Assistance to design, implement, and evaluate policy analysis projects.
- Guidelines for analyzing agricultural policies and managing policy projects.
- Workshops in individual countries geared to the needs of the countries' policy analysts and decisionmakers.
- A network linking decisionmakers in many countries as a way of sharing experience and important materials and reports.
- A roster of agricultural policy experts, representing a broad range of experience and skills, who can assist Missions and host countries.

The Project, with a core staff comprised of members from Abt Associates and its subcontractors, is being managed out of the Abt Associates Washington office with staff support provided from the Cambridge, Massachusetts headquarters. Abt Associates' subcontractors on the project are Robert R. Nathan Associates, Inc. and Abel, Daft and Earley, Inc., both located in Washington, D.C. and Oklahoma State University, located in Stillwater, Oklahoma.

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Client Contact: Dr. Phillip Church
Agency for International Development
S&T/AGR/EPP
Room 403, SA-18
Washington, D.C. 20523
(702) 235-8946

BOLIVIA

Recommended Scope of Work in Agricultural Policy Analysis Under the Bolivia Policy Reform Project

Agricultural Policy Analysis Project

The Government of Bolivia (GOB) requested assistance from USAID/Bolivia in developing an economic Policy Analysis Unit (PAU) within the GOB to conduct policy analysis studies and to formulate policy recommendations. The resulting Bolivia Policy Reform Project turned to the Agricultural Policy Analysis Project (APAP) for technical assistance in defining work to be done on the agricultural component of this project.

An APAP technical advisor worked with the Bolivian Unidad de Analisis de Politicas Economicas (UDAPE) to outline a strategy to develop its administrative and analytical capabilities. Four areas were identified for special studies by the Analysis Division: international and domestic macroeconomics, marketing and pricing, industrial development and agroindustry, and agriculture and rural development.

UDAPE's ultimate objective was defined as service to the Undersecretaries Groups of the Economic Council in the resolution of urgent economic problems. Towards this end, the APAP advisor recommended a systematic analytical approach built around a statistically estimated economic model of financial and economic markets. The APAP advisor described the uses of such a model in social cost/benefit analysis and outlined the technical specifications of an appropriate statistical model.

DOMINICAN REPUBLIC

Dominican Republic: Effects of Caribbean Basin Economic Recovery Act

Agricultural Policy Analysis Project

The Caribbean Basin Economic Recovery Act (CBERA) created new opportunities and new needs for agricultural policy analysis throughout the region. In the Dominican Republic, there was particular concern over Section 213 of the Act, which pertained to duty free imports of sugar and beef products. These products dominate the Dominican agricultural economy, giving the CBERA far-reaching implications for the production and consumption of basic food commodities in the Republic.

A technical advisor from the Agricultural Policy Analysis Project (APAP) assisted the Oficina Nacional de Planificacion (ONAPLAN) in analyzing the potential effects of Section 213 of the CBERA on the Dominican agricultural economy. This analysis concentrated on two issues of great interest to the Dominican planners: 1) monitoring trends in production and consumption of basic food commodities; and, 2) assuring that the appropriate incentives are in place to keep basic food production sufficiently high.

Working with ONAPLAN officials, the APAP team identified and analyzed relevant issues, including:

- Current export levels of sugar and beef products, total exports, and total exports to the United States;
- Exported increases in acreage used for production of sugar and beef products for exports as a result of duty-free access to the United States;
- Recommended measures to ensure that production of sugar and beef products for export to the United States do not displace staple food production; and,
- Proposed activities to monitor the impact of duty-free access for sugar and beef on domestic food production and land use.

With the assistance of the APAP advisor, the ONAPLAN officials prepared two policy papers outlining their response to Section 213 of the CBERA and proposing specific policies.

DOMINICAN REPUBLIC

Price Control Policy in the Dominican Republic

Agricultural Policy Analysis Project

Price controls for many commodities have long been the norm in the Dominican Republic. Yet, with the Dominican economy at a critical juncture in its growth process, the Secretary of Industry and Commerce on behalf of the Director-General for Price Controls requested technical advice from the Agricultural Policy Analysis Project (APAP) on how the present control system could be modified to introduce more flexibility for essential adjustments.

Through interviews and available documentation, an APAP technical advisor assessed both the economic and the political factors relevant to changes in the Dominican Republic's price control policies. This analysis revealed a complex web of conflicting interests and constraints on price control policy.

This diagnosis gave rise to a list of recommended directions for price control policy development. The first step was to establish an institutional base for the analytical staff, which the advisor found necessary to support policy reform. Further institutional considerations extended to the administrative capability of the Director-General's Office, for which a small central office was recommended to carry out executive secretariat functions. The APAP advisor also recommended that the Government take an inter-agency approach to price policy reform, to reduce the tendency for a perspective too narrow to guide broad policy decisions.

EI SALVADOR

Inventory of Policies Affecting Agriculture in El Salvador

Agricultural Policy Analysis Project

In response to a request from USAID/El Salvador and the Government of El Salvador (GOES), a five-person team of economic advisors from the Agricultural Policy Analysis Project (APAP) spent several months in the field preparing an inventory and analysis of policies affecting agriculture in El Salvador. Political and economic disarray in that country harmed the agricultural sector, which dominates the Salvadoran economy. Thus, a comprehensive examination of the factors affecting agriculture was a necessary starting point for efforts to reverse negative trends.

The APAP study's objective was to generate policy alternatives in agricultural marketing for the subsectors of basic grains, fruits and vegetables, traditional export crops (coffee, cotton, sugar), and livestock products. In particular, the report sought to: (1) review the supply and demand characteristics of the subsector; (2) describe and evaluate the subsector marketing structure; (3) evaluate the economic and technical efficiency of the system; (4) examine the marketing support functions; (5) analyze the relevant marketing constraints; (6) determine the foreign trade impacts; and, (7) weigh alternative marketing policies.

The purpose of evaluating marketing policy alternatives was to assist the GOES to achieve its broad food policy objectives, and to improve the efficiency, effectiveness, and equity of the agricultural marketing system. The scope of the analysis included: allocation and pricing of production inputs, production incentives and controls, commodity procurement, storage, transportation, processing, and trade policies. The APAP team also examined relevant marketing policy constraints, including the provision and maintenance of physical infrastructure, private sector investment incentives, availability and price of investment capital and working capital, allocation and pricing of materials used in providing marketing services, market control by the public and private sector, cost and availability of improved marketing technologies, and dissemination of market information.

Regeneration growth in El Salvador's agricultural sector is a primary goal for both the GOES and AID/El Salvador. The APAP Inventory of Policies Affecting Agriculture in El Salvador provides a solid analytical foundation for those efforts.

LAC REGIONAL

Evaluation of the Latin American and Caribbean Agricultural Planning and Policy Analysis Project

Agricultural Policy Analysis Project

USAID's Latin American and Caribbean Agricultural Planning and Policy Analysis Project (LACPLAN) was implemented by the Interamerican Institute for Agricultural Sciences (IICA) to further AID's general goals of emphasizing the importance of agricultural planning and policy analysis in achieving increased capacity for food production and increased participation of poor people in the benefits of development. Specifically, this centrally-funded project was intended to: (1) develop methodologies for use on a broad scale; (2) provide technical assistance backstopping to country projects; (3) develop training materials and hold seminars and short courses on a broad scale; and, (4) establish a network across countries of institutions and people engaged in planning and policy analysis.

AID requested that the Agricultural Policy Analysis Project (APAP) perform a final evaluation of LACPLAN (later renamed PROPLAN). Abt Associates had performed an earlier evaluation of LACPLAN. The APAP evaluation of this project centered around five topics:

- Technical evaluation of PROPLAN;
- IICA institutionalization of agricultural planning and policy analysis;
- Demand for services from IICA by the Latin American and Caribbean Governments;
- Capability within IICA for providing services in agricultural planning and policy analysis; and,
- Recommendations to IICA, the Bureau for Science and Technology (S&T), and the current S&T Agricultural Policy Analysis Project (APAP).

Among its conclusions and recommendations, the APAP team found that implementation of LACPLAN/PROPLAN would have been facilitated by a definitional separation of agricultural sector planning from agricultural policy analysis. The project concentrated on sector planning at the direct expense of policy analysis. IICA was still considered to be the appropriate institution to implement the project, with the stipulation that it turn to support agricultural policy analysis efforts, as well.

LAC REGIONAL

A Strategy for Strengthening CORECA Country Policies in Priority Areas of Agricultural Development

Agricultural Policy Analysis Project

The Ministers of Agriculture and the members of the Technical Coordinating Committee of the Central American Council for Economic Cooperation (CORECA), a seven country consortium of Latin American states, have recognized the importance of public policies in the overall development of the agricultural sectors of their respective countries. They believe that policies must be consistent with development goals and that proposed policies must be evaluated systematically to permit policymakers to choose rationally among alternatives.

The Technical Committee of CORECA identified four priority areas of agricultural development within individual countries and the region as a whole: (1) food security; (2) generation and transfer of technologies for production, storage, processing, and marketing of basic agricultural commodities; (3) promoting increased agricultural product exports through private/public sector cooperation; and (4) promoting processing of agricultural based products for increased rural development.

The CORECA ministers requested the assistance of the Agricultural Policy Analysis Project (APAP) in strengthening CORECA country policies in these priority areas. An APAP team of technical advisors worked with CORECA in developing policies to address these priority areas.

The APAP team's specific purposes were to: (1) establish norms for each of the priority areas of agricultural development; (2) formulate procedures for policy analysis in each of the priority areas; (3) identify, gather, and present data and information needed for policy analysis in each of the priority areas; (4) analyze policy alternatives for each of the priority areas, including those currently in place at the country level; and, (5) recommend alternatives for action in strengthening country policies in the priority areas.

The APAP work proceeded in two phases. Phase I focussed on descriptive analyses of the policy problem areas in question; Phase II consisted of in-depth analyses of these areas.

LIBERIA

Increasing Capacity for Agricultural Policy Analysis in Liberia

Agricultural Policy Analysis Project

Some of the most pressing issues in Liberian agriculture relate to the rice economy and to the formulation of a national agricultural policy. Short-term issues include the impact on domestic rice production of alternative price support levels or PL 480 imports, and the impact on consumer prices of alternative levels of domestic production. These issues are components of the longer-term issue of formulating a cohesive and sensible national agricultural policy.

A team of APAP advisors in Liberia worked with the Ministry of Agriculture (MOA) both to address these issues and to increase the MOA's effectiveness in assisting the Government of Liberia (GOL) to derive and to implement its agricultural policies and programs.

The APAP team in Liberia concentrated on four activities to assist the MOA with these challenges:

- 1) Developed and applied an agricultural policy model -- a preliminary microcomputer-based agricultural policy model was adapted to the conditions and concerns which confront the GOL. The model was particularly well suited for the analysis of alternative rice policies, including producer price supports, storage and import schemes, and the costs and benefits of increased self-sufficiency.
- 2) Evaluated alternative agricultural enterprises and developed a strategy for long-term agricultural development. The team utilized micro farm management approaches to estimate the returns to resources employed in alternative farm enterprises.
- 3) Prepared materials and assisted in conducting an agricultural policy workshop. Increasing the capacity for agricultural policy analysis and implementation in Liberia was a major objective of the APAP team. The workshop with members of the Bureau of Planning provided an opportunity to analyze current policy issues and to work through with Liberian planners the costs and benefits of alternative policy options.

- 4) Provided long- and short-term training in agricultural policy analysis for one Liberian M.Sc. candidate and several officials of the Bureau of Planning.

The activities each contributed to the APAP team's primary objective of assisting the Liberian Ministry of Agriculture to establish a framework for analyzing agricultural policy issues and for developing a strategy for long-term agricultural development.

MALAWI

Agricultural Policy Component of Country Development Strategy Statement

Agricultural Policy Analysis Project

In its Country Development Strategy Statement (CDSS) for Malawi, USAID identified two primary objectives: (1) increase in the productivity and income of the three-fourths of the population -- predominantly rural -- who live at low levels of income; and (2) continuation and strengthening of Malawi's political and economic stability, and private enterprise orientation. The first of these objectives relies heavily on agricultural development to enhance rural living standards.

AID/Malawi requested assistance from the Agricultural Policy Analysis Project (APAP) in drafting the agricultural policy component of its CDSS. An APAP technical advisor reviewed Malawi's agricultural trends and policies as a basis for diagnosing the problems and priorities for the CDSS.

In diagnosing Malawi's agricultural status, the APAP advisor uncovered problems with domestic policies, as well as with external factors affecting Malawian agriculture. The CDSS focussed on domestic factors, among which the earlier choice to promote estate over smallholder development was identified as a primary source of economic difficulty.

Expanding from this diagnosis, the APAP contribution to the CDSS outlined several major priorities for Malawian agricultural policy, including: diversification of smallholder production; increased efficiency of the estate sector; allocation of greater resources to aquaculture; reduction of the birth rate; substitution of Malawian managers for expatriates where possible; and reduction of imports of luxury goods.

These recommendations were supplemented by a discussion of specific problems and the expected social returns from each.

MAURITANIA

An Analysis of the Effects of an Increase in Grain Prices: Mauritania

Agricultural Policy Analysis Project

Grain prices have been widely recognized as a potentially important policy tool for determining the level of a country's domestic food production. Theory suggests that farmers will increase their output in response to increased output prices. However, price policy has proved to be a two-edged sword: increased grain prices also have complicated effects on other aspects of a country's food system.

The Government of the Islamic Republic of Mauritania (GIRM) and USAID asked the Agricultural Policy Analysis Project (APAP) to assist in evaluating the effect of recent Mauritanian efforts to increase grain production by raising domestic sorghum and wheat prices to import parity levels. AID/Nouakchott was particularly concerned about possible harmful effects on its involvement in price policy reforms through its PL-480, Title II, Section 206 program.

In response to these concerns, an APAP team of technical advisors in Mauritania analyzed a wide range of issues related to grain prices: Did increased grain prices cause negative consumption effects? Was there a positive stimulus on domestic grain production? What was the effect on government revenues generated from the sales of internationally donated commodities? How did grain price increases affect the size of the country's food aid bill?

The APAP team's research included interviews with AID personnel, GIRM officials, concerned donor agencies, local authorities, farmers, and consumers to help answer these questions. The team analyzed the existing grain price structure and forecast the relevant import parity prices. To complete its analysis, the team investigated the constraints on traditional and irrigated agriculture, and examined potential consumption effects on grain consumers, including the large indigent population of Mauritania.

The APAP study found that both producers and consumers of grain were relatively unresponsive to changes in prices. Thus, even though import parity prices would not dramatically increase domestic production, neither would they dramatically decrease food consumption. On balance, the APAP team found economic benefits in price policy reforms, since increased prices for donated commodities would augment GIRM revenues available for other badly-needed agricultural uses.

NEAR EAST REGIONAL

Macroeconomic Factors and Agricultural Trade:
Case Studies of Egypt, Jordan, and Morocco

Agricultural Policy Analysis Project

A team of advisors from the Agricultural Policy Analysis Project (APAP) presented a workshop for concerned officials at AID/Washington on the relationship between macroeconomic factors and agricultural trade in the Near East Region. The workshop concentrated on the similar macroeconomic forces and pressures which affect Egypt, Jordan, and Morocco, as well as their differing macroeconomic responses and the differing implications for agricultural trade in each of these countries.

The case studies identified sources of import growth, evaluated the countries' foreign exchange policies, and reviewed the structure and level of their foreign debts. In each case, agricultural trade policies were found strongly to influence these macroeconomic indicators.

The APAP team developed a conceptual framework for relating these issues, and used that framework in the workshop to analyze the countries' policy responses and the implications of those responses.

NIGER

Niger: Agricultural Policy and Credit Reforms

Agricultural Policy Analysis Project

The Government of Niger (GON) stands on the brink of a major agricultural policy reform effort oriented towards reversing the negative production trends associated with the present system of agricultural marketing, pricing, and subsidy policies. Niger can no longer afford the large subsidies paid to producers and consumers; nor can the GON continue its heavy involvement in domestic food marketing, while restricting private trade.

The GON and AID/Niger have undertaken a serious policy dialogue and sponsored several studies to chart a new course for the country's agricultural development. AID recently initiated a multi-year Agricultural Sector Development Grant to assist in policy reform. As part of that process, the Agricultural Policy Analysis Project (APAP) was asked to examine the potential for reform in several major areas, including: input subsidies, grain marketing, grain storage, market information, and rural financial markets.

An APAP team working in Niger reviewed numerous policy reforms in these areas, many of which were already in early stages of implementation. The APAP team recommended means to monitor the progress of these reforms, as well as the means to measure the impact of policy reforms on agricultural production and on GON expenditures. Specific measures were proposed to enhance the policy analysis and implementation capacities of the Ministry of Rural Development to permit self-sustaining policy management.

The APAP team also reviewed current proposals for a major study of farm credit at the village level and made detailed recommendations regarding its purpose, methodology, and implementation.

PAKISTAN

Implementating the Economic Analysis Network in Pakistan

Agricultural Policy Analysis Project

Establishing an Economic Analysis Network (EAN) within the Government of Pakistan (GOP) is a high priority for AID/Pakistan. The principal function of the EAN would be to give authoritative expression to the demand for policy analysis. The concept and design of the EAN are innovative, experimental, and politically sensitive; and, they represent a radical departure from the conventional operating methods and style of the GOP bureaucracy. These factors create a complex web of constraints on the implementation of the EAN.

The Agricultural Policy Analysis Project (APAP) was asked to develop a plan for unravelling that web of constraints, and to outline a strategy for implementing the EAN in Pakistan. An APAP advisor worked with AID/Pakistan and the GOP to analyze the political and bureaucratic impediments to establishing the EAN.

The APAP advisor recommended 16 steps to facilitate the EAN. The recommendations entail a wide range of relevant considerations, including: managing political sensitivity; cultivating relationships with policy-making officials; structuring the steering committee and the technical support staff; examining USAID's potential policy leverage; agreeing on internal strategies for AID; funding for the EAN; and, strategies for following up the project if the GOP rejects the proposed design.

PANAMA

Agricultural Information Systems in Panama

Agricultural Policy Analysis Project

Information is a basic requirement for decision-making activities of all kinds and levels. Thus, the information systems which support decision-makers must have the capacity to handle a wide variety of types of information, to accommodate changes in that information, and to supply it in useable form on a timely basis.

AID/Panama requested assistance from the Agricultural Policy Analysis Project (APAP) in making recommendation aimed at improving the state of information systems in the Panamanian agricultural sector.

An APAP advisor assessed the Panamanian institutions currently responsible for providing information to agricultural policy makers, diagnosed the problems, and produced a detailed set of recommendations for enhancing the informational capacity of those institutions.

The APAP advisor found the primary problems to be a lack of in-depth problem solving; superficial use of information; few experienced and trained users of information; little experience in data management; and, a lack of readily available information.

In response to these problems, our advisors recommended the creation of an Informational System Framework for the Direccion Nacional de Planificacion Sectorial, and outlined the steps necessary for its creation. In addition to defining the institutional and functional requirements for establishing an Informational System Framework, the recommendations outlined the relevant computer software and the data bank to be created to support the system.

PANAMA

Agricultural Policy Formulation and Management Project

Agricultural Policy Analysis Project

The public institutions in Panama's agricultural sector are weak, unable to perform serious analysis of economic policies, and equally ill-equipped to implement rational agricultural policies once they are announced. Recognizing these deficiencies, the Government of Panama (GOP) and USAID/Panama have undertaken the Agricultural Policy Formulation and Management Project to strengthen the capacity and to improve the performance of Panama's public agricultural institutions.

The Agricultural Policy Analysis Project (APAP) participated extensively in the design of the Panamanian Agricultural Policy Formulation and Management Project, particularly in its institutional analysis and program management aspects. In observing the policy formulation and management process at work, the APAP technical advisors recognized the deficiencies in the current situation, and were thus able to focus their attention appropriately. The APAP institutional and management analyses concentrated on the role and capabilities of the Sectoral Planning Office (DNPS) attached to the Ministry of Agricultural and Livestock Development (MIDA).

The general recommendations for this unit was that it create the capacity for competent policy analysis by identifying and training qualified Panamanians, and restructuring the DNPS and MIDA to retain these trained Panamanians after the AID project ends. Towards this end, the APAP technical advisors provided detailed outlines of the personnel and equipment inputs, training procedures, and institutional support necessary to achieve the project's objectives. These objectives, spelled out in the Project Paper, included: improved overall management of MIDA; improved capacity of the DNPS to design, implement, monitor, and evaluate programs and projects; and, the development of trained personnel in all aspects of administrative, operative and financial management, program and project design, implementation, monitoring, and evaluation of projects and policies.

PANAMA

Private Sector Study for Agriculture: Panama

Agricultural Policy Analysis Project

Private sector initiatives have an important role to play in both the agricultural development of Panama and in the process of policy formation which guides that development. The Government of Panama (GOP) and AID/Panama requested assistance from the Agricultural Policy Analysis Project (APAP) in reorienting the public approach to the private sector and to facilitate private sector involvement in agricultural development. This undertaking fit well with the GOP's broad policy reforms, then underway with World Bank support.

An APAP team of technical advisors in Panama examined the existing private sector participation in policy formation, focussing primarily on the role of producers' groups. This perspective was justified by the central role of producers in agricultural development and the fact that Panamanian food policy traditionally favored consumer interests at producers' expense.

APAP advisors evaluated the major producer organizations' capacity to represent producers' interests in the policy formation process. The objective of this exercise was to identify an organization which met a set of criteria (determined by the APAP team) to qualify it to represent producer interests in policy formation.

The APAP team further recommended the formation of a special Policy Analysis Unit to provide continuity of effort in the process of improving both the level and quality of private sector involvement in agricultural policy formation. The team specified that the Policy Analysis Unit's primary responsibilities would be: (1) to help to define and articulate policy positions with respect to individual commodities and agriculture in general; and, (2) to accomplish market analyses and feasibility studies for domestic and export markets which will help Panamanian producers to expand production.

This Private Sector Support Project was part of a broader APAP project involving Agricultural Policy Formulation and Management.

PERU

Peru Agricultural Policy Analysis

Agricultural Policy Analysis Project

The Agricultural Policy Analysis Project (APAP) sent an economic advisor to Lima to assist AID/Peru in its policy dialogue on a variety of agricultural policy issues. The specific purposes of the trip were to: (1) review and discuss with Peruvian policy analysts their policy research agenda; (2) assist in the design and methodology of research in international trade and pricing policy; (3) discuss with key policy analysts the design of a work plan for agricultural policy analysis; and, (4) recommend appropriate institutional arrangements for implementing the policy agenda.

The APAP advisor identified a number of priority items for the Peruvian agricultural policy research agenda. The detailed list of priority items included determining the effects of: national monetary fiscal policy and attendant macro-indicators; agricultural product and food price interventions (including subsidies, tariffs, and exchange rates); irrigation tariffs and infrastructural development; agricultural land leasing and purchase arrangements; credit programs to mobilize rural savings and investment in productive areas; and, analysis of public investment opportunities. This substantial research agenda had the prerequisite task of developing fundamental parameters (such as supply and demand elasticities) as a basis for the recommended analyses.

The APAP advisor also outlined the institutional context of this work, and laid the foundation for a policy workshop for Peruvian officials, to be run by APAP at a future date.

RWANDA

Food and Agricultural Policy in Rwanda: Situation and Needs

Agricultural Policy Analysis Project

The race between food needs and agricultural production is at a critical turning point in Rwanda, as the Government of Rwanda (GOR) is concerned about the need to increase food production to feed a rapidly growing population. This concern is heightened by Rwanda's rapid urbanization, which will require that fewer and fewer farmers feed a growing urban population.

AID/Rwanda requested assistance from the Agricultural Policy Analysis Project (APAP) in determining the situation and needs of Rwandan agriculture. The APAP team assessed the major food and agricultural policy issues and outlined the analyses needed to support the policy process. The APAP team also extended its analysis to cover the capacity of the GOR to perform economic policy analysis.

The APAP team found that all too often, the GOR was forced to undertake policy initiatives without the foundation of reliable economic data and analysis. The APAP advisors identified five broad policy areas in which analytical support was badly needed, ranging from cost of production studies to analysis of price stabilization programs. The team also provided detailed guidelines as to the data required for the recommended analyses.

SENEGAL

Senegal Agricultural Sector Assessment

Agricultural Policy Analysis Project

The Agriculture Office of the Bureau for Science and Technology at the Agency for International Development chose Abt Associates to execute a multi-component five year agricultural policy analysis program. Through this project AID and developing countries will improve their understanding of the many policies that can constrain agricultural sector growth. This is to be accomplished through a range of activities designed to promote developing country demand for policy analysis, indigenous capacity to do analysis, and collaborative analysis of agricultural policy issues between AID and host countries.

Under this contract Abt Associates undertook an analysis of the complex policy issues that currently confront the Government of Senegal. The assessment was carried out jointly with the GOS under the aegis of an interministerial committee over a period of six months and was organized so that the information, conclusions, and recommendations could be integrated into the ongoing policy reform processes of the GOS, working with the World Bank Group and a multinational donor committee.

The assessment analysed the performance of Senegal's production system, the links of the agricultural system to the rest of the economy; soil, hydraulic, technical, and institutional constraints on productivity increases; and a general set of incentives aimed at production and structural change in the agricultural sector. The assessment focused on cropping mix, pricing, research, input supply, and marketing policies and ultimately developed policy level recommendations for discussion between the Government of Senegal and AID. The analysis covered the fiscal implications of a number of policy recommendations involving credit and subsidy outlays through the GOS Agricultural program and examined the issues of restructuring the institutions involved.

SRI LANKA

Assistance In Developing a National Agriculture, Food and Nutrition Strategy in Sri Lanka

Agricultural Policy Analysis Project

In 1982, the lead government agencies involved in agricultural, economic and fiscal affairs in Sri Lanka recognized the need for developing a long-range strategy for the agricultural sector to increase output and productivity and address the nutritional needs of the country's population. In order to develop a National Agriculture Food and Nutrition Strategy (NAFNS), it was necessary to bring together senior technical and managerial staff from seven Ministries involved with the agricultural sector to address issues such as government versus private ownership of plantations and food processing industries, the level of tariffs on certain commodities, the level of subsidies to farm producers, and the effectiveness of the government's extension, credit and food stamps programs.

In order to assist in the development of the NAFNS, the Ministry of Finance and Planning requested that the USAID Mission provide a long-term resident advisor. This advisor was supplied by the Agricultural Policy Analysis Project and worked for two years with the Ministry of Finance and Planning and staff in each of these seven Ministries to develop the NAFNS.

The long-term APAP advisor worked on all parts of the NAFNS. This included the preparation of documents outlining the major elements of the Strategy for each of the Ministries; preparation for and carrying out workshops for decisionmakers and technical staff in order to reach consensus on policy and programmatic changes; participation in inter-ministerial working groups to address issues which cut across the agricultural sector, such as agricultural research; and assisting in the development of detailed action plans to implement the Strategy. The APAP advisor, therefore, played an important role in the Sri Lankan Government's efforts to modify and improve agricultural policies and programs.

THAILAND

Thailand Agricultural Planning Project Evaluation

Agricultural Policy Analysis Project

The Agricultural Planning Project (APP) is a three-year AID-sponsored project designed to strengthen the capabilities of the Office of Agricultural Economics to conduct policy advisory, aid in problem identification, and assist in analysis, planning, data management, and integrated project preparation functions.

An APAP technical advisor and a Thai counterpart were engaged to conduct a mid-term evaluation of the APP's progress after two years. The evaluation team addressed two types of questions -- one set relating to the effectiveness of the project in providing information for policy formulation and planning, the other relating to the appropriateness of the terms of reference of the Iowa State University consultants contracted for the project and their effectiveness in carrying them out.

The evaluation team found that the APP had achieved significant accomplishments in introducing new methods of data collection, analysis, project monitoring and evaluation, commodity analysis, and training. However, these accomplishments fell short of the expectations for that project, in particular, the policy-related goals.

The APAP evaluation team also examined why the APP had fallen short of its goals, and submitted major recommendations to AID/Thailand and the Royal Thai Government aimed at facilitating the completion of the project.

ZAIRE

Agricultural Statistics in Zaire

Agricultural Policy Analysis Project

The lack of adequate statistics on Zairian agriculture imposes a significant constraint on the prospects for improved agricultural policies in that country, since agricultural statistics are necessary to monitor and to measure the impact of various policy initiatives. The improvement of the food and agricultural sector is a fundamental requirement for future economic development and political stability in Zaire.

The Agricultural Policy Analysis Project (APAP) worked closely with AID/Zaire and the Government of Zaire (GOZ) in developing a plan for the improvement of agricultural policy formulation, and, in particular, for the gathering and analysis of the agricultural statistics necessary to guide policy formulation.

An APAP technical advisor in Zaire produced a step-by-step guideline for AID/Zaire and the GOZ suggesting a procedure for implementing a statistics project and keeping it high on the policy dialogue ongoing between USAID and the GOZ. This is consistent with APAP's broader goal of helping to enhance the agricultural policy analysis capacity within the GOZ.