

# THE PRAGMA CORPORATION

REPUBLIC OF PANAMA  
MINISTRY OF AGRICULTURAL DEVELOPMENT  
NATIONAL SECTORAL PLANNING DIRECTORATE

## QUARTERLY REPORT

OCTOBER 1 - DECEMBER 31, 1985

NO: III

USAID/PANAMA  
AGRICULTURAL POLICY FORMULATION & MANAGEMENT PROJECT  
(525-0247)

CONTRACT NO. LAC-0247-C-00-5030-00

# ***THE PRAGMA CORPORATION***

116 East Broad Street • Falls Church Virginia  
Tel. 703-237-9303 • Telex 203507 PRAGMA F

President  
**Jacques Defay**  
Established 1977

## **Countries:**

### **Africa:**

Botswana  
Burkina Faso  
Central African  
Republic  
Ivory Coast  
Mali  
Niger  
Rwanda  
Sierra Leone  
Zaire  
Zimbabwe

### **Asia:**

India  
Indonesia  
Nepal  
Pakistan  
Philippines  
Singapore

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Bolivia  
Costa Rica  
Ecuador  
Guayana  
Honduras  
Mexico  
Nicaragua  
Panama  
Paraguay  
Peru

### **Caribbean:**

Antigua  
Barbados  
Belize  
Dominica  
Dominican Republic  
Haiti  
Jamaica  
St. Kitts/Nevis

### **North Africa/ Middle East**

Egypt  
Lebanon  
Morocco  
Tunisia  
Yemen

## **Fields:**

Agriculture/Rural Development  
Health, Water Sanitation  
Financial Management  
Private Sector Development  
Conference Management  
Training, Education  
Industrial Development and Finance  
Microcomputer Application, Hardware and Softw

## **Clients:**

AID  
World Bank  
IDB  
IFAD  
OAS  
Peace Corps

## **Overseas Offices:**

Belize/Belize City  
Tel: 44362  
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Tel: 335339  
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Tel: 793480  
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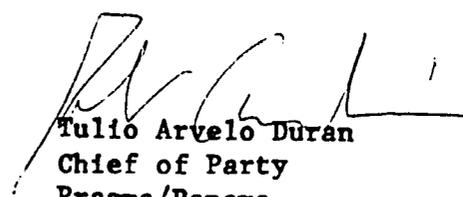
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## INTRODUCTION

I am pleased to submit the Pragma Corporation's Quarterly Report for the period October 1 through December 31, 1985. This Report includes six chapters, as follows:

- Chapter I. Summary
- Chapter II. Major Events of the Quarter
- Chapter III. Progress Toward Project Objectives
- Chapter IV. Major Problems and Constraints Encountered
- Chapter V. Planned Activities
- Chapter VI. Individual Team Member's Quarterly Reports



Tulio Arvelo Duran  
Chief of Party  
Pragma/Panama

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QUARTERLY REPORT  
The Pragma Corporation  
Panama, Republic of Panama

Agricultural Policy Formulation and Management Project  
(No. 525-0247)

October 1 - December 31, 1985

Chapter I. Summary

A. Principal Accomplishments of the Quarter

This quarter marked the initiation of Project work in earnest. A certain degree of confidence had been established during the previous quarter between the Pragma team members and the Planning Directorate (DNPS) staff, and efforts at integrating programmed activities could begin.

Major accomplishments of the quarter, contributing toward achievement of Project objectives, include:

1. The first agricultural price policy seminar and "Green Revolution" simulation of agricultural problems of a hypothetical rice-growing community was held during the quarter.
2. Draft commodity reports on rice, industrial tomato, beef, poultry, corn and sorghum, milk and dairy products, and edible beans were prepared.
3. The process of integrating regionally-based planners in an information gathering and reporting network was begun.
4. A series of meetings between planning directors of agricultural sector institutions was convoked to integrate and coordinate activities.
5. A consolidated public agricultural sector operative plan for 1986 was produced.

During the quarter, the remaining four of five Pragma long-term technical advisors were selected and approved by the GOP. Two of the four were posted during the quarter; the remaining two will arrive early next quarter.

## B. Major Problems

The principal difficulties of the quarter revolved around:

1. Institutional uncertainties within the Government of Panama as major changes occurred in the Cabinet, and organizational and personnel changes occurred within the Ministry of Agricultural Development (MIDA). No specific action could be taken by Pragma to alleviate counterpart anxiety and uncertainty. Yet, it was recognized that if the Project can gain the confidence of the new Minister, the probability of Project policy recommendations being implemented will increase.

2. As yet, imperfect channels of communication between PRAGMA, USAID, and MIDA -- resulted in unclear work assignments, and information lapses regarding Project progress. Among the measures recommended to improve communications are: the concurrence among PRAGMA, USAID, and MIDA on the Project workplan; regular, weekly meetings between Pragma's Chief of Party and USAID Project Officer; frequent (almost daily) meetings between Pragma's Chief of Party and the DNPS Director; and immediate transmittal of Project documents.

3. Operational difficulties in the absence of Project vehicles, which limited Pragma and counterpart technicians mobility. The immediate Project needs were accommodated by requesting and receiving approval from the Contract Officer to rent a vehicle.

4. The problem of insufficient or untimely disbursement of counterpart funds, especially to cover costs associated with counterpart per diem and travel. The solution to this problem would appear to have a longer time horizon, requiring institutional changes in budget allocation and disbursement.

## C. Activities Planned for January through March, 1986

The imminent arrival of the rest of the PRAGMA team is eagerly anticipated. As soon as possible, they will be incorporated into relevant ongoing Project activities, and their individual work activities will be integrated and harmonized in a global Project implementation plan.

Among the key Project outputs, expected to occur during the first quarter of 1986 are:

1. A finalized Annual Operating Plan of the Public Agricultural Sector (POA) for 1986.
2. Summary of the approved 1986 GOP budget, and comparison with programmed activities of the POA.
3. Implementation of a regional system for identifying, typifying, and monitoring agricultural production and marketing problems.

4. Identification of medium term policy analyses to be undertaken during the year, along with corresponding terms of reference and resource requirements.
5. Activities and schedule for producing a 1987 Annual Operating Plan of the Public Agricultural Sector (POA) and 1987 public agricultural sector Budget (integrated with the POA 1987) will be determined.
6. The production of a agricultural sector planning document, with a time horizon of two to five years, will be programmed.

## Chapter II. Major Events of the Quarter

On October 28-29, 1985, a Policy Seminar-Workshop was held at MIDA's Sanidad Agropecuaria Auditorium, via Tocumen. Approximately 35 persons participated from: MIDA's Planning Directorate (DNPS), Extension Directorate (SENEAGRO), Aquaculture Directorate (DINAAC), Renewable Natural Resources Directorate (RENARE) as well as the Agricultural Marketing Institute (IMA), Agricultural Development Bank (BDA), Office of Price Regulations (ORP), and USAID. The first day was divided into two parts -- part one dealt with methodological aspects of agricultural policy analysis; the second part examined the specific case of Panamanian rice policy. Almost all present participated by expressing opinions or observations during the day's proceedings. The second day was devoted in its entirety to a simulation exercise, "Green Revolution" in which workshop participants become active players dealing with production, commercialization and survival problems of a hypothetical rice-growing community.

The incipient commodity specialists program continued, as draft commodity reports were produced for: rice, industrial tomato, beef, poultry, corn and sorghum, milk and dairy products.

Recognizing severe deficiencies in the areas of information gathering and processing, the Project initiated efforts to strengthen the linkages and communication between the DNPS and ten Regional Planners, based in each of MIDA's regional offices. Two separate working sessions were held on November 7, and November 25-28, with nine regional planners, DNPS and Pragma staff members. A major part of these workshops included the introduction of a new system for identifying production and marketing problems, attempting to resolve them, improving the monitoring of such problems and attempted solutions, and coding such data for subsequent retrieval for policy analysis. This "System for Typifying Agricultural Sector Problems" (Sistema de Tipificación de Problemas) employs the Regional Planner as a focus for channeling information gathered from extension agents, private producers, etc. The Minister and Vice Minister both actively support the idea of the System.

The process of integrating Ministry of Agricultural Development (MIDA) and other public agricultural sector (SPA) institutions' planning efforts continued throughout the quarter. A series of meetings were held with directors of planning of the SPA, National and Regional Directors of MIDA, MIDA regional planners, and other technicians. The meetings were basic elements used in preparing the 1986 Annual Operating Plan (POA).

### Chapter III. Progress Toward Project Objectives\*

#### 1. Component I: Agricultural Policy Analysis

OBJECTIVE: To improve the ability of the National Directorate of Sectoral Planning/Ministry of Agricultural Development (DNPS/MIDA) to analyze, formulate, implement and evaluate agricultural policies.

a. The Commodity Studies program continued with the production of (first) draft commodity reports on rice, industrial tomato, beef, poultry, corn & sorghum, milk, edible beans, coffee, cocoa and tobacco.

b. The first of a series of regular policy seminars/workshops was held in late October.

c. Agricultural sector short and medium term objectives, strategic guidelines, and summaries on policies were produced for the Annual Operating Plan (POA 1986). The Program and Planning Specialist, Chief and Deputy Chief of Party participated in various working sessions to formulate the POA. (See Component II below for more details).

#### 2. Component II: Agricultural Programming & Management Support

OBJECTIVE: To increase public agricultural sector programming and management capability -- expand capability to select, design, budget, implement, monitor, evaluate and reformulate agricultural sector programs and projects.

a. The first consolidated public agricultural sector operating plan (POA 1986) was produced, and presented to regional and national directors of the Ministry of Agricultural Development, and other institutions. All PRAGMA staff in-country were involved in its preparation. The Plan Operativo Anual (POA) programs public sector activities in the agricultural sector and is employed in budget formulation. During its development, a series of meetings

\* The following description of objectives by component is based on information contained in the Project Paper.

were held with planners and technicians operating within the public agricultural sector. This represents an effort to integrate and coordinate public investments and support activities, which will continue over the life of the Project. Although the 1986 POA itself is "indicative" in nature, the experience gained in its preparation will be usefully applied in subsequent programming and budgeting exercises.

b. The process of integrating regionally-based planners in an information gathering and reporting network was initiated. A new system for identifying production and marketing problems, monitoring attempted solutions, and storing such information for subsequent policy analysis was designed.

c. PRAGMA assisted MIDA's Planning Directorate, Financial Directorate, and Office of the Minister in justifying the 1986 agricultural sector budget, and preparing documents for formal presentation prior to formal approval by the Legislative Assembly.

### 3. Component III: Information Support

OBJECTIVE: To improve MIDA's ability to respond to analytical and managerial informational needs for agricultural policy formulation and administration.

a. Initial steps were taken (with use of short-term consultant, Wilbert Walthers) to offer preliminary recommendations in the area of information support.

## Chapter IV. Major Problems and Constraints Encountered

The principal difficulty of the quarter concerned the instability of the Panamanian executive branch. As a consequence of the resignation of President, major cabinet changes occurred. The Minister of Agricultural Development was replaced, thus contributing to an uncertainty among our counterparts as well as within the private sector regarding: policy directives, strategic orientations, and priorities. These Ministerial changes mark the third experienced by the Pragma team since their arrival in Panama in March 1985. The probability of personnel changes within the Ministry also contributed to counterpart anxiety and inertia.\* Yet, as the quarter progressed, it became clear that the new Minister was a man willing, and able to take action. Thus, if the Project can gain his confidence, there would be an excellent opportunity to make recommendations, which are implemented.

\* Indeed, other personnel changes, of magnitude, occurred throughout the rest of the quarter -- including changes in the directors of the Agricultural Research Institute (IDIAP), BDA, IMA. Within MIDA, National Directors were also changed.

Imperfect communication between PRAGMA and USAID, and within USAID was recognized as problems, and recommendations were made to improve the volume and flow of information. Certain communication difficulties between PRAGMA and its principal counterparts within the DNPS/MIDA were also evidenced during the quarter, particularly with respect to PRAGMA's participation in the formulation of the 1986 Annual Operating Plan (POA). During July through September, other long-term, international technical advisors from the FAO were assisting DNPS/MIDA in preparing the POA. PRAGMA understood that its direct participation would not be necessary. With respect to the POA, a clear division of responsibility and labor between the two technical advisory teams had been established. Hence, neither PRAGMA staff nor counterparts time were allocated for this activity. At the onset of the quarter, it became clear that both PRAGMA and counterpart contribution to the POA would be required in order to comply with GOP requirements. Furthermore, it was recognized that the division of responsibility between DNPS technical advisors (PRAGMA, FAO) was not clearcut. Among the measures recommended to improve communications are: the concurrence among PRAGMA, USAID, and MIDA on the Project workplan; regular, weekly meetings between Pragma's Chief of Party and USAID Project Officer; frequent (almost daily) meetings between Pragma's Chief of Party and the DNPS Director; and immediate transmittal of Project documents.

MIDA is making various organizational changes, especially related to its provision of extension services. Little consultation and evaluation have occurred regarding: the effect of such changes, lines of responsibility, transition from one organizational structure to another. The division of responsibilities between national and regional directorates remains unclear. This complicates the programming of activities, and the assignment of human and financial resources. A clear orientation from high-level decisionmakers within the GOP is required to resolve this problem.

The problem of insufficient or untimely disbursement counterpart funds, especially to cover costs associated with counterpart per diem and travel, continued to be a major operational bottleneck with no solution in sight. The solution to this problem would appear to have a longer time horizon, requiring institutional changes in budget allocation and disbursement.

The operational difficulties in the absence of the Project vehicles is severely hampering our efficiency. Pragma and DNPS counterparts prepared the needed specifications and requested that USAID process the required documentation (e.g. PIO/Cs) for the purchase of four Project vehicles. Although the possibility of effecting such purchases through Pragma's existing contract was suggested, the USAID Mission decided it was best equipped to handle the acquisition. At the close of this quarter, the delivery date would appear several months off. To accommodate immediate Project needs, Pragma requested and received approval from the Contract Officer to rent a vehicle. The problem of gasoline for the vehicle(s), to be provided by MIDA, has not yet been resolved.

Other logistical problems, eg. lack of telephones in the offices occupied by Pragma and selected counterpart personnel, has not yet been solved.

The arduous process of selecting and securing GOP approval for long-term technical advisors appeared to be almost completely resolved. Formal interviews were required in order to reach agreement with GOP technicians appointed to review candidates' qualifications. As a result, Messrs. Cole, Garcia, Comas, Sere were selected for the positions of Administration and Finance Specialist, Planning Specialist, Project Specialist, and Policy Analyst, respectively. Both Cole and Garcia began their long-term assignments this quarter. Comas and Sere are expected to arrive in Panama early next quarter. A decision on the fifth (and final) technical advisor for the position of Information Specialist is expected early next quarter.

#### Chapter V. Activities Planned for January through March, 1986

This chapter is a duplicate of Part C of Chapter I.

The imminent arrival of the rest of the PRAGMA team is eagerly anticipated. As soon as possible, they will be incorporated into relevant ongoing Project activities, and their individual work activities will be integrated and harmonized in a global Project implementation plan.

Among the key Project outputs, expected to occur during the first quarter of 1986 are:

1. A finalized Annual Operating Plan of the Public Agricultural Sector (POA) for 1986.
2. Summary of the approved 1986 GOP budget, and comparison with programmed activities of the POA.
3. Implementation of a regional system for identifying, typifying, and monitoring agricultural production and marketing problems.
4. Identification of medium term policy analyses to be undertaken during the year, along with corresponding terms of reference and resource requirements.
5. Activities and schedule for producing a 1987 Annual Operating Plan of the Public Agricultural Sector (POA) and 1987 public agricultural sector Budget (integrated with the POA 1987) will be determined.
6. The production of a agricultural sector planning document, with a time horizon of two to five years, will be programmed.

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CHAPTER VI

INDIVIDUAL TEAM MEMBER'S QUARTERLY REPORT

INDIVIDUAL TEAM MEMBER'S QUARTERLY REPORT  
Agricultural Policy Formulation & Management Project  
PRAGMA team - USAID Project No. 525-0247  
Ministry of Agricultural Development  
Republic of Panama

Name: David Cole

Position: Management Specialist in Public Administration & Finance

Period Covered: November 1 - December 31, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

Orientation and review of office background information was completed.

The review and evaluation of MIDA present budgeting process and that of some of the other public institutions was completed. The related budget process between MIDA and MIPPE has been reviewed for the investment side of the agricultural sector's budget. The process for the operational side is still incomplete as it is much more complicated and involves many more analysts. Private sector agencies and institutions, as related to the budget process, have not yet been covered.

2. UNPLANNED ACTIVITIES DURING THE QUARTER

A. There were two unplanned seminars during November - a one day seminar in Santiago and 2 1/2 day seminar in Panama - both relating to regional planning, project monitoring and project/program problem typification.

B. A four day trip was made to the provinces of Herrera and Veraguas. One purpose of the trip was to meet the respective Regional Directors and discuss their programs, projects and interrelationships with the National Directorates. Also, several agencies were visited. Another reason for the trip was to follow-up on the implementation of the system for typification of programs/projects in these two provinces, as developed in the two November seminars, mentioned above.

C. Three days were spent assisting DNPS staff in the preparation of 1986 budget justification package that included various alternatives, as requested by the Minister for a presentation before the Budget Commission of the Legislative Assembly.

D. Initial briefing and work sessions with Xavier Comas and Maximo Seré.

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED

A. MIDA is making various organizational changes that appear to be ad hoc, without evaluating the impact of these changes, nor discussing the changes with the various departments involved nor PRAGMA staff.

B. There seems to be a difference of opinion between the National Directors and the Regional Directors regarding the implementation of programs and projects, but this is only a preliminary observation. Obviously, more time will be needed to properly evaluate the interrelationship between the National and Regional Directors.

C. The 1986 Annual Operating Plan (POA) was not structured in a manner to allow direct comparison to the 1986 budget. Therefore, a lot of unanticipated time is being used and is still to be used in the next quarter, in order to establish some kind of relationship between the budget and the POA, so that a regular monthly progress report can be presented.

D. The structure of the 1986 budget as approved by the National Assembly of Panama does not coincide with MIDA's organizational structure. Therefore, an internal budget structure for MIDA will have to be developed and controlled.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

A. Present summary of approved 1986 investment and operating budgets for MIDA. Jan. 1986

B. Continue reviewing and evaluating the present budgeting process of MIDA and related process with MIPPE and other appropriate public and private agencies and Institutions with recommendations for improvement. Jan./Feb. 1986

C. Develop recommendations for formalizing working arrangements in coordination with DNPS Personnel, as well as MIDA's Directorates of Finances and Administrative Service, and other Agricultural Sector Institutions. Jan. 1986

D. Assist in the implementation of budget procedure & formulation changes. Feb./Mar. 1986

E. Present a summary of the 1986 budget and its comparison with the 1986 POA. Jan. 1986

F. Establish as best as possible, a method of comparing the progress of the implementation of the POA with the use of the budget. Feb. 1986 monthly thereafter

- |   |                |
|---|----------------|
| G. Assist in the preparation of the 1987 POA and 5-year plan, in a revised format.          | Feb./May. 1986 |
| H. Assist in the modification &/or design of a Project Monitoring System.                   | Feb./Mar. 1986 |
| I. Present recommendations for the programing and more efficient use of MIDA's 1986 budget. | Feb./Mar. 1986 |
| J. Review Administrative & Financial Procedures.  | Mar./Apr. 1986 |
| K. Recommend and implement an inventory system that includes control of MIDA equipment.     | Mar./May. 1986 |

INDIVIDUAL TEAM MEMBER'S QUARTERLY REPORT  
Agricultural Policy Formulation & Management Project  
PRAGMA team - USAID Project No. 525-0247  
Ministry of Agricultural Development  
Republic of Panama

Name: Zenon García

Position: Program and Planning Specialist

Period Covered: December 1 - December 31, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

The activities planned for December 2nd. - December 20th., submitted to PRAGMA/US in draft form, were accomplished satisfactorily:

- Arrived in Panama on December 1.

- Introductory meeting with Chief of the Party, Dr. Tulio Arvelo Duran, Deputy Chief of the Party, Dr. Robin Zeitz, Director of DNPS, Dr. Reynaldo Perez, Deputy Director of DNPS, Lic. Carlos Palacios.

- Met with principal counterparts, Lic. Augusto Herrera and Lic. Fidel Delgado. With them a list of their activities and priorities has been developed.

- Short term (Annual) Operating Plan (POA). Reviewed the programmed schedule for development of the POA. Discussed status with DNPS working groups.

- Regarding ongoing POA development, together with David Cole (PRAGMA), Augusto Herrera and Javier Macre, met with heads of planning units of the Agricultural Development Bank (BDA), Institute of Agricultural Marketing (IMA), Agricultural Research Institute (IDIAP), Institute of Agricultural Insurance (ISA), the Seed Enterprise (ENASEM) and discussed critical problems and short-term targets.

- From 16 to 17 of December, together with David Cole (PRAGMA), Augusto Herrera, Javier Macre and Fidel Delgado, met in Santiago de Veraguas with personnel of the Machinery Enterprise (ENDEMA), Regional Office No. 2, and the working group in Montijo and discussed the problems and targets of the POA.

2. UNPLANNED ACTIVITIES DURING THE QUARTER.

- During the month of December, participated in a briefing session with Maximo Sere and Xavier Comas, PRAGMA candidates for the Policy Analysis and Projects positions.

3. ACTIVITIES PLANNED FOR NEXT QUARTER (January - March 1986).

1. Review draft document, Plan Operativo Anual 1986, and suggest final revisions, resetting of targets, modified frame of reference January 6 - 31
2. Prepare draft table of contents of a Five Year Plan. Discuss with MIDA counterparts January 6 - 10
3. Prepare frame of reference for Five Year Plan.  
Agricultural Development Program 1986-90 January 10-31  
Behavior of Aggregates 1970 - 1985 February 1 - 25  
Behavior of Agricultural Sector 1970-85 February 1-25  
Demand Analysis (Exports, intermediate, and final demand), structure and Projections March 1 - 15
4. Seminar - workshop March 11-12
5. First draft of Procedures and Methods for preparing Medium Term Plan. March 16-31

INDIVIDUAL TEAM MEMBER'S QUARTERLY REPORT  
Agricultural Policy Formulation & Management Project  
PRAGMA team - USAID Project No. 525-0247  
Ministry of Agricultural Development  
Republic of Panama

Name: ROBIN ZEITZ

Position: Deputy Chief of Party

Period Covered: October 1 - December 31, 1985

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

The following planned activities were undertaken during the period October - December, 1985:

- Prepared and held brief orientation seminar for Dept. of Specific Projects, DNPS personnel.

- Completed proposal, requested by USAID Project Officer, on long-term participant training and short-term training, submitted to USAID for its consideration.

- Assisted in preparing and carrying out the first, quarterly policy seminar, held October 28-29.

- Met with Dept. of Specific Projects, DNPS, to discuss project monitoring tasks, and personnel assignments.

- Met with the Project Technical Committee.

- Monitored status of pending Conditions Precedent, and assisted in assuring their completion.

- Prepared draft workplan for 1986, submitted to USAID for its review and approval.

- Oriented and briefed arriving candidates for positions as long-term technical advisors (Guerrero, Cole, Proenza, Seré, Comas, García) and short-term consultant (Walthers).

- Initiated and coordinated an accounting system with the home office for a routine transfer of cost data to the home office, to be continued the next quarter.

2. UNPLANNED ACTIVITIES DURING THE QUARTER.

- Prepared briefing materials, recounting Project accomplishments to date, and participated in critical review with USAID Mission staff, including USAID Director, Ronald Levin.

- Participated in various working sessions on the Agricultural Sector Annual Operating Plan for 1986 (POA 1986) to plan outline, review and draft documentation.

- Initiated process of integrating Regional Planners, based in each of ten regions, with the Panama and Santiago offices of the DNPS, employing them as initial information sources for problems and activities in each of the regions. Specifically involved working sessions (seminarios/talleres) in Santiago, and Panama with Regional Planners, the introduction of the idea of a System for identifying Problems, and Monitoring the actions taken to solve them.

- Attended two-day seminar, conducted by the home office, in Tulsa, Oklahoma on the simulation exercises, the Green Revolution and Exaction, to gain expertise as a trainer for in-country seminars.

- Traveled to Washington, D.C. for consultation with the Pragma Home Office, and finalization of Participant Training Technical and Cost Proposal for USAID's consideration.

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED.

The change of Minister provoked uncertainty regarding: policy directives, and the possibility of personnel changes. This led to a modified strategy for the presentation of draft project monitoring proposal to the Minister.

The apparent indecisiveness within the GOP, coupled with relatively cumbersome procedures for selection, were finally surmounted with selection of remaining long-term Technical Advisors.

The need for improved communications between PRAGMA and USAID, and within USAID was identified. Recommendations regarding an improved communication system were made.

The problem of counterpart funding, especially related to per diem and travel, has not yet been resolved.

The operational difficulty in the absence of Project vehicles is severely hampering the Project's implementation activities. Pragma and DNPS counterparts prepared the needed specifications and requested that USAID process the required documentation (e.g. PIO/Cs) for the purchase of four Project vehicles. Although the possibility of effecting such purchases through Pragma's existing contract was suggested, the USAID Mission decided it was best equipped to handle the acquisition. At the close of this quarter, a delivery date would appear several months off. To accommodate immediate Project needs, Pragma requested and received approval from the Contract Officer to rent a vehicle. The problem of gasoline for the vehicle(s), to be provided by MIDA, still not resolved.

Other logistical problems, eg. lack of telephones in the offices occupied by Pragma and selected counterpart personnel, has not yet been solved.

4. ACTIVITIES PLANNED FOR NEXT QUARTER (January - March 1986).

Improve formulation and monitoring process of agricultural sector programs

- |  |                |
|--|----------------|
| Review "final" Annual Operating Plan (POA) 1986 and its integration with 1986 Budget | Jan. 5-16      |
| Assist in development and modification of POA monitoring system                      | Feb.-Mar       |
| Participate in development and critical review of USAID Agricultural Strategy        | Jan. 23 - Feb. |
| Review plan for developing GOP 5-year Agricultural Sector Plan.                      | Feb.           |
| Help initiate plans for preparation of 1987 POA and Budget                           | March          |

Improve project monitoring system

- |  |           |
|--|-----------|
| Review key problems, including logistical ones to implementing project monitoring system, (integrated with, and complementary to, POA monitoring system)   | Feb-Mar   |
| Help arrange ongoing joint and/or separate meetings with USAID project officers, Panamanian implementing agency personnel, and technical advisory teams - to review "monitoring" plans and informational reporting requirements. | Mar.      |
| Schedule regular, periodic (perhaps monthly) meetings in the field for project monitoring, identification of project implementation problems, etc.   | March     |
| Program 1986 work sessions (workshops) with project personnel  | Feb.-Mar. |

Follow-up on regional planning informational system --  
typification of production/commercialization/problems

Help initiate pilot typification schema in  
two regions (Herrera and Veraguas) February

Modify typification schema to apply to other  
regions; program requires field trips to  
implement typification system. February

Assist in preparation and implementation of  
quarterly(March/April) seminar Feb.-Mar.

Administrative Matters

Routine Administrative Matters Jan.-Mar.

Help prepare specifications and other  
documentation needed to purchase computer  
equipment. March

Orient arriving long-term TA (Seré, Comas,  
Robles) Jan-Feb.

Review and help integrate individual workplans  
of Pragma team members, and Pragma workplan with  
MIDA Project Work and Financial Plans Feb.-Mar.

Participate in preparation of the quarterly  
and annual reports Jan.-Mar.

INDIVIDUAL TEAM MEMBER'S QUARTERLY REPORT  
Agricultural Policy Formulation & Management Project  
Pragma team-USAID Project No. 525-0247  
Ministry of Agricultural Development  
Republic of Panama

Name: Tulio Arvelo Duran

Position: Chief of Party

Period Covered: October 1-December 31, 1985

1. STATUS OF ACTIVITIES PLANNED FOR THE PAST QUARTER

The following planned activities were undertaken during the period October-December, 1985:

a) Preliminary policy studies for the following commodities were prepared: rice, beef, poultry, industrial tomato, corn and sorghum, milk and dairy products and edible beans. The policy studies are in draft, awaiting discussion seminars, to commence next quarter.

b) Participated as co-manager of the first Policy Seminar held to discuss issues related to rice policy, and to enact the simulation exercise, the "Green Revolution."

c) Elaborated the agenda for the Second Technical Policy Seminar, to be held next quarter. The topic chosen is "Medium Term Planning."

d) Held regular Technical Committee Meetings during the quarter to discuss issues related to the Project.

e) With respect to the Panamanian agricultural sector strategy, worked jointly with the counterpart in the elaboration of the 1986 Operating Plan for MIDA.

f) Provided briefing and settling in support to Mr. Cole and Mr. Garcia upon their arrival.

2. UNPLANNED ACTIVITIES DURING THIS QUARTER.

The most important unplanned activity of this quarter was the participation, with our counterparts, in the elaboration of the Annual Operating Plan (POA) for 1986. The POA has been an exercise to summarize indicative targets for the public sector; the first effort by MIDA to integrate all public sector institutions' annual programmed activities and budget. Although the POA/1986 was hastily prepared and certain

inconsistencies remain, it afforded us the opportunity to use in this effort the expertise of recently arrived Zenon Garcia, and to gain experience which will benefit the Project when the next POA is prepared in mid-1986.

During this quarter we developed a methodology for identifying and monitoring problems in the countryside, using the regional planners and the members of DNPS stationed in the interior. This system was approved by Planning Director, Perez, and garnered the strong support of Vice-Minister Castillo. The system initially will be implemented in two provinces (Herrera and Veraguas). For that purpose we held two unplanned seminars, the first in Santiago, Veraguas and the second in Panama City, in which all regional planners participated.

Since one of the main activities of the quarter was the presentation of the POA, adjustments to the program of commodity studies were made and the following commodities were added: coffee, cocoa and tobacco.

### 3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED

The main difficulty of the Quarter related to the resignation of the President and consequent Cabinet changes, including that of the Minister of Agricultural Development. As occurred in the past, this fact created an inertia that jeopardized the relationship of the Project with the "Despacho Superior" (the Minister's Office). For that reason, during the quarter I only met once or twice with the new Vice-Minister and did not meet the new Minister. Therefore, most advisory functions were not accomplished during this quarter.

Given the importance of the POA/86 which required assigning most DNPS human resources to its development, and in the absence of Pragma's Agricultural Policy Analyst (who has not yet been fielded), the following commodities studies were not started (as originally programmed): pork, citrus, melons and watermelons, sugarcane, onions, bananas and shrimps. For the same reason, the critical review and translation of Frank Conklin's Agricultural Economic Assessment was postponed.

With respect to Project participation in the Commodity Commissions, certain internal issues regarding division of responsibility and authority between DNPS and other MIDA units need to be resolved. In the absence of clearcut authority, we did not have ready access to the Commissions.

Finally, my family emergency which required my travel to Rio de Janeiro during December interfered with activities programmed during this month.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

- With all team members at post start the elaboration of a medium term plan.
- Reorganize the proposed workplan (handed in September 1985) and adapt it to the individual work plans.
- Re-start the contacts with the Commodity Commissions and set regular meetings to discuss policy issues.
- Continue implementing the System of Identifying, Typifying and Monitoring problems.
- Implement a monitoring system for the POA/86, including presentation of Monthly Reports to the Minister's Office, (Despacho Superior).
- Continue coordination of the Project activities with the home office, MIDA, and USAID.
- Coordinate the team members' activities for the preparation of the quarterly and annual reports.