

REPUBLIC OF PANAMA

MINISTRY OF AGRICULTURAL
DEVELOPMENT

NATIONAL SECTORAL PLANNING
DIRECTORATE

QUARTERLY REPORT

APRIL 1 - JUNE 30, 1986

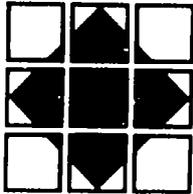
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USAID PANAMA

AGRICULTURAL POLICY FORMULATION &
MANAGEMENT PROJECT

(525-0247)

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



THE PRAGMA CORPORATION

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Established 1977

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

QUARTERLY REPORT

April 1 - June 30, 1986

Prepared by:

THE PRAGMA TEAM
Panama, Republic of Panama

Agency for International Development
Contract No. LAC-0247-C-00-5030-00

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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

QUARTERLY REPORT
The PRAGMA Corporation
Panama, Republic of Panama

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

April 1 - June 30, 1986

Chapter I. SUMMARY

A. Principal Accomplishments of the Quarter

This quarter's principal accomplishment is summarized in the phrase "The Five Year Plan" (Plan Quinquenal). PRAGMA team members worked closely with DNPS counterparts to develop a methodology for elaborating the Plan, and formed working groups to discuss and draft the document. Although the Ministry of Agricultural Development has produced multi-year "plans" in the past, this Plan is distinguished by the fact that it is an orienting document, couched within a framework of market-directed economic activities. DNPS and PRAGMA personnel engaged in consensus building as all public agricultural sector institutions were consulted in the development of the Plan. At the close of the quarter, the first version of the Plan was complete and distributed to public sector institutions. Subsequently, it will be disseminated and discussed with the private sector.

The Project's Implementation, Financial and Training Plans were formally approved by the Executive Committee in June. The approval of the Training Plan, in particular, was a necessary condition prior to the commencement of a series of long and short-term training activities.

Due to the intense effort associated with the Five Year Plan, many other activities programmed for the quarter will have to be rescheduled. These include activities related to the Annual Operating Plan (POA) 1987, 1987 budget, and project inventory system.

B. Major Problems

Highlights of major problems observed during the quarter are listed below. More detailed descriptions are included in Chapter IV.

The timeframe within which the Five Year Plan (Plan Quinquenal) was prepared limited the types of methodology and consultations which could be employed. As a result, the strategy employed was to develop a first version, to be discussed and subsequently revised. Concentration of PRAGMA and counterpart staff efforts in the task of producing the Plan means many other activities must be reprogrammed.

Administrative and organizational problems which were evident during the quarter relate to: the lack of Project computers which negatively affects various Project activities; the potential structural change within the National Agricultural Planning Directorate indicated by a recently signed Ministerial resolution which would transfer the Departments of Project and Technical Cooperation to a new special Coordination Unit to advise the Minister's Office; the inability to establish a separate group for longer term agricultural policy analysis which is free from most fire-fighting responsibilities; and the continuing issue related to appropriate incentives for counterparts.

C. Activities Planned for July through September

The most important activities to be carried out during the third quarter are described in this section. A more detailed list is included in Chapter V. Next quarter, the team will:

- o Continue to work on Plan Quinquenal issues, especially related to improving the draft Five Year Plan, and preparing and staging workshops/seminars with the public and private sectors.
- o Prepare agricultural policy discussion documents and recommendations for beef, poultry, pork, rice, corn and sorghum as well as background papers on internal terms of trade, and price distortions.
- o Complete a draft Methodological Guide for Project Prioritization.
- o Continue to improve the agricultural statistical data bank.
- o Develop means to respond to immediate needs for agricultural data.

- o Offer recommendations for improving the collection and processing of agricultural statistics.
- o Recommend means to introduce an Internal Operating Budget to reallocate and control the approved budget, and improve cost accounting.
- o Review Five Year Plan financial projections to assure compatibility with the 1987 draft budget. Assist in 1987 budget formulation and presentation materials.
- o Produce terms of reference for various short-term consultancies.
- o Assist in developing the 1987 Annual Operating Plan (POA-87). Finalize PRAGMA's proposal for short-term training activities.

CHAPTER II. MAJOR EVENTS OF THE QUARTER

The major event of the quarter from the Project's perspective related to the efforts surrounding the Five Year Plan. However, this activity should be considered within the context of complying with conditions established by the World Bank's Structural Adjustment program. The Agricultural Incentives Law which called for the Five Year Plan was itself a product of Government of Panama negotiations with the World Bank. In addition, particularly during the month of June, other significant changes affecting the agricultural sector were coming to a fore. These include: modifications to tariffs, termination of State (IMA) purchases of agricultural commodities, and agricultural institutional changes and reorganization. The latter include: the transfer of seed certification/replication responsibilities from the National Seed Enterprise (ENASEM) to the Agricultural Research Institute (IDIAP), the closing of the Sugar Mill at Las Cabras, ownership/management changes within the Agricultural Marketing Institute (IMA) and National Machinery Enterprise (ENDEMA).

Chapter III. PROGRESS TOWARD PROJECT OBJECTIVES

The principal technical activity of the quarter revolved around the formulation of the Five Year Plan. In the course of developing the Plan, consultations with other public sector institutions took place, and informal contacts were made with private producers. As a result the following was achieved:

1. Component I: Agricultural Policy Analysis

- a. A restatement of agricultural sector medium term objectives was formulated.
- b. The strategy of the private sector as the motor of agricultural development was endorsed.
- c. The need to reduce market imperfections, to encourage competition, and widely disseminate market information was recognized.
- d. Policy guidelines were developed for: product and input prices; marketing of agricultural inputs and commodities; production, export, and marketing credit; agricultural technology development and transfer; renewable nature resource protection and management; programs related to subsistence agriculture; institutional development.

2. Component II: Agricultural Programming and Management Support

- a. For all public agricultural institutions, specific investment projects to be implemented during the five year period were identified within program areas.
- b. Drawing on objectives, strategies and policy guidelines, strategic programs were developed in the areas of: agricultural productivity improvements; (domestic) marketing of inputs and commodities; agroindustrial development; export promotion; social development; credit; renewable natural resource conservation and development; and institutional development.
- c. Opportunities for private investment in the agricultural sector were identified.
- d. A series of "new" activities to be carried out by the public sector were identified; the withdrawal of the State from directly productive or marketing activities was reaffirmed.
- e. Pre-coded forms for the computerized project inventory system were completed for the phases' idea, profile, and feasibility.

3. Component III: Information Support

- a. The structure of the computerized data bank within the DNPS was modified to ease retrieval of information, and data input increased.
- b. Arrangements were made for interchanges of information with the Inter-American Institute for Agricultural Cooperation (IICA). Panamanian organizations with useful agricultural information were contacted and expressions of cooperation received from the Directorate of Census and Statistics, libraries at the University of Panama, the Agricultural Research Institute (IDIAP).
- c. A catalogue of documents in situ was initiated.
- d. Specifications for the first phase of computer purchase were developed.

Chapter IV. MAJOR PROBLEMS AND CONSTRAINTS ENCOUNTERED

PRAGMA team participation in preparing the Five Year Plan (Plan Quinquenal) presented two major difficulties: one related to other programmed work activities, and one related to the Plan itself. The level of effort applied to the Plan was such that almost all other Project activities for the time period were affected. Both PRAGMA staff and counterpart personnel devoted considerable time to consultations on, and preparation of, the first draft of the Five Year Plan. As a result, it will be necessary to reschedule many other Project activities. Secondly, the amount of time allocated for preparing the Plan was inadequate. An article of the new Agricultural Incentives Law (passed March 20, 1986) required a Five Year Plan within 90 days of its promulgation. As a result, the strategy employed was to develop a first version, to be discussed and subsequently revised.

The lack of Project computers negatively affects various Project activities. These include, a wide range of information gathering/processing activities, policy analysis, project prioritization, project inventories, project and program monitoring, financial and administrative management improvements.

A Ministerial resolution was signed during the quarter to transfer the DNPS' Departments of Projects and Technical Cooperation, to a new special Coordination Unit which will advise the Minister's Office (Despacho Superior). If the transfer takes place, it will fractionalize project development, monitoring and evaluation efforts as well as complicate programming and budgeting functions. The PRAGMA team will continue to work with

the personnel in this new Unit. The relationships and interface with DNPS and other MIDA units have to be developed.

A chronic issue which has both short and long-term negative effects on the Project is to the issue of appropriate incentives (particularly salaries) for counterparts. Salaries are not objectively or consistently determined. Motivation of counterparts becomes problematical, and loss of key individuals is one likely consequence. The issue was recognized during Project development and will be addressed (in the longer-term) through a personnel management study. This study will relate personnel requirements to the mandated functions of the Ministry, define job positions, lay out appropriate salary scales, systematize procedures for recruitment, advancement, training, etc. In the short-term, an interim solution needs to be developed, which likely will require the active involvement of USAID as well as MIDA and PRAGMA.

Another reoccurring problem relates to the need to separate fire-fighting from longer term analytical inquiries. The Project proposes the creation of a group for medium term policy analysis which has a permanent and stable nature, consisting of MIDA personnel and locally contracted technicians. Past efforts to establish this group have not been successful.

Chapter V: ACTIVITIES PLANNED FOR JULY THROUGH SEPTEMBER 1986

Next quarter, the team will continue to work on Five Year Plan issues, especially related to improving the draft, and preparing and staging workshops/seminars with the public and private sectors. In so doing the team will

1. Meet with a USAID Consultant brought to review the document and recommend means to improve it.
2. Meet with public sector personnel to clarify elements of the document, and to receive comments.
3. Prepare related financial projections.
4. Assist in the preparation of another draft.
5. Help to arrange formal meetings (workshop/seminars) with the private agricultural sector.

In policy-related areas the team plans to

6. Produce discussion documents and policy recommendations for beef, poultry, pork, rice, corn and sorghum.
7. Participate in Commodity Commissions, if they are functioning with their (new) legal regulations established.
8. Initiate short-term consultants' policy analyses in the areas of beef exports, marketing credit, and input prices/market distortions.
9. Prepare background papers on internal terms of trade, and price distortions.
10. Initiate policy impact analyses related to prices, marketing and credit.

In programming and management areas, team members will

11. Complete a Methodological Guide for Project Prioritization (Instructivo Metodologico para la Priorizacion de Proyectos).
12. Continue to improve the project inventory system.
13. Initiate development of methodology for project problem typification, and project monitoring.
14. Continue review on Financial Directorate structure and procedures.
15. Recommend means to introduce an Internal Operating budget to reallocate and control the approved budget, and improve cost accounting.
16. Review Five Year Plan financial projections to assure compatibility with 1987 draft budget. Assist in 1987 budget and presentation materials.
17. Prepare terms of reference for a personnel management study.
18. Assist in 1987 Annual Operating Plan (POA 1987) development.

In the Information Component, programmed activities are to:

19. Continue to improve the data bank of agricultural statistical information.

20. Develop means to respond to immediate needs for agricultural data.
21. Offer recommendations for improving the collection and processing of agricultural statistics.
22. Increase the stock of available reference information.
23. Continue the catalogue of documentation.
24. Follow-up with the Directorate of Statistics and Census on the possibility to implement area frame.

Cutting across all Project components are a series of activities related to formal short and long-term training. PRAGMA team members are expected to:

25. Finalize PRAGMA's proposal for short-term training activities.
26. Attend to administrative issues related to short-term training such as interviewing candidates for related positions.
27. Assist in formalizing the procedures for selecting long-term training candidates.

Chapter VI. INDIVIDUAL TEAM MEMBER'S QUARTERLY REPORT

David Cole

Xavier Comas

Zenon Garcia

Julio Robles

Máximo Seré

Robin Zeitz

Tulio Arvelo Duran

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 S. COLE

Position: Management Specialist in Public Administration and
Finance

Period Covered: April 1 - June 30, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER

- A. Continue revising and evaluating the present budgeting process of MIDA, with recommendations for improvement.

This activity is still ongoing, but has been delayed due to the preparation of the Five Year Plan.

- B. Finalize recommendations for formalizing working arrangements in coordination with DNPS Personnel, as well as MIDA's Directorates of Finance and Administrative Services, and other Agricultural Sector Institutions if possible.

The identification of the DNPS Personnel was formalized as related to the Five Year Plan activities, and this activity covered almost the entire quarter. I still have not yet had the opportunity to discuss nor identify the counterpart staff desired from the Directorates of Finance and Administrative Services. Also, DNPS counterpart staff will need to be formalized.

- C. Review Administrative and Financial Procedures.

This activity will continue to be ongoing, but it has not advanced at the pace anticipated due to the Five Year Plan activities.

- D. Assist in the preparation of the 1987 POA and Five Year Plan, in a revised format.

Since the Five Year Plan is still not finalized, 1987 POA is only just being started.

- E. Memo re authority decision-making division between National and Regional Directorates.

This activity was started, but could not be continued until the completion of the Five Year Plan. It will be continued during the next quarter.

- F. Establish as best as possible, a method of comparing the progress of the implementation of the POA with the use of the budget.

This is being accomplished from a financial standpoint.

- G. Present recommendations for the programming and more efficient use of MIDA's 1986 Budget.

Delayed due to the Five Year Plan activities.

- H. Recommend and implement an inventory system that includes control of plant and equipment, vehicles and the respective MIDA stores involved.

Delayed due to the preparation of the Five Year Plan.

- I. Assist in the modification and/or design of a Project Monitoring System.

Delayed until after the completion of the Five Year Plan.

- J. Assist in the preparation of the draft and final 1987 budget request presentations.

This activity is ongoing and will continue.

2. UNPLANNED ACTIVITIES DURING THE QUARTER

- A. The visit of Mohammad Fatoorehchie (Pragma Home Office) for the last half of April.
- B. The visit of Mr. Wade Gregory (Pragma Home Office) from 11 May to 22 May.
- C. There were two (2) retreats that involved several all day sessions each.
- D. There were a number of lengthy meetings held with DNPS staff regarding the outline, methodology and preparation of the Five Year Plan.
- E. Many meetings were held with all of the institutions in the public agricultural sector and most of the National Directors, to advise them of the information needed for the Five Year Plan and then later to collect, discuss and review the information with each of them respectively.

Some meetings were also held with MIPPE. In order to obtain and discuss some of the information, a one day trip was made to Santiago.

- F. Several debriefings were held with AID staff at their request, some regarding projections for the Five Year Plan.
- G. Due to the sudden and unexpected transfer of the Chief of the Budget Section in DNPS Panama City, I was requested by the Director of DNPS and the USAID Project Officer to assist in the preparation of MIDA's 1985 "FAPA Project" counterpart expenditure that are part of the Project's 1986 Financial Plan. In order to complete this activity, a one day trip was made to Santiago to gather 1985 counterpart expenditure for the "FAPA Project".
- H. At the request of the Director of DNPS and the USAID Project Officer, I assisted in the preparation of the DNPS's 1986 financial projections for the "FAPA Project" that are part of the Project's 1986 Financial Plan that was submitted to AID.
- I. At the request of DNPS management, I was requested to explain the types of costs included in the categories of counterpart costs, reimbursable costs and donation funded

1. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED

- A. The departure of the Chief of the Budget Section without providing a qualified replacement, created major problems in the preparation of "FAPA Project" expenditure and financial projection information, and the preparation of financial information and projections for the Five Year Plan. The other person in this section is relatively new and had no experience in any of these areas; and since DNPS did not hire any replacement, the one person in the section had other duties to perform as well. As a result, I had for all intents and purposes, no counterpart assistance. His being involved in other activities also caused me to miss several meetings because one can only attend a meeting with his counterpart present. This lack of qualified counterpart staff caused me almost singlehandedly to have to prepare the financial projections for the Five Year Plan.
- B. The (2) visits by PRAGMA Home Office staff caused unexpected delays in my work progress since their presence and Five Year Plan preparation interfered with travel to Santiago to continue working with other counterpart staff.

This situation was further exacerbated by the unexpected and unplanned effort required to work on the Five Year Plan. As a result a number of delays have been encountered in my work program.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

- A. Finalization of the financial projection and revised financial projection for the Five Year Plan.
- B. Integrate the budget process for new and ongoing projects with the budget cycle of the GOP.
- C. Recommend means to consolidate and integrate Agricultural Sector Programs within MIDA and within the Public Agricultural Sector.
- D. Integrate budgeting and programming process -- Establishment of an Internal Budgeting System.
- E. Elaborate terms of reference for personnel management system study.
- F. Review information on key problems in administrative and financial areas in MIDA.
- G. Suggest modifications to financial reporting, disbursement and cost control systems.
- H. Propose changes in administrative and financial procedures to streamline and rationalize operations.
- I. Review and evaluate institutional organizational changes.

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: Xavier Comas
Position: Project Specialist
Period Covered: April 1 - June 30, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

This has been the "Plan Quinquenal's quarter", for the Plan has taken practically all my time during the last three months. In that period, all non-Plan related activities had to be relegated to second priority, cancelled, or postponed.

Fortunately, the first draft of the Plan was completed by June 20th, on schedule, and submitted to the "Asamblea Legislativa" for consideration. Even though I will still spend a considerable portion of my time working on revisions of the draft document of the Plan, as well as on the Plan's implementation process, I hope that now I will be able to resume a more balanced schedule of activities.

The status of the other activities planned for last quarter is as follows:

1) The "Instructivo Metodologico para la Priorizacion de Proyectos" is almost ready, but it still needs some extra work.

ii) The pre-coded forms for the Project Inventory System have been completed for the Phases: idea, profile, feasibility. The computer program that should accompany these forms is yet to be prepared.

iii) The work on the system for project problem identification and monitoring has not begun.

2. UNPLANNED ACTIVITIES DURING THE QUARTER.

Prepared and gave a presentation of the English version of SAEPA (Sistema para el Analisis Economico de Proyectos Agricolas) for PRAGMA staff.

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED.

The main problem I encountered has to do with an administrative reorganization currently in the making at MIDA. As a result of this reorganization, my principal counterpart in

the Departamento de Proyectos Especificos (DPE) will become part of a new administrative unit that will operate as "asesora del Despacho Superior". This reorganization poses one basic problem: the person appointed to be the head of the new unit, Lic. Gustavo Gonzalez, left the country immediately after the Minister signed the "resuelto" (resolution) creating the new unit. He left without providing specific directions as to what the priorities of the people working under him ought to be. Lic. Gustavo Gonzalez will be back by mid-July; until then I will not know for certain the exact nature of the work I will have to perform next quarter.

A second problem I encountered has to do with the delay in the arrival of the Project's computers. Access to an IBM-compatible personal computer is a prerequisite for my being able to perform my work. During last quarter, I overcame the lack of computers by bringing my own personal computer to the office. Due to so much movement between my home and the office, however, my computer was seriously damaged, and it will no longer be available for the Project. Unless the Project's computers arrive soon, my working capacity will be considerably limited.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

Next quarter will be shortened by my vacation, which I will take between August 18 and September 5, and by one week that I will take off using compensatory time accumulated last quarter while working on the Plan. I will divide my remaining work time (pending any changes that the return of Lic. Gustavo Gonzalez might bring about) between two basic activities: working on some of the many revisions that the draft document of the Plan still needs, and resuming the activities that I had originally scheduled for last quarter. These activities are:

1) to complete the work on the "Instructivo Metodologico para la Priorizacion de Proyectos";

11) to continue working on the project inventory system, attempting to have a first version ready for testing by the end of the quarter;

111) to start work on a computerized system for project problem identification and monitoring. The first step will be to set forth methodologies for project problem typification, and for physical and financial project monitoring.

The completion of the above activities -- especially numbers 11 and 111 -- is totally dependent upon the arrival of the Project's computers.

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 GARCIA
Position: Program and Planning Specialist
Period Covered: April 1 - June 30, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

The activities planned for April 1 - June 30 were accomplished as follows:

- Prepared Five Year Plan 1987-1991: My main activity of the quarter was assisting in the preparation of Chapters 2 and 3 of the Five Year Plan, including the quantitative appendix to it. These chapters include an analysis of the agricultural sector and supply and demand perspectives. I also participated, marginally, on the other five chapters. The landmarks of this activity along with the major participants were as follows:

1st through 6th of April - Review of Guidelines for Planning Procedures with Reynaldo Pérez - Carlos Palacios.

7th through 13th of April - Consult with MIPPE, USAID, Ministry of Hacienda regarding Panama's macro-economic setting. There is consensus that the best available information is the World Bank Country Study, Panama: Structural Change and Growth Prospects (1985).

16th of April - First draft of chapter two ready. Working team: Zenón García, Augusto Herrera, Luz Venus de Aguirre, Mitzi Navas, Didimo Soriano, Deogracio Castillo, Luis Cesar, Odilia Ostia, Helvecia de Murgas.

21th through 23th of April - Review of Objectives.

PRAGMA: Tulio Duran, Zenón García, Maximo Seré, Xavier Comas.

MIDA: Rafael Tirado, Augusto Herrera, Luz Venus de Aguirre, Javier Macre, Fidel Delgado, Narciso Arenas.

May 2nd. - Finish First
Approximation of Price
and Income Elasticities

Zenón García
Nidia Romero
Dalia Vasquez

May 13th thru 16th -

Final revision of Chap.2 of
Five Year Plan with plenary
session at Hotel La Siesta

Zenón García
Augusto Herrera
Luz Venus de Aguirre
Wade Gregory

May 19th thru 24th - Agricultural
production Targets (Projections)
Targets (Projections) developed

Zenón García
Reynaldo Pérez
Carlos Palacios
Augusto Herrera

Review and discussion of Targets

Zenon Garcia
Robin Zeitz
Xavier Comas
Maximo Seré

June 1st through the 20th - Discuss Objectives, Strategies,
and Final Draft.

June 23th through the 29th - Read Five Year Plan and
produce a memo of criticism with Máximo Seré, Xavier Comas,
David Cole.

- Follow up 1986 Annual Operating Plan - Processed information
on progress of planned activities within the public
agricultural sector and MIDA.

- The following identification and field visits associated
with the Five Year Plan, took place during the quarter:

April 29 - Godofredo Grimaldo - ANAGAN

April 30 - Ing. Diaz - Consejo Nacional del Banano

May 6 - Miguel Villarreal - Presidente Granos Básicos
(Región: Herrera)

May 6 - Abel Cendeño - Presidente Regional Lecheria

May 7 - Manuel Hurtado - RENARE

Raiza Ruiz - Recursos Naturales

May 7 - Pedro Adán Gordon - ANAPIV Industria Avícola

May 8 - Rolando Guillén - Rice Producers (SEEDS)

May 8 - Encarnación Gordon - Tobacco Producers

June 9 - IDIAP - Rutgers Team - Agricultural Research
Project

June - Agricultural Credit, Banco Nacional de Panama.

The following planned activity was not performed:

- The First Quarter Evaluation of the POA was not separately produced. Rather, it was combined in a POA 86 Semi-Annual evaluation due to time pressure of preparing Five Year Plan.

2. UNPLANNED ACTIVITIES DURING THE QUARTER.

Memo on strategy to disseminate Incentive Law. Assisted Deputy Chief of Party in preparation of a draft memo.

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED.

i) As expected, the MIDA-FAO Planning model performed badly for projecting production targets. It was necessary to employ the simplest criteria of trend analysis combined with expert opinions about changes on area, productivity and volume, given a first approximation of demand projections.

ii) The time devoted to the Five Year Plan was intensive due to the 90 day dead-line imposed by Law 2 (Agricultural Incentives) the time allotted was too short to approach the subject with sophisticated methodologies.

iii) Counterparts have performed extremely well in spite of a poor structure of incentives. Some of the inexperienced and less effective counterparts are earning higher salaries than the more able and experienced ones, including the Chief of the Department of Short and Medium Term Planning. MIDA must remedy this situation if the project objectives are to be met.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

- Five Year Plan July-August-Sept.

- i) Summary of observations from public and private Sectors.
- ii) Analyze private consultants observations.
- iii) Prepare two Background papers -
Internal Terms of trade
Private distortions.

iv) Re-write Five Year Plan as a final document.

- Follow up POA '86 August
- Guidelines to POA '87 September
- Start preparing POA '87 September
- Field trips August - September
- Policy Impact Analysis Start - September

Prices
Marketing
Credit

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: JULIO CESAR ROBLES
Position: Information Specialist
Period Covered: April 1 - June 30, 1986

1. STATUS ACTIVITIES PLANNED FOR THE PAST QUARTER

In general, the activities programmed for the quarter were satisfactorily completed:

Modified the structure of the computerized data bank to ease retrieval of information. Increased computerized data in the bank.

Had follow-up visits with other institutions to explore the possibility of establishing continuous flow of information to the DNPS to feed the data bank. The Instituto Interamericano de Cooperacion para la Agricultura (IICA) started to give us processed information (on diskettes) each week for wholesale prices in rice, maize, sorghum, coffee, beans, sesame seeds, beef poultry, and pork for the countries of Costa Rica, El Salvador, Guatemala, Dominican Republic, and Panama. This information is transmitted as a report to the IICA office in Panama through electronic mail from their main office in San Jose, Costa Rica. The raw data is not yet sent to us. We are asking to get that raw information from their data bank.

Tested the possibility of developing an Area Sampling Frame using existing 1979 air photography for Herrera and Veraguas provinces and 1984 photography for Los Santos provinces. Surveyed four areas randomly chosen and concluded that positive field results could be obtained with existing air photography despite changes which have occurred since the photographs were taken. Held initial conversations on area frame sampling of continuous agriculture statistics with the Controller General of the Republic and the Director of Statistics and Census.

2. UNPLANNED ACTIVITIES DURING THE PAST QUARTER

Began to catalog documentation in situ. Until library space is available, documents will not be centralized. Instead, the information on the documents and their location is being catalogued. This will be processed in a data base management system at later stage. As space permits, reference documents will be centralized in the documentation center. Visited some libraries to make agreements on information interchanges.

Started the process to purchase Project computer equipment to include nine (9) personal computers, in the first phase: four (4) of which will be located tentatively) in the Department of Information and Statistics, and one (1) each in the Department of Short & Medium Term Planning, Department of Specific Projects, the Agricultural Policy Formulation and Management Project offices, DNPS's Statistical Unit in Santiago, and one (1) portable microcomputer for field work and additional support.

Most of the personnel of the Department of information and Statistics were working on the Plan Quinquenal during June. I assisted them in their tabulations.

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED

The one person assigned to the Statistical Unit within the Department, Didimo Soriano, was involved one hundred percent of the time on the Plan Quinquenal. He did not spend any time in the Department. Recognizing that this individual's professional interests are elsewhere, steps were initiated to find his replacement.

My principal counterpart, Leovigildo Otero, was sick and required an operation (June 13).

In the Department only one personal computer is available which has to be used for a variety of tasks (one of which is the data bank). Until the Project's computers arrive, other activities will be severely limited.

The Documentation Center does not have enough space which prohibits the establishment of a reference library. Until the space issue is resolved, the librarian will identify and catalogue dispersed materials.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

- Continue the catalog of the documentation.
- Follow-up visits with different institutions to get a continuous flow of information for the data bank.
- Continue to implement the data bank.
- Follow-up with the Directorate of Statistics and Census (Dirreccion de Estadística y Censos) on the possibility to implement the Area Frame.

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: MAXIMO SERE
Position: Management Specialist in Public Admin. and Finance
Period Covered: April 1 - June 30, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

The planned activities for this quarter were completed satisfactorily. Most of the time was spent, with other members of the team, in preparing the Five Year Plan.

Completed Activities

Attended meetings for the first draft of the Medium Range Agricultural Development Plan (Five Year Plan). This activity included:

- Prepared methodologies for the diagnostic section of the plan.
- Assisted in the preparation of the diagnostic section (Evolution and Current Situation of the Agricultural Sector).
- Participated in the workshop (Seminario Taller) with the Pragma team, Wade Gregory and the DNPS counterparts. Topic: Discussion of a framework of the chapters on objectives, strategies, policy framework and programs of the Plan.
- Assisted in the preparation of the principal agricultural policy issues.
- Participated in weekly meetings with the Pragma team.
- Participated in weekly meetings with the Pragma team and the Project Officer (Frank Conklin, James Bleidner).
- System of Identification and Typifying Problems. The responsibility of this activity was transferred to Julio Rodiles.

2. UNPLANNED ACTIVITIES DURING THE QUARTER.

Site tour with Robin Zeitz in the pineapple production zone in the district of Chorrera (Province of Panama). Visited the ranches of Elias Castillo and Agustin Diaz.

Meeting with the Regional Director of MIDA - Capira (Amado Cerrud). Topic: Problems in pineapple production and perspectives on exports.

Meeting with the president of the national cattlemen's association - Panama (Godofredo Grimaldo), with Zenon Garcia. Topic: Problems in the beef subsector.

Meeting with the head of the national banana office (Euclides Diaz), with Zenon Garcia. Topic: Current situation and perspectives in the production of bananas.

Visited Mr. Miguel Villareal's ranch which produces milk, corn and pigs, with Zenon Garcia (Parita, Province of Herrera). Topic: Problems of the commodities listed above.

Visited Mr. Rolando Guillen's ranch, with Zenon Garcia (Rio Hato, Province of Cocolé). Topic: Current situation and perspectives on the production of rice.

Visited with Zenon Garcia the "Tabacos La Panamena, S.A." ranch (Province of Cocolé) - Mr. Encarnacion Gordon. Topic: Problems in the production of tobacco.

Visited two specialized dairy farms (Messrs. Juan Antonio Delgado and Jose Garcia Paredes) with Dr. John Strasma (USAID consultant) (Volcan, Province of Chiriqui). Topic: Problems in milk production.

Visited the "Cooperative de Horticultores" with Dr. John Strasma (USAID consultant) (Boquete, Province of Chiriqui). Met with Mr. Rodrigo Marciaq (Manager) about the problems of land titling.

Met with Mr. Pedro Bondon (President of the national association of chicken producers of Panama). Topic: Current situation and perspectives of chicken and egg production.

Participated with the FAPA Chief of Party and Deputy Chief of Party in a meeting with the "hortalizas" consulting team (IDIAP/USAID/Rutgers University) of the agricultural technology development project. Topic: Perspectives on exporting vegetables and fruit.

Participated in a meeting with the Pragma team with Mr.

David Atwood (USAID consultant), on land titling.

Participated in meetings with the agricultural sector manager and the Director of Planning of BDA. Discussed problems of agricultural credit.

Met with Mr. Norman Ward (USAID/Rutgers University consultant). Topic: Report on beef production, processing and exports.

Met with Mr. Kenneth B. Wiegand (USAID/Cairo) to discuss the current situation and perspectives at FAPA.

Participated in an internal Pragma seminar. Xavier Comas explained the SAEPA (Sistema de Analisis Economico de Proyectos Agricolas - System of Economic Analysis of Agricultural Projects).

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED.

The first draft of the Five Year Plan was discussed and approved in terms of general policy framework. It is now necessary to begin to design alternative policies for the various commodities and for the relevant areas.

It is appropriate to emphasize again the need to have a stable group to do policy analysis. To do this it may be necessary to hire some local specialists.

4. ACTIVITIES PLANNED FOR NEXT QUARTER.

Policy analysis and recommendations on: meat subsector (beef, chicken and pork), corn, sorghum and rice.

Participation in meetings with the commodities commissions. The start-up of this activity in the next quarter depends on the approval and convening of these commissions as specified in the Incentive Law.

Meetings with the private sector.

Preparation of TORs for short term consultants in the following areas: cattle and dairy development, marketing inputs, and agricultural credit.

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: April 1 - June 30, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

The activities planned for the quarter which were successfully completed include:

- o Assisted in the preparation of the Five Year Plan (Plan Quinquenal), especially in those chapters related to Agricultural Policy and Policy Instruments (Chapter VI) and Strategic Programs and Projects (Chapter VII).
- o Assisted in finalizing the Project and PRAGMA's workplan, the Project financial plan and a training plan.
- o Helped finalize computer specifications for the first phase of computer purchases.

A. Improve formulation and monitoring process of agricultural sector programs

The preparation of the Five Year Plan was the major activity of the quarter. A series of meetings were held to develop consensus among DNPS and PRAGMA personnel regarding organization and methodology of the document, sectoral objectives and strategies. Working groups of counterparts and PRAGMA personnel were formed for each of six chapters, excluding the Executive Summary. Consultations took place with other public sector institutions, culminating in the last two weeks of May to all day "retreats" outside of MIDA and PRAGMA offices. In addition to discussions, I assisted in drafting sections of Chapters VI and VII, on Policy, and Strategic Programs.

B. Administrative Matters

During the quarter, the formal approval by the Executive Committee (Vice Minister of Agricultural Development, USAID Agricultural Officer, Director of Sectoral Planning) of the

Project implementation, financial and training plans was programmed. For that purpose, the three plans had to be reviewed and/or revised. Relatively little time was required to make changes in the first two documents, and to assure compatibility between all three documents. However, the training plan required several weeks of discussions. Principal participants in these discussions included Frank Conklin, Mohammad Fatoorehchie and myself. Additional input was provided by Reynaldo Pérez, Carlos Palacios, James Bleidner, and Tulio Arvelo Duran.

I advised Julio Robles, PRAGMA Information Specialist, on the type of information needed, and format for presentation related to computer equipment to be purchased with Project funds. At the close of the quarter, a formal request was made to USAID for the first phase purchase of computer equipment.

Due to the expected demands of preparing the Five Year Plan, other activities planned for the quarter had been scaled back. Nevertheless, the almost total concentration of PRAGMA counterpart personnel on the Five Year Plan meant that neither personnel nor time was available to initiate the following activities:

- o Assist in the initial preparation of the 1987 Annual Operating Plan (POA). Counterpart personnel were not available. Furthermore, the POA is expected to "emerge" from the Five Year Plan. This activity should be initiated next quarter, after the Five Year Plan has been "finalized" and more thoroughly discussed with the public and private sectors. Unfortunately, it is recognized that the preferred sequence of first preparing a POA and subsequently preparing the budget will not take place this year. This is true since scheduling requirements of the Ministry of Planning and Economic Policy (MIPPE) and the Legislative Assembly will require preparation of the 1987 draft budget around mid-August prior to Legislative consideration from October onward.

- o Assist in improving program and project monitoring system(s). Although certain monitoring activities were ongoing during the quarter, due to the aforementioned reasons, steps to modify and improve such monitoring could not be undertaken.

- o Help prepare workshop/seminar on the five-year plan including acquiring feedback from the private sector. This activity was partially undertaken during the quarter. A "retreat" of DNPS, PRAGMA, and other public agricultural sector personnel took place. Formal contacts and interchanges with the private sector will occur next quarter.

2. UNPLANNED ACTIVITIES DURING THE QUARTER

During the quarter, the following unprogrammed activities took place:

- o Mohammad Fatoorehchie's supervisory trip to discuss technical, management and PRAGMA personnel issues during the last half of April.

- o Wade Gregory's short-term consultancy related to Five-year Plan matters.

- o Preparation, at the end of June, for the short-term consultancy of George Garcelon on the privatization of IMA (Agricultural Marketing Institute) silos. Established contacts, initial introductions and orientations.

- o One day field trip with Maximo Sere, PRAGMA, and Javier Macre, DNPS, to La Chorrera to visit pineapple plantations and small farms. Contacts with Orlando Escobar, President of the Pineapple Cooperative; Ing. Amado Cerrud, MIDA, Region 5 Director, Ing. Moreno, IPACOOOP; pineapple growers, Ing. Elias Castillo, Sr. Carrasco.

- o Week-long field trip with Rutgers University personnel regarding research priorities for horticultural and vegetable crops.

- o Meetings with USAID consultants examining land titling, livestock and horticultural research (David Atwood, John Strasma, Reed Hartford, Mark Gaskell, Alvaro Cordero, Eduardo Alvarez Luna, Robert Langlois, Norman Ward).

- o A half-day internal PRAGMA seminar on Sistema de Anàlisis Económico de Proyectos Agrícolas (SAEPA), Xavier Comas' computer package on economic analysis of agricultural projects.

- o Miscellaneous meetings with AID persons/consultants Larry Boon, Art Mudge, Kenneth Wiegand.

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED

In general the quarter's activities had one major common objective -- to produce a Five Year Plan. The time frame in which this document was produced was far too brief. Legislative mandate (the new Agricultural Incentives Law, passed March 20, 1986) required such a document within 90 days of its promulgation. Thus the quality of the work could not approach a desired level. It should be noted that the Plan is far from the "traditional" concept of a Five Year Plan. It is an orienting and discussion document.

Individual PRAGMA team members work activities were being reviewed during the quarter (the first complete quarter for Messrs. Comas, Robles and Seré). Every effort must be made to clarify responsibilities, coordinate and integrate separate activities. Although not yet perfect, the prime means to accomplish this is through weekly staff meetings.

A resolution to transfer the Departments of Projects and Technical Cooperation from the DNPS to a new coordination (Unit) for International Projects and Cooperation (Coordinacion Especial de Proyectos y Cooperacion Internacional) was signed during the quarter. If the actual transfer occurs, it will fractionalize project development, monitoring and evaluation efforts as well as further complicate programming and budgeting functions. Most directly affected will be Xavier Comas. The PRAGMA team will continue to be available to advise and work with whatever organizational structure the Ministry creates.

4. ACTIVITIES PLANNED FOR NEXT QUARTER (JULY - SEPTEMBER 1986)

Vacation (leave)	July
Assist in finalizing Five Year Plan	July - September
Help prepare workshop/seminar on the Five Year Plan, including participation of the private sector	August - September
Assist in finalizing PRAGMA short-term training activities	August - September
Assist in prescreening applicants for Project fellowships	August - September
Assist to fine-tune/integrate work activities related to Policy Analysis & Information, Financial/Administrative management systems	September-Ongoing

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: April 1 - June 30, 1986

1. STATUS OF ACTIVITIES PLANNED FOR THE QUARTER.

All activities planned for this quarter were completed. Basically the quarter was characterized by the preparation of the Five Year Plan which was finished by June 20th. Two Seminars on Policy and Planning Strategies were undertaken with MIDA personnel (Focusing on the Five Year Plan). Several Policy Memos were written for Mr. Levin through F. Conklin.

2. UNPLANNED ACTIVITIES DURING THIS QUARTER.

No major unplanned activities happened this quarter, mainly due to the rushed environment created by Five Year Plan activities. Following a debriefing session with USAID Director Levin, it was decided the Mission would bring a consultant, Roger Norton, to review the Plan and to develop a USAID perspective. These comments would be used as leverage at higher levels of decision making (Presidency, Congress and the Multinational Banks).

At the request of David Schaer, during the quarter we brought George Garcelon as a short-term consultant to analyze the privatization possibilities the Agricultural Marketing Institute (IMA) silos.

3. COMMENTS ON SPECIAL PROBLEMS ENCOUNTERED.

No major problem was encountered; mainly since the entire Pragma team was settled in its permanent working quarters. The relationship with USAID was stable and without any major difficulty. The same can be said with respect to DNPS counterparts.

4. ACTIVITIES PLANNED FOR NEXT QUARTER.

The following Activities are planned for the next quarter:

- Follow-up activities drawing on recommendations of Roger Norton to prepare background documents related to the Five Year Plan.
- Revise and review the Five Year Plan to incorporate the comments of the Public and the Private Sectors, Professor Norton and others.
- Revise the Project implementation plan to accommodate time required on the Five Year Plan and reschedule activities to the end of the year.
- Prepare the Terms of Reference for the Beef, Agricultural Inputs and Marketing Credit Policy Studies to be performed by short term consultants.
- Draft Policy Guidelines for the implementation of the Five Year Plan.
- Finalize the procedures to clear the Short Term Training Proposal and start implementing it.