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**Dominican Republic
Agricultural Economics Policy
Studies Unit (UEA)
Review and Evaluation**

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AGRICULTURAL ECONOMICS POLICY STUDIES UNIT (UEA)

Review and Evaluation

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1. Executive Summary

Funding for the Agricultural Policy Studies Unit (UEA) ends in late 1987. USAID/DR asked us to evaluate the Unit, with attention to 1) the quality of recent policy studies, 2) the agenda of future policy studies, and 3) suitable institutional arrangements if President Balaguer disbands the CNA, the entity to which the Unit was accountable under the previous government.

The Unit staff is four economists, who hold M.S. Degrees. They are aided by short-term consultants, a resident researcher from Tufts University, and until August 1986, a resident long-term advisor. Pending CNA reorganization, the Unit serves the Secretary, a supportive agricultural policy studies client.

Quality of Studies. Recent studies are much improved. There is still too much "diagnosis" or analysis of the problem, and not enough analysis of the probable consequences of adopting each possible policy alternative. Studies contracted out and studies done "in-house" both sometimes overlook major policy alternatives; a study of a large, unprofitable, state farm only considered continued operation in very large units, and not sale in family-sized parcels. Editing needs tightening; good analysis is sometimes obscured by bad writing.

Future Policy Study Agenda. The Unit gives top priority to studies on the liberalization of imports, exports and food marketing, now being discussed by the Government and international agencies. We concur. Next, the Unit will finish studies under way, especially on the titling of land reform projects, and launch a study of economically viable, ecologically sound forestry.

Institutional Ties. Until the CNA is revived, we recommend continuing the Unit as an entity reporting to the Secretary of Agriculture, not integration into the Secretariat, Central Bank, or ONAPLAN. We recommend further training in microcomputer research techniques and in agricultural policy research.

2. Background

The administration of President Jorge Salvador Blanco (1983 - 1986) revived the National Agricultural Council (CNA), an advisory entity created by an earlier law but long-dormant. The CNA members were the heads of public sector agencies having to do with agriculture, several "notables" from the private sector, and the deans of the agricultural schools. CNA meetings served as a forum to clarify policy issues and build consensus on possible policy changes. Attendance was good, and some success obtained, when the President himself attended CNA sessions. (In his absence, the Minister of Agriculture presided, agency heads sent lower-ranking staff to the meetings, and few actual decision-makers took part.)

The Council had no staff of its own, except for an Executive Secretary. The President, the Minister and the Executive Secretary felt that the Council would be more effective if it could commission competent policy studies, laying out the alternative solutions to key problems, with estimated costs and repercussions. In 1984, USAID/DR approved partial funding of an Agricultural Policy Studies Unit (UEA), with a modest grant-funded technical assistance component and substantial funding from PL-480 counterpart and Caribbean Basin Initiative monies for salaries and other expenses. The Unit was to commission policy research studies to private sector consulting firms, and monitor, evaluate and edit the products for CNA use.

The Committee for the Analysis of Agricultural Policy (CAPA), an Executive Committee of the CNA, was created to oversee the Unit's work. CAPA suggested specific studies, and approved or rejected others proposed by the Unit, and set priorities among studies approved. Chaired by the Executive Secretary of the CNA, CAPA included the most influential public and private sector CNA members.

As of late 1986, the Unit has been functioning effectively for less than two years. When President Joaquin Balaguer took office in August 1986, he did not choose to fill the post of Executive Secretary of the CNA. It appears that he does not intend to make personal use of this instrument in policymaking. However, President Balaguer appointed a dynamic technocrat, Norberto Guezada, (Ph. D. in Agricultural Economics, Purdue) as Minister of Agriculture. The Minister, formerly the Director of the Instituto Superior de Agricultura (ISA), knows the Unit and its staff. He has repeatedly stated his intense interest in policy studies and in changing policies toward greater reliance on market forces in Dominican agriculture. The Minister has frequently called on the Unit for specific tasks ever since his appointment in August, 1986.

With the sidelining of the CNA in late 1986, it was no longer clear for whom the Unit worked. Should it be relocated in the Ministry of Agriculture or another public sector agency? Should it continue at all? If it does, absent the CNA, how could the Unit best legitimize its work? How best to achieve implementation of the policy recommendations emerging from its policy studies?

To assist in the analysis of this question, USAID/DR and the Unit called on two consultants with extensive experience in the country and familiarity with the issues, persons and institutions involved: Prof. John Strasza, Department of Agricultural Economics of the University of Wisconsin--Madison, and Dr. Luis Crouch, Jr., of the Research Triangle Institute, Chapel Hill, N.C. Each consultant visited the country for about ten days, and presented a draft report to the Unit and to USAID. This is their final report, edited mainly by Prof. Strasza, though the comments on specific studies were prepared mainly by Dr. Crouch. It is based on the earlier partial reports, and feedback on those reports from the Unit director and staff, and from the ARDO/USAID/DR.

3. Current Status

The Unit has a staff of four professionals, two secretaries and a driver. It is directed by Ing. Santiago Tejada, who earned the Ing. Agrónomo degree at the Instituto Superior de Agricultura (ISA) and the Catholic University (Madre y Maestra) in the Dominican Republic. He studied for a year at the University of Wisconsin-Madison, and then transferred to the Ohio State University, where he earned a Master's Degree in Agricultural Economics.

The second-in-command is Teófilo Suriel, who also earned a Master's Degree. The other professional staff are Bélgica Nuñez and Bolívar Morel, who hold Master's Degrees from the Catholic University (UCAMAYMA).

The Unit has received various kinds of technical assistance directly and under a Buy-In arrangement with the Agricultural Policy Analysis project at Oklahoma State. One project especially active in late 1986 involves the building of a linear programming model for the Dominican agricultural sector; various training activities are also planned.

For a little over a year, the Unit also had a resident long-term adviser paid by USAID with grant funds, Prof. Richard Simmons, of the University of North Carolina. Dr. Simmons helped estimate parameters and otherwise assisted the model-building exercise; at the request of the Unit's Coordinator, he evaluated and commented on the terms of reference for studies put out for bids, and participated significantly in the analysis and writing of the study of rice production and marketing policies, which was done by the Unit on an in-house basis. His employment, and the position of long-term resident advisor, were ended just as the government was changing, and a month before the present consultants arrived.

The Unit worked well with the Secretariat of Agriculture for the first year, though policymakers found some of the early studies to be short on actual analysis of policy options. However, relations with the Secretary and the Sub-Secretary deteriorated during the last months of the Jorge Blanco government, in part for personal reasons having nothing to do with the quality of studies. On the other hand, relations with the new Secretary of Agriculture are superb.

In 1986, the Unit has been constrained severely by delays in funding, causing it to be unable to pay for consultants' completed reports for the last six months, let alone commission new studies. (This was part of a general freeze in disbursement of PL-480 counterpart funds, requested by USAID and affecting many programs other than the Unit.) In late October, funds originally requested for the second calendar quarter of 1986 were finally received, and the Unit was about to complete and release a study on fertilizer marketing costs.

Other studies, on the future of the huge government-owned estate at Manzanillo and on the titling of lands held by the Dominican Agrarian Institute (IAD), were well along and the Unit hopes to complete them in the next few months. New studies, requested by the new Secretary of Agriculture, are to be commissioned as soon as funds are available. High priority will be given an analysis of the effects of removing price and marketing controls, and of replacing import prohibitions with revenue tariffs. The Unit also plans to commission a study of "ecologically sound, economically viable" approaches to forestry, as well as studies of price policies for irrigation water and several other topics.

4. Evaluation of Studies Completed to Date

More than a dozen policy studies have already been completed, and more than 25 more have been let out on contracts. The general level of recent studies is good, and compares favorably with those we have seen in other developing countries. Nonetheless, we have been asked for a critical evaluation, and what follows is presented as constructive suggestions, rather than to criticize the Unit or its staff and leadership.

A. The Over-Emphasis on Restating the Problem

The initial round of studies was undertaken by the Unit itself, in 1984/85, while awaiting the long-delayed disbursement of funds with which to commission studies by outside consulting firms. These early studies were criticized by their intended users as longer on description than on explanation, and short on a succinct exposition of policy alternatives. In some, there were few tables allowing the reader to see the basis for the conclusions drawn by the authors. It was also noted that social and macroeconomic considerations, such as employment, foreign exchange savings, tax revenues and income distribution were generally left out of the analysis, which tended to be quite specific to the industry involved.

Subsequent studies have shown considerable improvement. Nonetheless, they still dwell lovingly on the "diagnosis" of how bad the current situation is, and spend far too little time and thought on the analysis of the costs and benefits of all reasonable alternative policies that could correct the problem. Users still complain about a lack of bulletized summaries, and even in the best studies (such as the one on rice) the analysis is unclear in spots because the report is poorly edited.

B. The Limited Range of Policies Considered

Again, though improved over the initial studies, it still appears that both the Unit and its consultants at times have a very narrow view of what the policy alternatives are. There may be a lack of imagination, or just a reluctance to question existing institutions, even when they border on monopoly, whether in land use or marketing arrangements.

One dramatic example is a study in progress, of policy alternatives for the future of a large state-owned estate, the Manzanillo Project. This project has lurched from economic disaster to disaster for some 50 years, in the hands of a foreign banana company, the Dominican Government, and lately, in two joint ventures with domestic and foreign investors, as well as continued operation of some of the land by the Agricultural Bank.

In his draft report, the Unit's consultant analyzed four possible policy alternatives, ranging from sale or joint ventures with private or foreign investors to continued state ownership. All the options would keep the land in large units, despite the unprofitable experience of doing so!

The draft did not even consider the feasibility of dividing all or part of the land into viable family units to be sold outright to small farmers. Yet the project is controlled by the Agricultural Bank, and the sale of project land would allow that Bank to increase its liquid capital and hence loanable funds. The Bank could also increase its income, earning interest on the part of the land sale price that it accepts in installment payments, and stopping the present major operating losses it now suffers by operating the farms itself. (When a large operator makes a mistake, it can be a beauty. For instance, a Bank employee reportedly ordered herbicide sprayed instead of a fertilizer, and burned 400 manzanas (800 acres) of habichuelas at one blow. So

much for the presumed economies of large-scale operations.)

Santiago Tejada, the Unit Coordinator, has commented that there are superb examples of highly productive small farms in the Republic, especially in the Cibao, a fact which should be well known to the consultant. The consultant should also know that there is an active market for small farm properties.

While totally neglecting this obvious policy alternative, which would be politically popular as well, the consultant padded out his draft report by including extensive inventories of equipment and lists of individual employees with their respective salaries.

C. Possible Solutions

The stress on description and "diagnostics" is not entirely the fault of the consultants. In many cases, the terms of reference drafted by the Unit specify that the study is to include the history, relevant laws, and similar descriptive and historical aspects of a problem. If the policy alternatives are only two or three out of eight points in the terms of reference, it is not surprising that the consultants leave them to last, and skimp on them. The policy alternatives are normally the hardest work, they require the most imagination, and they are the most risky, in that what the consultant writes may offend someone. Yet they are what this whole exercise is all about.

To force consultants to do policy analysis, we urge the Unit to state the problem itself, in one page. Then the Terms of Reference should order the consultant to limit his/her study to the analysis of alternative ways to resolve the problem. Consultants could be required to include the Unit's statement of the problem, plus any dissent on the part of the consultant as to what the problem really is, in not more than 3 pages in total, of which the

first would be the Unit's statement. That would force the consultants to address the policy alternatives, or they would not have a report.

Some terms of reference, and hence some studies, include a substantial review of the laws and administrative rules related to the problem. This is another excuse for not addressing policy alternatives. We suggest that consultants be limited to a summary of relevant laws in not more than one page. Any extended comments, and any copies of the actual laws and regulations, must be submitted in a separate appendix, which must not be bound together with the report. Again, the object is to force the consultant to tackle the policy issues--or admit that he/she has no report to submit.

D. The Mix of Basic and Current Studies

The Unit has commissioned some basic studies of the production and marketing of key products in advance of specific policy crises, doing corn and rice itself. It has also commissioned about a dozen studies of specific problems. This mix of studies was approved by the CAPA, reflecting the judgment of the members of the CAPA as to what was important, and what issues were likely to need informed policy decisions in the future. However, the two basic studies were also training exercises for the Unit staff, aided by a resident advisor and a short-term consultant. As we indicate under comments on specific studies, below, both of these studies were successful. However, they absorbed huge amounts of time of the Unit's small staff, which was justified mainly because they also served as training exercises. The Unit leadership is not planning further studies in anticipation of future demand, because the specific policy problems now on the agenda are quite sufficient to absorb the available resources. We agree with this judgment by the Unit leadership.

E. Tasks Other Than Policy Analysis

The CAPA was not functioning during our visits. In its absence, the Unit is reporting directly to the Minister of Agriculture, since August 1986, and it appears to have taken on whatever the Minister asked for. (The Unit was even asked to help in the preparation of the 1987 budget for the Ministry.)

Since there are other offices in the Ministry in charge of planning and budgeting tasks, we recommend that the Unit not be assigned anything but policy studies. If the other offices do not have competent staff, perhaps specific individuals might be hired away from the Unit for key roles at the Ministry-- but they should be replaced at once with others to do the Unit's work on policy analysis.

The Unit has also considered building a data bank. We agree that the quality and accuracy of many data series leaves a great deal to be desired. However, the Ministry already has a Data Bank, headed by an economist who has prepared proposals to strengthen it. It is not at all clear why the Unit should take on this task. A data bank requires more than an initial investment; it requires follow through and constant updating, a task that could easily absorb all of the Unit's staff, without producing any policy studies.

F. The Linear Programming Model

The construction of a linear programming model, which is well along, also runs the risk of absorbing the Unit's scarce staff resources at the expense of policy studies. Staff told us that when the consultant responsible for the model is visiting the Unit, many other tasks are set aside in order to supply the data and support required for building the model.

The test for the usefulness of the model will come within a few months; if it produces reliable data relevant to policy decisions, it will be justified. The Unit must be careful not to let the model building and subsequent refinements become the Unit's main activity, taking over staff and computing resources at the expense of the policy analysis for which the Unit was created. (If the model does demand too many resources, as has happened elsewhere, yet the Unit feels that the model is truly needed, then perhaps the development and running of the model, as well as the improvement of the data to be fed into it, should be done in the Department of Agricultural Economics at the Ministry of Agriculture, where there are some 60 professional staff, many underemployed.)

Regardless of who builds and maintains the model, it is also important that those who use it as the basis for reports understand the limitations and assumptions underlying such models, and that they be honest in stating these. As an example of what to avoid in analyzing import and export policies, one study prepared for the Government of Panama by consultants from a major U. S. university estimated the exact "consumer surplus" and "producer surplus" gains and losses from possible policy changes, by estimating the area of triangles in the standard graphic analysis of welfare economics.*

The "numbers" were reported as though they were just as real as, for example, the number of actual dollars spent by the Government of Panama on producer subsidies each year. Yet the report neglected to list all the assumptions necessary if such estimates of "surpluses" are to be taken as gospel--such as perfect, costless information for all, and the validity of

* Department of Agricultural and Applied Economics, University of Minnesota, "Las Políticas de Precios y Comercio Internacional en el Sector Agropecuario en Panamá: 1970-1983." Panamá, Ministerio de Planificación y Política Económica, 1985.

summing and netting out the pesos gained or lost by different people. Partly as a result, the report was largely ignored by many policymakers, who described it as an "ivory tower" academic exercise based on quite unrealistic assumptions. Yet other parts of the same report were completely sound, and deserved a much closer reading than they got.

G. Supervision and Standards for Consultants

In theory, the Unit supervises consultants fairly closely. In practice, the lack of operating money, budgeted but not disbursed earlier this year, prevented the Unit from paying promptly in 1986, making it harder to be demanding. That problem was supposedly resolved in November, 1986. The Unit now proposes to set standards, including specifications for the use of computer-assisted techniques, and we applaud that plan. The goal is not computer use for show, nor to convert the consultants (or the Unit staff) into "spreadsheet jockeys." Rather, it is to free the Unit from editorial drudgery, letting it focus on the substantive policy issues which are its reason for existence.

For instance, the Unit should retain an editor and give consultants a style sheet to be followed in both draft and final reports. Reports should be submitted on disk as well as in printed form, using Word Star or Word Perfect, both of which are available in the Unit. All tables should be prepared on Lotus 1-2-3, which is available in the Unit and is readily available to consultants in the Dominican Republic. This will enormously facilitate corrections and changes, such as changing tables whenever the Unit or a policymaker wants to change a key assumption.

Nonetheless, one aspect of editing will always remain the responsibility of the economists at the Unit. They must review the work of the consultants to be sure that it meets professional scientific standards, including clarity of reasoning and explanation of the probable consequences of all relevant policy options, and references to the experience of other countries. Even here, an editor with broad personal interests and experience could learn to read texts with the eye of a policymaker, and thus help the Unit pursue clarity.

H. Evaluation of Specific Studies

The following comments refer to specific studies identified by the Coordinator of the Unit for review by the present consultants; they do not include all studies made by the Unit or its consultants to date. Also, the first three reports of the Unit were reviewed by Pirie Gall and Eva Canela in a memo dated August 15, 1985; two are reviewed here, but more briefly. However, we agree with the comments by Gall and Canela, and reiterate their suggestion that the Unit's reports should always include a brief summary of the findings, policy options, and the probable consequences of adopting each of the options.

1. Selected Studies done by Consultants:

a. Alternative Models for the Organization of State Land Reform Projects. The worst, and one of the earliest, of the studies reviewed. The report doesn't even show the date, author(s) or bibliography, though various studies by other persons are mentioned in the text. The author believes he/she has proved assertions when the data presented could not possibly prove them. Economic theory is applied naively, in the style of a student in the first course in economics. The terms of reference asked the consultant to determine

why some asentamientos are more successful than others; clearly, the author(s) have no idea how to do that.

b. Analysis of Lending Institutions' Agricultural Loan Portfolios.

Better, since at least part of the analysis of the problem is well done. Alas, the report never gets beyond analyzing the problem, and never answers the key question in the terms of reference: What causes the different rates of delinquency in lenders' portfolios? The terms of reference demanded data by region, crop, collateral, etc., but no table of this sort was prepared.

The author offers some common-sense suggestions, mainly administrative. However, he/she says nothing about what policy alternatives would be in order, nor what the likely consequences of adopting each of them might be, based on analysis of the data the consultant was to gather.

c. The National Marketing System and Alternatives: Frijoles.

Again, better than the previous studies, though poorly edited and typed. It includes a literature review, though no bibliography, and the reasoning and application of economic theory is sound. Nominal and effective rates of protection are calculated, and supply and demand curves are estimated, with proper attention to technical and seasonal factors.

Unfortunately, little is done with the supply and demand functions so estimated, and the authors do not explain why not. If there is a reason why the methods the Unit used on corn and rice are not applicable to frijoles, the authors should have explained it.

The conclusions on policies follow logically from the analysis, but they would have been more persuasive if they had been backed by the quantitative analysis. What increase in yields would it take to lower prices by 10%? The authors could have done this with the instruments they used, but they did not.

The apparent haste to finish may reflect a low price paid; we do not know.

d. Alternative Policies of Price Intervention: The INESPRES Case. Also a good study, fulfilling the terms of reference, studying the costs and subsidies of INESPRES, and suggesting policy alternatives. However, little attention was given to the costs of marketing in the private sector--and it is hard to judge the efficiency of INESPRES in the abstract. Also, INESPRES's subsidies are so huge that they have macroeconomic and income distribution impacts; the authors did not go into those matters.

Some of the policy analysis is poorly written; for instance, in one option prices would be stabilized "at market prices." Yet the very purpose of stabilization is to change market prices by eliminating peaks and troughs. Perhaps the author meant that prices would be stabilized at the average, or trend, of market prices--which would be a sound policy. However, he or she did not say so.

e. Study of the Fertilizer Industry. This study has the most polished presentation of this sample of studies done by consultants. The contents appear to fulfill the Terms of Reference. However, the estimation of the cost of raw material is quite simplistic, using fixed coefficients for mixtures of raw materials, though the relative prices differ. This overestimates the costs and hence underestimates the profit margins obtained by the producers. Fertilizer mixing is a textbook case for the use of linear programming models. The Unit has at least one L. P. model on hand, and could have loaned the software to the consultant.

Secondly, the policy recommendations appear reckless. The author suggests cutting fertilizer costs by giving a preferential exchange rate for imported raw material, and lower interest rates to finance fertilizer production. Yet

the last thing the Dominican Republic needs is more disguised subsidies of this sort, which are costly and which distort the role of prices in resource allocation. The consultant ought to have been aware of the problems created by decades of such subsidies in the Dominican Republic; the main thrust of current government policy is to reduce them.

Nonetheless, the consultant is supposed to present policy alternatives, and to show the probable consequences of choosing one or another set of policies. Thus the analysis falls short both with regard to the consultant's favorite set of subsidies, and with regard to an alternative more in line with the general thrust of present government enunciated policies.

Oddly enough, direct control of fertilizer prices might be one of the few cases of state intervention that could be justified from an efficiency viewpoint: the industry is largely monopolized, partly for natural reasons, and the product is politically and socially very important. Yet the consultant does not adequately consider whether direct price control might be justified in these specific circumstances, even while most price controls are being removed for products produced and marketed in more competitive conditions.

f. Alternative Agricultural Mechanization Policies. This study is still unfinished. However, it appears to be well begun--though not yet beyond the "diagnostic" stage. That restatement of the problem seems to be getting more attention than it deserves, whereas there is little analysis of the optimum level of mechanization for the country, given the structure of prices of factors of production. The feasibility of using animal traction is dismissed far too lightly. Nor is there mention of market imperfections in

machine services that prevent the smallest farmers from using private services.

g. Alternative Policies for the Future of the Manzanillo Project.

This study is still unfinished, but a draft has major deficiencies cited in (4.B) above. The draft is padded with largely irrelevant appendices listing all machinery and employees at the project, but it is woefully weak in policy analysis.

In listing the policy options to be considered for the future use of this land, the consultant did not even consider an option of selling off much of the project land in family-size parcels, in the market. The Unit leadership has commented that small farms are quite productive in the Dominican Republic, and that there is an active market for small parcels. We are confident that the final report will include a thorough analysis of the option of selling the land in small parcels, at market prices, as well as options that keep the land in state hands or sell or lease it to relatively large private sector investors.

2. Studies Carried Out Internally by the Unit.

None of these studies have explicit terms of reference, as do the studies contracted out. However, most explain clearly their objectives, and we have no problem evaluating the adequacy of the methods used for the objectives stated, or the general quality of the studies.

In interviews with Unit staff, we did notice that there is a tendency to underestimate the true cost of doing these studies internally. This at times leads the staff to suggest that it is "too expensive" to contract out the studies to consultants, and to desire a major increase in the Unit staff in order to do future studies "in house."

In practice, the Unit has had the benefit of short-term consultants, a resident long-term advisor, and a young but well-trained researcher from

Tufts University who is receiving desk space at the Unit for her studies on food costs, marketing and nutrition in exchange for her technical assistance to the staff on research, computer techniques, and the like. All of these people provide assistance to the Unit in the design and execution of in-house studies, even though they are not budgeted directly to one study or another. The Unit leadership has been wise to enlist such help, both for in-house studies and for informal review of draft reports presented by consultants.

However, a major "in-house" research capability is probably more appropriate for the Secretariat of Agriculture, and for the universities. We see the Unit's comparative advantage as being very strong for determining what policy research is needed (in discussion with CAPA and/or the Secretary), for drawing up terms of reference, for mobilizing qualified economists and others to do the studies, and for reviewing the reports and proposing editorial and other changes to make them even more useful. But if a larger unit is wanted, to carry out the research, then it should probably be located directly in the Secretariat or in the universities.

a. Some Thoughts on the Tobacco Problem. This study, one of the Unit's first, is useful mainly to show the progress made by the Unit from May 1985 to May 1986. Many of the methodological problems (such as using fixed coefficients instead of functions, and confusion between movement along a demand curve and a shift in the foreign demand for tobacco) have been overcome in more recent studies. The tax and foreign exchange measures suggested flow logically from the analysis, but the measures recommended as alternatives to the traditional marketing process are not justified by a detailed analysis of the present system.

b. The Situation and Prospects for Pork Production. Done about the same time as the preceding study, this one is less useful because it is more technical than policy-oriented. It uses linear programming to calculate an optimal ration for pigs, and concludes in favor of the use of more feed based on sugar cane. There are policy suggestions about marketing, but they are not based on the analysis. In any case, they are the same tired recommendations trotted out for years: the problem is the intermediary, so INESPRES should intervene and all will turn out better, as if by magic.

It is good to see that the Unit can use its microcomputers to solve real linear programming problems, but to suggest that INESPRES will solve marketing problems for farmers is something more apt for folklore than for economic analysis. A subsequent study of INESPRES contracted by the Unit, has a much clearer vision of the problems of that institution.

The pork study is also myopic in thinking about possible policies: it not only overlooks possible reforms in private sector marketing, but it also omits serious consideration of exports. The report actually states that the Dominican Republic has a quota of pork exports to the U. S. A. that has gone unused, and it states that current pork production exceeds demand in the Republic, causing prices to fall with consequent distress for producers. Yet the study totally fails to analyze the obvious policy alternative, of exporting pork to the USA. At a minimum, the authors should have estimated the exchange rate at which Dominican pork could be exported as profitably as sales in the domestic market.

c. The Situation and Prospects for Milk Production in the Dominican Republic: Policy Implications. This study includes an excellent diagnosis of

the problem, especially in technical and microeconomic aspects. It also suggests policy measures, but alas, many of them are not based solidly on the analysis. Typically, for policy studies in the Third World, it jumps from a diagnosis to the recommendation, without pausing for a proper analysis.

For example, the study recommends protecting milk production with a duty on imported milk equal to the difference between the world market price and the cost of production. But whose cost of production? That of the most efficient producer? Of the least efficient?

The study led to a government decision to increase milk prices paid to producers and charged to consumers. That may well be the best policy. Yet the study is strangely silent on the alternative, of favoring consumers by accepting the milk various exporting countries seem so eager to subsidize. It is not clear in the study what alternative activities could productively absorb the land, capital and labor available to milk producers. If there are other uses for these resources, why should domestic output be protected? If milk can be had more cheaply from abroad, why not buy it?

Are the Dominicans who produce milk richer than those who consume it, on average? If so, why subsidize the producers--why subsidize the relatively rich at the expense of the poor? If the governments of the milk exporting countries want to subsidize Dominican milk consumption, why not let them do so? There are analytical ways to approach this issue, involving macroeconomics and exchange rates. In future studies of products with such disparity between domestic prices and the prices at which the product can be imported, these questions should at least be mentioned.

d. Agricultural Price Policies: Social Costs and Benefits Applied to the Case of Corn. This study shows the enormous improvement in one year

over the tobacco case. The estimation of the supply and demand functions is one of the best ever made in the country, and its use to show the distribution of the welfare impacts is a real step forward. Yet after such a good analysis, the policy alternatives are presented in a confused and awkward manner, hard for non-economists to follow. It appears that much time was spent on doing the analysis well, but little time was put into the editing of the finished study.

Also, there is a risk--described in the joke that "When you have a hammer in the hand, everything looks like a nail!" Since this study is highly successful, it might be tempting to think that the same method should be used in all policy studies. Yet in some cases, time series data will not give such good results. A linear programming model might give better estimates of supply elasticities. Another risk is that the method could be applied mechanically in future studies, carelessly, by persons who do not understand its limitations.

e. Rationality of Self-Sufficiency in Rice, with Reference to Input Subsidies and Price Alternatives. Like the corn study, this is a giant step forward in the Unit's application of economics to the analysis of agricultural policy. Yet again more time was spent on the analysis than on the editing, and the policy alternatives are not very clear. Even we do not understand all of the study; the methodology is not at all complex, but the writing is. For example, supply elasticity is estimated with profitability per hectare, rather than the farmgate price of rice, as the independent variable. This is based on the assertion that profitability rather than rice price is what motivates the producer, but that assertion is totally undocumented. Subsequent writing on policy nonetheless refers to production as responding to rice prices, without showing how the authors jump from supply as responding to profitability, to supply as responding to farmgate rice prices.

The functions estimated in the study are interesting; in particular, the supply elasticity is quite different from that found by the Unit when studying corn. Yet there is no comment in either study about whether the differences between the elasticities of supply found for the two crops appear reasonable. Nor is there comment as to whether the elasticities are similar to or different from those found in other countries by other researchers. This in turn allows one to wonder whether there was carelessness in estimating the functions in one study or the other. We recommend that the Unit schedule time, or retain a consultant, to review the elasticity calculations with care, to document the data and the steps followed in the analysis, and to compare the findings with elasticities estimated in other countries.

Also, while it's all right to omit macroeconomic and income distribution effects in corn production, we feel that rice is too important in the Dominican economy to overlook them in a major policy study. Yet the conclusions convey principally the impact in government expenditures, but not in consumer or producer income and welfare.

Finally, careless editing also confuses the reader. For instance, on page 6, vol. I, the report states that only 17% of the rice area is harvested twice a year. That didn't match my own observations in rural areas, so I checked back to the data supporting the text. The numbers made it appear that the correct figure was 71%; a typographical error. Yet the Coordinator tells me that the 17% is actually correct; much of the land is planted to a different crop during the other half of the year. That is quite different from leaving the land idle, which is the impression we formed on reading the report. It should have been picked up by an editor, and clarified before publication.

The last two studies are basic research, rather than response to a crisis. They are an investment in staff training and in preparation for future work, and the Unit leadership is to be congratulated on them. Reasonably good estimates of elasticities, and a good market model already prepared and stored on diskettes, will enable the Unit to update the study in a few days in any future crisis. Even if it had been contracted out, this sort of basic study, once finished and edited, should be kept by the Unit both in printout and on diskettes. A staff member should be familiar with each such study, so that the Unit could do such updates in the future. This capability alone is a good reason to take care to ensure the continued existence of the Unit, and the continued presence of the economists trained in the use of these models.

6. Priority Agenda to the End of Project

The Unit is giving first priority to finishing studies already well along, all of which were approved by the CAPA. Meanwhile, the GODR is actively engaged in dialogue with the World Bank, USAID and other funders, about various policy issues affecting agriculture. We recommend that the Unit now give top priority to the studies that will help decision-makers address those issues quickly, while it appears to be politically feasible to resolve them.

Interviews with the Minister of Agriculture, the World Bank team and USAID, made it clear that these policy issues include the removal of most price controls, the replacement of state monopoly with greater competition in marketing, and the replacement of import prohibitions by revenue tariffs. We recommend the preparation of terms of reference for studies in these areas as quickly as possible. We further recommend that the terms of reference require the consultants to analyze policy options that could implement the proposed

changes, rather than discuss yet again whether the changes are needed. In other words, rather than yet another "diagnosis" of the problems of INESPRES, the GODR needs an analysis of the practical consequences of alternative ways to open up the wholesale marketing of rice to competition.

Once these policy issues are properly studied, two other topics already on the agenda will again deserve priority treatment: 1) The search for ecologically sound, economically viable forestry activities that can provide a source of productive employment without the soil-eroding consequences of the present activities of people living on the forested hills. And 2) The design of sound policy alternatives for public sector landholdings, including those of the Agrarian Institute (IAD), the Agricultural Bank, and other agencies. Many campesinos have been farming in the projects long enough that they are unlikely to benefit further from continued IAD control over their land and lives; what are the alternative policies for titling these public lands to those who till them, and what are the likely consequences of each alternative policy?

7. Organizational Changes to Implement the Agenda

The single most important question put to us by USAID/DR regarding the Unit had to do with its legitimacy. If the CNA is no longer functioning, and the CAPA no longer exists, for whom does the Unit work? Who sets its agenda, and who cares about its studies? To whom is the Unit accountable for the quality, usefulness and timeliness of its work?

Should the Unit be moved into the Ministry of Agriculture (as it is in Panama), or into the Central Bank or ONAPLAN? Who will read the Unit's output, and what organizational arrangement would do the most to help achieve actual policy decisions, and actual implementation of the decisions?

A. The advantages of not being integrated

Somewhat to our surprise, the conclusion we reach is that "Limbo is not too bad a place to be," in the present situation in the Dominican Republic. Public employees do not have civil service protection against arbitrary firing, with or without cause. The salaries of economists in the Unit, while not high by international market standards, are significantly higher than those paid to persons with similar training, experience and duties in most ministries and agencies of the GODR.*

Had the Unit been part of a ministry or agency, we believe there would have been enormous pressure to dismiss the present staff in order to allow other persons to receive those salaries, whether or not qualified. If the Unit is now moved into an agency, the same thing could still happen.

In addition, at least in his past Government, President Balaguer made frequent changes in ministers and agency heads. The Policy Studies Unit is still a new concept, and its effectiveness fell sharply when the first CNA Executive Secretary was replaced by a functionary with a different agenda and little interest in the analysis of policy alternatives.

B. The Unit Appears to be Legitimate under Present Law, Where it is.

We are not attorneys, but it appears that there is a perfectly legal (and legalistic) understanding of present law that supports continued operation of the Unit under the orders of the Minister of Agriculture, but outside the Ministry. Under the law that created it a decade ago, the CNA exists, whether

* For an economist with a foreign M.S. degree, in a post of mid-level responsibility, a typical salary is about RD\$1000-1200 for a workday that ends in the early afternoon. In the Unit, the salary is likely to be RD\$1200-1600, and the workday goes all afternoon.

or not it meets. It has a half-dozen ex-officio members (the Minister of Agriculture, heads of the Agricultural Bank and INESPRES, the Dean of the Faculty of Agronomia of the Autonomous University (UASD), etc. The President may add members of the private sector by invitation; President Balaguer has not chosen to do so, but the CNA still exists in law with the ex-officio members. The Minister of Agriculture may summon it whenever he wishes.

If the President of the Republic attends a CNA meeting, he of course presides. Otherwise, the CNA is led by the Minister of Agriculture. Thus under this interpretation the Unit may be perfectly in order to take orders and priorities from the Minister, even though the CNA has not met. And even though the CAPA, an Executive Committee of the CNA, is not currently functioning, the Minister probably has the power to appoint one if he wants more people to be involved in providing oversight for the Unit.

The present Minister of Agriculture has a Ph.D. in Agricultural Economics (Purdue), understands policy issues, and is supportive of the Unit. At least through the time of our visit, he also has the ear of the President of the Republic, even though he has no significant power base of his own and is widely regarded as a technocrat, rather than as a politician.

Under the present arrangement, the Unit functions fairly well, and can be decidedly useful to the Minister. If anyone were to attempt to bring the Unit into the Ministry, however, it would logically belong under the Subsecretariat for Planning, probably in the Department of Agricultural Economics. At the time of our visit, both of those units had urgent internal tasks to resolve. Both units are headed by individuals familiar with the Policy Studies Unit (Luis Ernesto Pérez Cuevas and Hector Leger, both of whom have Ph.D. degrees from U. S. universities), and communication among them is easy and frequent.

At the same time, the salary problem in the Ministry is acute. Bringing in the Policy Studies Unit would give wider publicity to the fact that the Unit has higher salaries than the Ministry (as well as a longer work day, and much higher productivity). This could create great envy and ill will, causing problems for the Unit in obtaining collaboration, data, etc. And under a future Minister, there would likely be huge pressures to remove the present staff so other persons could collect those salaries.

Our recommendation, therefore, is that no change be sought at this time in the present location (physical and organizational) of the Unit. Its physical quarters in the Sugar Institute are adequate and not far from the Ministry of Agriculture, but far enough to be out of the ordinary intrigues (and short work day and other unproductive habits) of the Ministry. Other institutional alternatives, outside the Ministry of Agriculture, have even greater problems than does the present arrangement (see next section).

8. Alternatives Considered and Ranked Lower

There are some alternatives to continuing in the present loose ties to the Minister of Agriculture. On paper, the Unit could logically fit into the National Planning Office (ONAPLAN), which is related to the Technical Secretariat of the Presidency, which in turn handles PL-480 and similar funds. There are also precedents for incorporating special research or planning Units at the Central Bank. In either, the Unit should still have access to data it uses, and it might have fewer problems in obtaining its PL480 money.

In practice, however, at least for now, there are significant drawbacks with each, just as there are with a possible integration of the Unit into the

Ministry of Agriculture. ONAPLAN does not in fact have effective policy and planning units for other sectors of the economy, and the Unit's level of salaries is significantly higher than those of ONAPLAN. Thus there would be little advantage to the Unit in a move to ONAPLAN, while there would be a high risk of interference or political pressures to get rid of present staff so as to enable other persons, less qualified but politically influential, to collect those salaries.

The Central Bank is accustomed to higher salaries, and the Unit would not be at all out of line there. However, experience with other externally-funded projects indicates that if the Unit were to be moved, some of the present authorities of that Bank would expect to replace the present Unit personnel with persons of their own choosing anyhow. It is likely that the replacements would know less of agriculture, and of agricultural policy, than the present staff. Also, although the productivity of existing units in the Bank is quite acceptable by Dominican norms, in our judgment it falls short of that already achieved by the Unit. Integration into the Central Bank could well lower, rather than raise, the effectiveness of the Unit.

9. Contingency Planning, Extension, and Staff Training

It is of course possible that the Minister of Agriculture, now very supportive of the Policy Studies Unit, will be replaced at some point. If this happens, one likely candidate for the Ministry is the present chief executive at the Agricultural Bank. Although he has made little use of the Unit in his present job, we believe he understands many policy issues quite well as a result of long service as Chairman of the Agricultural Committee of the Dominican Senate.

Another possible Minister, a confidante of the President, made extensive use of policy-oriented memos written at his request by staff and volunteers on the Transition Team, which he headed. For this reason, we believe that when and if the Minister of Agriculture is replaced, there is a fair chance that the Unit will be able to establish credibility quickly with the new Minister.

At the same time, when Ministers are changed, so are Subsecretaries and Department heads. While the present Subsecretary of Planning and the present Chief of the Agricultural Economics Department respect the Unit, and have fairly good training themselves in policy analysis, their replacements might not. It is also likely that their replacements, like the incumbents, would earn less than the salary of the Unit leader. (The problem, of course, is that the public sector salaries are too low, rather than the Unit's being too high.)

Considering the alternatives, we recommend that the Unit continue for now as it is, free-standing but reporting to the Minister of Agriculture or a renewed CAPA, physically near but not inside the Ministry of Agriculture.

For a possible extension, however, we suggest taking another hard look at the institutional arrangements, about May of 1987. By then it will be clearer how long the present Minister of Agriculture will hold that post, and the Subsecretary and the Director of Agricultural Economics should have their respective jobs under control. It seems unlikely that the salary problem will be resolved, but it is possible that a wider use of salary supplements based on external funding will have become established. If this can be fed with PL 480 funds, then the integration of the Unit into the Ministry might become feasible. However, if salary supplements must be funded with external grant or loan resources, integration would depend on the willingness of USAID or another donor to provide the funds.

If integration into the Secretariat of Agriculture still does not appear feasible or prudent by mid-1987, then other arrangements may be in order. In late 1986, a "Comisión Coordinadora del Sector Agropecuario" of senior public agricultural sector officials was established by decree; the Unit Coordinator is to attend its meetings. Among other tasks, the new Commission determines what policy studies are needed. Those concerning structural problems will be referred to the Unit, and the "putting out fires" jobs will be done by the Departamento de Economía Agropecuaria of the Secretaría de Agricultura. CAPA, recreated as a subset of that Commission, will receive and digest the Unit's studies. It is too early to tell how the new arrangements will replace the CNA as a forum for policy discussion and consensus-building, but it is likely that the Minister will find or create an appropriate forum for that as well.

Should that not happen, and should the Central Bank and ONAPLAN still appear unpromising in 1987 as sites for the Unit, then in preparing for a possible extension of funding we recommend study of the creation of a non-profit Foundation with a Board of Directors that would set policies and oversee the Unit. It could receive PL-480 funds, and its Board could well strongly resemble the one specified by law for the CNA. That is, there would be public agricultural agency heads, ex-officio, the agricultural college deans, and several "notables" among the more progressive parts of the private agribusiness sector. The Foundation would publish the Unit's studies, and provide a forum for policy discussion and consensus-building much as the CNA used to.

We do recommend serious consideration of renewal of funding and extension of the project. The Unit has done much good work, and appears likely to do better still. Its present staff is growing in maturity, though they could gain much by the renewed presence of a bilingual expatriate advisor with full

microcomputer skills plus policy analysis experience in another Latin American country. (This person might be shared with SEA.) We also suggest continued training for both Unit staff and would-be consultants, in the use of microcomputers. Such short courses are readily available locally.

The Coordinator of the Unit has demonstrated an ability to relate well with the Secretary and other users of policy studies. Though he does not have the Ph.D., he has considerable post-graduate training, relevant experience and demonstrated skills of a good popularizer, important in the "selling" of policy recommendations. In time, however, he will undoubtedly move on to a better-paid position, inside or outside the country. Therefore, we recommend that he, (like any first-rate manager) now identify two or three potential successors.

Policy researchers to be groomed for future leadership should already hold M.S. degrees, and speak and read English reasonably well. (Scores about 525 on the Test of English as a Foreign Language.) Those selected should now start toward the Ph.D. in agricultural economics, with emphasis precisely on policy analysis. One or two of them should return to the Unit staff a few years hence, and take over the leadership when the Coordinator does move to another position. The others could either continue in the Unit or assume responsible positions in the SEA, Bagricola, INDRHI, IAD or INESPRES. At least two persons on the present staff appear qualified; others could easily be recruited.

We therefore recommend a renewal of a resident expatriate position, and extension at the completion of the present project, but suggest further study in mid-1987 as to the most appropriate institutional arrangements. We further recommend continued training in policy analysis and microcomputer techniques for the Unit staff, SEA staff working on policy problems, and persons on the roster of the consulting firms that bid to do studies for the Unit.

Appendix A

Persons Interviewed

Norberto Quezada, Secretario de Estado de Agricultura; ex-Director, ISA
 Luis Ernesto Pérez Cuevas, Subsecretario Técnico de Agricultura
 Santiago Tejada, Coordinador de la Unidad de Estudios Agropecuarios
 Hector Leger, Encargado, Departamento de Economía Agropecuario, Secretaria de
 Agricultura.
 Teonilde López, Encargada, Banco de Datos, Secretaria de Agricultura

Teófilo Suriel, Economista de la Unidad de Estudios Agropecuarios
 Bolivar Morel, Economista de la Unidad de Estudios Agropecuarios
 Bélgica Nuñez, Economista de la Unidad de Estudios Agropecuarios
 Anne Swindale, Investigadora en Visita en la Unidad; Tufts University
 Beatriz Rogers, Profesora, Tufts University

Fernando Alvarez, Jefe de un Equipo de Transición de Gobierno
 Luis B. Crouch, Presidente, INASCA y una empresa productora de aceite de palma
 Juan José Espinal, consultor (AGRIHORTI)
 Joaquín Díaz, consultor (CONSULTAG)
 Danilo Mueces, consultor (SERCITEC)
 Domingo Marte, ex-Secretario de Agricultura; Presidente, AGRIHORTI, empresa
 consultora

Erhardt O. Rupprecht, ARDO/USAID/DR
 Dwight Steen, ARDO/USAID/DR
 Evar Goetz, World Bank
 Ralph Hanan, World Bank

Ing. Gómez Pieterz, Director, CEDOPEX
 Pablo Rodríguez Nuñez, Encargado, Depto. de Estudios, CEDOPEX

Adelgaisa Adams, Coordinadora, Proyecto de Movilización de Ahorro Rural,
 Banco Central de Reserva
 Margarita Gil, Secretaria del Consejo, Instituto Agrario Dominicano
 Julio Cano, Jefe, Depto. de Planificación, Instituto Agrario Dominicano
 Santiago Moquete, economista, consultor

Benito Ferreiras, Director, ISA, Santiago, tel. 583-2414.
 Angel Castillo, Director, ISA-CADER, Santiago
 Various Professors, ISA-CADER, Santiago
 James Gary, Investigador Contratado, ISA-CADER, Santiago

Appendix B

Studies Initiated or Completed to Date

I. Studies Completed by consultants

1.1 Estudio sobre Modelos Alternativos de Organización de Proyectos Agrarios Estatales. Ceytagro (Frank Hamersun ???).

1.2 Sistema Nacional de Comercialización y Sus Alternativas: El Caso del Frijol. Agrohorti.

1.3 Análisis de la Cartera de Financiamiento Agropecuario. Ramón Emilio Aquino. March, 1986.

1.4 Un Sistema de Control Sanitario y de Calidad en la Carne de Res para la Exportación: Recomendaciones para el Establecimiento de un Servicio Permanente y Eficaz. Francisco Pérez Luna. October, 1986.

1.5 La Industria de Fertilizantes: Márgenes de Comercialización y Alternativas para Reducir los Precios. José Manuel Gómez. September, 1986.

1.6 La Política de Titulación de Tierras en la República Dominicana. Land Tenure Center (Universidad de Wisconsin) y consultores dominicanos. December, 1986.

1.7 La Liberalización de la Comercialización del Arroz: Propuestas de la Estrategia a Seguir y la Fijación de una Banda de Precios para el Manejo de la Política de Comercialización. Rolando Jirón. Decembe., 1986.

II. Studies Prepared In-House by UEA Staff:

2.1 El Financiamiento Agropecuario: El Déficit de la Oferta y Alternativas Viables, Noviembre, 1984.

2.2 Algunas Consideraciones acerca de la Problemática Tabacalera, Mayo, 1985.

2.3 Situación y Perspectivas de la Producción porcina en la República Dominicana. Mayo, 1986.

2.4 La Industria Avícola: Su Evolución, Extensión y Viabilidad Económica. Mayo, 1985.

2.5 Situación y Perspectivas de la Producción Lechera en la República Dominicana: Implicaciones de la Política. Octubre, 1985.

2.6 La Política de Precios Agrícolas: Costos y Beneficios Sociales con Aplicación al Caso del Maiz. Enero, 1986.

2.7 Posibles Efectos en el Sector Agropecuario del Programa de Ajustes "Stand-by" y Algunas Recomendaciones de Política. Julio, 1984.

2.8 Alternativas de Tarifas para el Servicio de Mecanización Agrícola de la Secretaría de Estado de Agricultura, Octubre, 1986.

2.9 Racionalidad de la Auto-suficiencia en el Arroz, con Referencia a los Subsidios en los Medios de Producción. Julio, 1986.

2.10 Análisis de la Cartera de Recuperación del Crédito Agrícola.

III. Studies Contracted Recently to Consultants:

3.1 Alternativas para una Nueva Política de Intervención en los Precios: El Caso de INESPRE. Agrohorti, July 1986, RD\$20,800.

3.2 Alternativas para una Política de Mecanización Agrícola. Agrohorti, July 1986, RD\$24,375.

3.3 Acciones Prioritarias en el Sector Forestal. ISA, July 1986, RD\$22,100.

3.4 La Situación Actual y Perspectivas Futuras del Proyecto La Cruz de Manzanillo. SERCITEC, July 1986, RD\$49,400.

3.5 Reorganización Institucional del Sector Público Agroforestal. José Lois Malkún, June 1986, RD\$10,000.

3.6 Reorganización del Sistema de Inspección de la Carne de Res de Exportación. F. Pérez Luna y R. Torres C., May 1986, RD\$6,000.

3.7 Estudios de los Subsidios en los Derivados del Trigo. G. Vega, Dec. 1985, RD\$3,000.

3.8 Estudio de los Márgenes de Comercialización de las Fertilizantes, José Gómez, RD\$2,000.

3.9 Estudio del Uso y Potencial de Aguas Subterráneas en el Este y Sur, Romeo Llinas, July 1986, RD\$24,000.

IV. Other Activities

4.1 Seminar on Agricultural Insurance, ISA-CADER, 5 September 1986, RD\$8,000

4.2 Seminar on Agricultural Policy, ISA-CADER, 10-11 Oct 1986, RD\$30,000.

4.3 El Sistema Financiero Agropecuario. Estudio Elaborado a Pedido del Banco Mundial al Gobierno de la República Dominicana.

4.4 Formulación del Presupuesto del Sector para 1977. Estudio Elaborado a Pedido del Sr. Secretario del Estado de Agricultura.

The above is taken from Unit records and in part from the Work Plan dated July 30, 1986, presented to USAID/República Dominicana, indicating work under way and activities programmed through October 1986. Proyecto Análisis de la Política Agropecuaria, Proyecto AID No. 517-0156. Consejo Nacional de Agricultura. Total studies for which costs are indicated, RD\$152,675. Total commitments indicated, RD\$189,675.

V. Planned but not yet Contracted at Time of Visit

5.1 Study of the effects of removing price and marketing controls from selected agricultural commodities.

5.2 Study of the effects of alternative ways of replacing import quotas or prohibitions or INESPRES monopolies, with revenue tariffs.

5.3 Study of "ecologically sound, economically viable" approaches to forestry.

5.4 Price policies for irrigation water.

Appendix C

Description of the Task of the Present Consultants

"To complete a review and evaluation of policy studies carried out or contracted to local consulting firms during the past nine months by the Agricultural Economics Study Unit (UEA) of the National Agricultural Council (Consejo Nacional de Agricultura, CNA) of the Dominican Republic. These studies will be identified by Santiago Tejada, director of the UEA, or his designee and by Erhardt Rupprecht of the ARDO/USAID or his designee.

"The review and evaluation should focus and comment on the following:

- . Objectives of the study
- . Adequacy and quality of the terms of reference/scope of work for the study
- . Appropriateness of analytical methodologies utilized
- . Results of the studies

"Based on the review and evaluation, analysis of the agricultural policy-making environment and discussions with the UEA staff, the consultant should recommend a policy strategy agenda and framework for the UEA during the next 12 months as well as organizational changes to implement the agenda