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MID-TERM EVALUATION  
OF THE TUNISIA  
AGRICULTURAL POLICY IMPLEMENTATION PROJECT  
(APIP)  
(NO. 664-0343)

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## LIST OF ACRONYMS AND ABBREVIATIONS

U.S.A.I.D./Tunisia	U.S. Agency for International Development, Special Mission to Tunisia
APIP	Agricultural Policy Implementation Project
ASAL	Agricultural Structural Adjustment Loan
ASAP	Agricultural Structural Adjustment Program
CNDA	National Center for Agricultural Documentation
CNI	National Computer Center
DG/PDIA	General Directorate for Agricultural Planning, Development and Investment (MOA)
DPCE	Directorate of Prices and Economic Controls (ME)
EEC	European Economic Community
GIAF	Interprofessional Group for Citrus and other Fruit
GOT	Government of Tunisia
IIL	Ithaca International, Ltd.
INAT	National Institute of Agriculture
IRSIT	Regional Institute for Scientific and Technological Research
ISG Tunis)	Higher Institute of Management (University of Tunis)
MA	Management Audit of DG/PDIA
ME(MINECON)	Ministry of National Economy
MINPLAN	Ministry of Planning and Finance
MOA	Ministry of Agriculture
PAT	Policy Analysis Tool
PDG	President/Director General
PP	Project Paper
OC	Cereals <u>Office</u>
ONH	National Oils <u>Office</u>
OV	<u>Office</u> for Grapes and Wine
PC	Personal (Micro) Computer
SOW	Scope of Work
TOR	Terms of Reference
UTICA	Tunisian Union of Industry, Commerce and Artisans
UW	University of Wisconsin

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## EXECUTIVE SUMMARY

### A. Background

U.S.A.I.D/Tunisia's Agricultural Policy Implementation Project (APIP) was approved in March 1987 for a period of forty months and funding of about five million dollars. The Project's foremost objective is to support policy analysis essential to the Government of Tunisia's (GOT) ongoing Agricultural Structural Adjustment Program (ASAP). The ASAP includes specific, time-phased commitments to the World Bank through the end of 1990 under the terms of a second Agricultural Structural Adjustment Loan (ASAL) for \$84 million approved in 1988. A secondary objective of APIP is to enhance, through training activities, the capability of GOT cadres to undertake adjustment policy analysis. The prime implementation contract and three subcontracts were signed in November 1987. The Resident Adviser was in place by January 1988.

### B. Principal Findings

The evaluation team found that APIP has largely achieved its primary objective. The project has enhanced the GOT's capacity to enact and implement structural adjustment policy in the agricultural and food sector. It has created an atmosphere of awareness of free market issues and confidence in analytical techniques.

#### 1. Policy analyses

The project has delivered a series of analytical studies of acceptable-to-high professional quality that have helped the GOT to assess the probable outcomes of structural adjustment policy decisions and to make choices among alternative measures.

#### 2. Information and monitoring

A good beginning was made in translating the analytic reports and distributing them to a limited, mostly public sector, audience. Regrettably, but understandably, availability of the translations was delayed. Very useful summaries were prepared by the principal authors for a successful seminar held in May 1989. The seminar was well attended, again, mostly by the public sector. However, there has been little effort to acquaint key personnel in the public, and particularly in the private, sector with the objectives and progress of the Project.

Monitoring of the Project has been highly informal at all levels because it is easy to track and because, as stated earlier, its implementation has been appropriately flexible to respond to rapidly changing requirements.

#### 3. Contractor performance

Operational flexibility shown by all partners has made an important contribution to the Project's initial achievements, and has helped overcome a number of implementation problems.

#### 4. Administration

As the management aspects of APIP are complex, results have been mixed. Certain management features have supported the structural adjustment goals of GOT, while others have caused delays and uncertainties in priority setting. In reviewing the administrative/management component of the Project, the evaluation team found that:

- o There has been no mechanism to obtain a coherent expression and consensus of priorities in a rapidly changing setting;
- o Relations between personnel of the Ministry of Agriculture and personnel of other ministries, public academic institutions and parastatal offices have been strengthened and, in some cases, created. Despite these improved relations, links between the Ministry of Agriculture (MOA) and government institutions remain weak in many respects and non-conducive to inter-ministerial collaboration;
- o A lack of awareness of Project activities exists among the Directorate General for Agricultural Planning (DG/PDIA) staff. Hence, wide participation in preparing the policy analysis studies has been marginal;
- o Certain management problems can be attributed to the substantial reconfiguration in staffing made necessary by the departures of several key Project personnel. The two principal creators and mentors of the Project on the GOT and U.S.A.I.D. side, respectively, and a key staffer of the prime contractor, vacated their positions just as implementation was getting under way. The contractor's Resident Adviser, as well as his management assistant, departed after less than 18 months;
- o Uncertainty among U.S.A.I.D. personnel about the Agency's increasingly unwieldy regulations delayed acquisition of micro-computers by a year. Such problems, as well as similar GOT regulations, also delayed the contracting of two key national professionals for nearly two years. As a result, the impact of the methodological training effort (see below) has been seriously delayed; and
- o The 10 computers and accessories purchased for the DG/PDIA are not being optimally used. Their internal distribution and the lack of training provided for the professionals who should be using them are key factors. Serious mechanical problems related to inter-office and external communications and insufficient secretarial staff for the DG/PDIA are further impediments to effective use of the computers and development of efficient information systems.

## 5. Training

Implementation of the Project's subordinate objective--to create, through training, a national cadre capable of handling the modern tools for agricultural policy analysis and monitoring the impact of policy reforms--had a mixed beginning. The evaluation team found that:

- o There was inadequate coordination with, and among, subcontractors with respect to the Projects training component;
- o The conventional terms of reference (TOR) for analytical study contracts did not contain incentives for on-the-job training of ministerial cadre;
- o With short-term training being limited to local and overseas course attendance, there was unintended slippage between the two main Project objectives;
- o DG/PDIA cadre, with few exceptions, were able to participate only marginally in the analytical studies; and
- o Individual training needs in the DG/PDIA have not been systematically identified and training programs tend to be determined by available resources rather than being based on specific, individual training needs.

## C. Recommendations

1. A new management structure should be developed to enhance GOT Project management coordination. The structure should facilitate communication and define and delegate authority to the appropriate levels. High level authorities should be allowed focus their efforts on guidance and solving crucial problems. Specific recommendations are to:
  - o Constitute a steering committee composed of the two ministerial state secretaries most concerned (Agriculture and Economy) and the Ministry of Planning and Finance's (MINPLAN's) DG of Planning, and including the Director, U.S.A.I.D./Tunisia by invitation, to meet only ad hoc for making policy decisions;
  - o Create a standing executive committee of the relevant directors general or directors of those ministries and the U.S.A.I.D. Project Officer, as well as the prime contractor's Resident Representative as adviser, to meet regularly to deal with routine problems and prepare decision options for the policy committee;

- o Discuss and resolve priorities for the remaining studies within the proposed management structure at the earliest possible moment, in accordance with the GOT's plans for continued structural adjustment for the near future; and
  - o Institute, within the DG/PDIA, more participatory management and greater delegation of authority, while referring key decisions to the State Secretary.
2. Revise the use and location of the computers in the DG/PDIA and develop a new communications system with the assistance of an appropriate public institution (e.g., the Higher Institute of Management (ISG), the Regional Institute for Scientific and Technological Research (JRSIT), the National Computer Center (CNI). The new system should make use of interoffice electronic mail and all personnel should be trained to use the hardware and the software for communication and word processing.
3. Institute a systematic information and dissemination effort, under the guidance of the executive committee, to ensure appropriate channeling of feedback and appropriate distribution of Project results. An experienced writer should be contracted to undertake this task. To promote and institutionalize the dissemination of Project results and feedback the Project should:
- o Sponsor public debate, along the pattern of the general seminar held in May 1989, on each study after its final, approved version has been widely distributed.
  - o Issue regular operational bulletins within the DG/PDIA and to cooperating institutions. The bulletins should contain information on noteworthy activities or products of the DG/PDIA and APIP and on the arrival of consultants. Circulate copies of important background and statistical documentation to other MOA units and interested Ministries.
4. Give the training component of the Project greater emphasis. Training is an important link to the creation of a MOA cadre capable of sustainable, independent policy analysis. Specifically, the Project should:
- o Make the short and long-term outputs implemented by separate contractors more synergistic and lengthen the visits by the University of Wisconsin advisers;
  - o Provide incentives for contractors of short-term outputs (such as studies) to devote part of their time to transferring their methodological know-how to GOT collaborators; and
  - o DG/PDIA management should make specified staff members available full-time for designated APIP activities.

D. Issues for the Future and Lessons Learned

Several issues merit the attention of the GOT and all donors beyond the completion date of this project. These issues also have implications for A.I.D. in considering similar projects elsewhere.

1. Unfinished agenda

The following measures should be undertaken beyond the scope and life of APIP:

- o Contract, for a DG/PDIA management study, a prestigious national institution (e.g., ISG) to study the detailed management needs of the DG/PDIA, including links to other Ministry of Agriculture units, key public agencies and to the private sector.
- o Contract an assessment of individual training needs in the DG/PDIA with the assistance of a public educational institution. The assessment should lead to the development of a long-range training program that can be submitted to multilateral and bilateral donors for funding.
- o Take action on the long-standing proposal to upgrade the statistics sub-direction to a full direction. Also, the unit's links with the MOA and other GOT data processing centers, as well as with less organized data bases in related ministries and public agencies, must be strengthened and created (where they do not exist).
- o Identify a source of funding (preferably A.I.D.) to support the completion of the policy simulation exercise in the cereals sub-sector, with the assistance of the University of Wisconsin and ISG and National Institute of Agriculture (INAT) consultants. The DG/PDIA cadre should conduct the supply analysis, while the ME staff conducts the demand side analysis.

2. Generic lessons learned

- o Maintenance of a low profile by A.I.D. in the policy making process is important. This approach implies measurement of overall project impact rather than attempting to pinpoint "successes" or establish conventional monitoring indicators.
- o Flexibility is key to the successful implementation of a policy support project given fast changing circumstances and the critical importance of timing input delivery. One

corollary of this concept is the need to avoid the tangle of A.I.D. and host country regulations which often compete with projects' objectives.

## I. BRIEF HISTORY OF THE PROJECT AND NATURE OF THE EVALUATION

### A. History

In FY1987 the Government of Tunisia (GOT) signed the first Agricultural Structural Adjustment Loan (ASAL I) for \$150m with the World Bank. The agreement entailed GOT commitment to a series of economic liberalization measures some of which the GOT was already undertaking as part of its Seventh Economic and Social Development Plan, 1987-91. Other sectoral and macro-economic measures were also under way or committed in accordance with the Seventh Plan, the Bank's FY1987 Industrial and Trade Policy Adjustment Loan (ITPAL) for another \$150m, and its general Structural Adjustment Loan (SAL) for a third \$150m approved in FY 1988. In view of the success and relatively rapid disbursement of the first ASAL and of the other two loans, a second agricultural sector loan (ASAL II) for \$84m was negotiated and approved in FY1988.

The numerous policy adjustment decisions in the agricultural sector and their translation into concrete measures placed a considerable strain on the GOT apparatus, which consisted essentially of a Direction for Planning, Statistics and Economic Analysis (D/PSAE) in the Ministry of Agriculture and an agricultural sector office composed of three professionals in the Ministry of Planning. Several studies funded by ASAL I were designed to provide the GOT with analytical foundations for some of the policy measures, but there was no general institutional support for the D/PSAE.

In 1986/87, U.S.A.I.D./Tunisia, in accordance with its newly developed agricultural sector strategy, and in close collaboration with the Ministry of Agriculture's D/PSAE, as well as with World Bank staff, designed the Project under review. Its purpose was to help "establish a sustainable system which selects, analyzes and formulates actionable policy initiatives in support of Agricultural Structural Adjustment Program (ASAP)". The twin outputs with emphasis on the first were to be analytic studies of subjects for the implementation of ASAP-related measures, and (2) reinforcement of "technical capabilities to produce a trained cadre" with a permanent capacity for economic policy analysis in the agricultural sector.

The Agricultural Policy Implementation Project (APIP) was formally approved by A.I.D. in March 1987 for a forty-month life and total dollar grant funding of \$5.2m. In accordance with the above-mentioned output priorities, the PP's financial plan allocated nearly three-fourths of the Project budget to expatriate and local technical assistance, against less than three percent for formal training. Nevertheless, it was understood from the outset that a good deal of explicit and implicit on-the-job training would accrue to Tunisian staff.

On November 6, 1987 a 40-month contract, due to end in April 1991, was awarded to Abt Associates of Cambridge, Massachusetts and Washington, DC. Abt is also prime contractor for A.I.D.'s worldwide Agricultural Policy Assistance Project (APAP) and Agricultural Marketing Improvement Strategies Project

(AMIS). (U.S.A.I.D./Tunisia had funded a key study of domestic resource costs in Tunisian agriculture before the Project got under way.) Nearly \$3.5m of the total Project funding to date has been allocated to the prime contractor (including a 1989 supplement of \$350,000); the balance was retained by U.S.A.I.D./Tunisia for direct funding of Project activities such as formal training, procurement of commodities and local professional services, some of which have been contracted by the GOT.

Abt Associates sub-contracted on November 17, 1987 with Ithaca International, Ltd. of Ithaca, NY, and with the Institut Supérieur de Gestion (ISG) of Tunis, for delivery of specific studies and technical assistance. Abt also subcontracted with the University of Wisconsin (UW) at Madison for a combination of technical assistance and training in the development of a variety of statistical and econometric methods. The Project is considered to have become operational in January 1988 with the arrival of the resident adviser fielded by the contractor. The resident advisor's qualifications had been fully accepted by both U.S.A.I.D. and the MOA following a personal visit to Tunis. A Tunisian management specialist was hired by the contractor to assist the Resident Adviser.

U.S.A.I.D./Tunisia has been, since the beginning of the implementation, represented by a USDA/PASA Agricultural Economist (PhD) with appropriate experience.

A work plan for 1988 was developed jointly by A.I.D., the contractors and the MOA through its newly upgraded Direction Generale de Planification, Developpement et Investissement Agricole (DG/PDIA). The GOT's ASAL coordinating committee which, in accordance with the Project design, was to have the same function for the APIP Project, was reportedly not consulted.

Despite a number of initial implementation problems, as discussed in the next chapter, key activities, especially the initiation of analytical studies crucial for ASAL II-related decisions, got under way without critical delays.

It is important to emphasize the importance of the flexibility shown by all partners in the implementation of the Project to date (despite the reported resistance of the contractor's former Resident Adviser). At the time the PP and the SOW were written for contract bids (and well into early Project implementation) ASAL was a moving target. Thus, without the will to maximize flexibility within the bounds of legal, substantive, and administrative feasibility the short-term outputs critical to ASAL implementation would not have been delivered in time to be useful.

The remainder of this report is structured to review, at the outset, the major Project outputs of the first phase design and then the principal implementation problems encountered by the evaluators. This is meant to underline the positive dimensions of the Project's accomplishments to date despite substantial initial handicaps. Section III then deals with the issues that we believe need to be faced from now until the end of the Project in April 1991, largely in the domain of the GOT's public administration apparatus.

Key MOA officials, as well as the evaluators, would like to consider the Project a temporary tool in a continuing effort to perfect the Ministry's performance in the fields with which the Project's assistance is concerned. For this reason, Section IV takes a look at some major institutional, management and methodological issues beyond the end of the implementation of the A.I.D.-funded Project. The Government, as well as A.I.D. and other donors, might want to consider these observations in order to complete the process of institutionalizing meaningful sector analysis.

The final part of section IV offers some general lessons from our evaluation of the experience with this Project to date.

## B. Purpose, Procedure and Scope of the Evaluation

### 1. Purpose

The evaluation was meant to assess Project performance and impact at the mid-point of its implementation in order to provide A.I.D. and the Government of Tunisia (GOT) with guidance for the remainder of the Project.

### 2. Scope of the Evaluation

The scope of the evaluation was to review the identifiable Project outputs; determine the less tangible manifestations of policy level impact; identify implementation problems that could impinge on the successful completion of the Project; and, make appropriate recommendations to A.I.D. and to the GOT.

### 3. Procedure

A three-person evaluation team assembled in Washington on September 20, 1989 for briefing by A.I.D., the World Bank, the Project contractor and sub-contractors and Devres. The team arrived in Tunis on September 24.

September 25 to October 19 were devoted to briefing by the U.S.A.I.D. Mission, interviews with Tunisian, American and other donor personnel, and reading of Project documentation (see Annexes for lists of persons interviewed and documents perused). Additional interviews were conducted during drafting and re-writing.

Perusal of the rich Project documentation was not as thorough as it might have been if the special consultant to be engaged by U.S.A.I.D./Tunis for this purpose had been available.

The team's statistics/computer specialist prepared a preliminary report of his findings regarding statistics, analytic methodologies and computer use before departing Tunisia on October 14. He subsequently spent two days in Madison, Wisconsin, discussing the future program of the University's sub-contract team and submitted supplementary documentation to the team leader via telefax (see Annex A).

The first draft of the team's report was submitted to U.S.A.I.D./ Tunis on October 25. It was discussed with the Project Officer on October 27, and with the Director and other Mission staff on October 30. The draft report also benefited from the informal comments of certain members of the staff of the DG/PDIA and of the contractor's resident representative.

The final draft was submitted on November 3, together with an executive summary in English and French. The Secrétaire d'Etat of the Ministry of Agriculture was briefed on the team's findings.

## II. ASSESSMENT OF MAJOR OUTPUTS AND IMPLEMENTATION PROBLEMS OF THE FIRST PHASE

### A. Introduction

The Project has in most respects performed well and is making positive impact on current policy choices as well as in less tangible ways--such as the attitudes of managers and staff regarding free market policies. The improved policy milieu indicates the cadre's desire to understand and learn to apply the laws of supply and demand to guide agricultural adjustment policies and measures.

The Project's impact to date can be measured only in terms of tangible outputs (e.g., the series of studies led or undertaken by the principal contractor and institutional subcontractor). Effects of the Project on policy are not objectively measurable. APIP provides the tools of analysis and enhances personnel's capability to use them. Whether GOT effectively implements the best choices identified by the analysis is a political matter beyond the scope of A.I.D. and of the Project.

A meaningful assessment of the Project's overall, long-term institutional impact will require emphasis on capacity building during the second phase and beyond. Assimilation and use by Tunisia of policy analysis tools introduced by APIP will depend on how host country institutions organize themselves. It will also require appropriate changes in the Project's dissemination and public relations efforts. This is explained in detail in Sections III and IV.

### B. Assessment of Major Outputs

#### 1. GOT attitudes regarding adjustment policy

A number of knowledgeable Tunisians, as well as World Bank staff, assert that a new, objective attitude towards the analysis of agricultural development issues can be discerned in the Ministry of Agriculture, as well as in other key central government institutions such as the Ministries of Planning and of National Economy. In the Ministry of Agriculture, this change in attitude is found both inside and outside the DG/PDIA. It is attributable in no small measure to APIP and other efforts under ASAL. The staff is beginning to ask the right questions. Even agronomists are talking about comparative advantage. In the words of one official, the Ministry of Agriculture is no longer concerning itself solely with fertilizer distribution. Cadre are beginning to address free market policy problems using statistical evidence and applying demand and supply concepts.

#### 2. Policy-oriented analysis and studies

##### a. General assessment

The volume of relevant, policy-oriented studies carried out during two years of Project implementation is notable. Including one report

whose translated draft was just being reviewed in October 1989 and one in the process of being written, 10 reports have been issued (see Annex B for list). They have ranged from the general (subsidy removal impact) to the specific (commodity export potential). Seven summaries were prepared in French (or translated) by the principal authors for a seminar in May 1989.

The cooperation of the GOT, U.S.A.I.D./Tunisia and the contractors added to the appropriateness, timeliness and quality of the various policy analysis studies. Their flexibility in adapting to changing implementation priorities, circumstances, and unforeseen problems has supported the successful completion of the studies. These outputs have, on the whole, been delivered on time, in appropriate fashion, and of acceptable to excellent quality.

The timeliness and quality of the studies is helping the GOT to meet crucial compliance dates under the World Bank loan agreement. As one key participant/end user pointed out, in the case of cereals, for example, the measures that needed to be taken were identified with the help of the World Bank, but the GOT could not agree to their implementation until the implications were known. These implications were provided by the Project studies.

The permanent Tunisian subcontractor, the Institute of Management (ISG)<sup>1</sup>, has participated in most of the studies undertaken to date. In addition, a private local consulting firm was responsible for one of the reports (vegetable oil marketing). Participation of DG/PDIA personnel was in principle provided for all of the reports, for each of which a senior official was nominated as chef de file. In actual fact, this participation was not always achieved. In some cases (notably cereals), participation was substantial; in others (e.g., milk), it turned out to be marginal. The procedures and timing specified in the TOR for those reports that were produced in the US did not permit their use as a tool for in-service training (see below). Nevertheless, participation of Tunisian consultants and the DG/PDIA cadre enhanced the studies' realism and intensified the long-term impact on the national capability for policy analysis.

The quality of the studies must be assessed against the compressed time frame of their TORs, and the difficulties involved in data access and analysis. Yet, comments from many Tunisian end-users appear to ignore these limitations. They tend to be lukewarm at best, ranging from "useful" to "they contain nothing new". Others fault two of the "export commodity" studies (oil and wine) because they are restricted to the North American market. The

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<sup>1</sup> ISG was originally created 20 years ago with AID assistance and has become a prestigious institution with international, and especially regional, prestige. Moreover, it is worth recalling that at about the same time AID sponsored a fairly massive participant training program in the MOA, under which a large number of Tunisians obtained advanced degrees in agricultural economics at American universities. Many of these former participants are said to be now in teaching or research positions, and two are still in the DG/PDIA.

market restriction was specified in the PP and the TOR, reportedly at the express suggestion of the director of the D/PSAE, and was also attributable to time and resource constraints. (Some of the critical comments originate from office-holders in parastatal agencies that are reluctant targets for privatization or other types of radical reforms.) Quite a few Tunisian commentators observed that one or another of the studies was short of actionable recommendations, while others opined that a more operationally-oriented follow-up was needed. There is no evidence that such criticisms had surfaced at the time of the May 1989 seminar (see below).

What a number of GOT critics seem to overlook is that some of the studies are unique and ground-breaking in Tunisia, the domestic resource costs study commissioned by A.I.D. prior to Project approval and the analyses of the impact of input subsidies reduction on production. Others (the cereals and oil marketing studies) were undoubtedly crucial in allowing the GOT to commit itself to specific ASAL II adjustment measures within the required deadlines. Moreover, these studies have added to the confidence of MOA in the outcomes of the adjustments. Future Project services and deliverables should accelerate this process through the end of 1990.

The timing of those studies which were required for ASAL II decision making was in general satisfactory. The process could have been improved if it had been flexible enough on both sides (contractor and GOT) to make some key findings and recommendations available on a preliminary, restricted basis to decision makers. Waiting for the French translations, some of which were said to have been delayed up to six months (in part for justifiable reasons)<sup>2</sup>, was sometimes given as the reason for postponing the release of the studies.

b. Specific policy impact

At least five of the studies have already been instrumental in allowing the GOT to proceed with a series of important policy decisions in key aspects of structural reform:

- o In the cereals sector, formal commitments under ASAL II require 11 separate market and institutional reform-related actions (including the design and execution of studies) between June 1989 and December 1990; all of them are covered by the Phase I Cereals report of APIP and the Phase II report initiated in October 1989;
- o In the oils sector, the APIP reports on the domestic and export markets will make it possible for the GOT to privatize exports by the end of 1989, and to present to the Bank on schedule action plans for the reform of the domestic market; the findings are also helping government reformers to overcome the resistance to change of entrenched interests;

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<sup>2</sup> Originally, only the Executive Summaries were to be translated but subsequently it was decided to translate the full reports and even the drafts, in order to allow broader participation, both in reviews and in access to final products.

- o The dairy processing industry study is documenting GOT commitments to liberalize milk solids imports and institute appropriate domestic price supports for fluid milk;
- o The management of the parastatal grapes and wine marketing agency, ONV, is implementing some of the wine export study's recommendations, such as giving up its export monopoly, and to be preparing a general action plan; and
- o The reports on general input subsidies and on fertilizer marketing are providing the bases for important subsidy reductions and have already underpinned important decisions on increasing privatization of the fertilizer market prior to ASAL II. A policy paper, prepared by the APIP coordinator, is circulating in the government agencies concerned.

There are great expectations in GOT circles of the sweeping study of the Caisse Generale de Compensation (CGC) that is being undertaken, entirely with local consultants and cadre, during the last quarter of 1989. The expectations regard the process of overall decisionmaking on reduction of ballooning economic and financial subsidy costs and on targeted versus generalized subsidies. The first draft of the study was circulated on November 1, 1989. Unfortunately, some important decisions had to be made before study results became available because of the (avoidable) delay in initiating the studies.

The analytic methodology of the contract studies to date has not sufficiently stressed the development of conceptual frameworks for adjustment policy problems and questions in terms of the fundamentals of supply and demand. Such introductions would have served to better orient the cadre with regard to the current situation of the market, where it is going in the future and how adjustment will occur. A formal, albeit simple, linkage to economic theory would have provided perspective to help the cadre understand what aspects of the market are included in, and excluded from, the analysis at hand. These considerations are very much related to those concerning on-the-job training. GOT staff need to profit from every opportunity to apply the laws of supply and demand to agricultural policy analysis. They have been accustomed for many years to living with administered prices--often by different ministries without any attempt at a common analytical basis (e.g., the setting of cereal support prices by MOA and of consumer subsidies by ME). The foregoing comments are also related to those in the following section (III.2) regarding statistical and methodological work.

As regards presentation and dissemination, most of the Executive Summaries--with the notable exception of the summary of the Comete study of the domestic edible oils market, which, indeed, may be too long--do not do justice to the bodies of the reports. They are too succinct; they do not provide the reader with a synthesis of the analytical underpinning required for an understanding of the recommendations. Indeed, the Executive Summaries ought to be complete enough to be made available separately to top-level

decision makers and to a wider, non-technical readership. Several of the papers prepared for the May 1989 seminar (see below) could be used as models.

The limited distribution of the full text of the reports was remedied in part by a distribution of a collection of their summaries (in excessively condensed form) and of 180 copies of the monograph-type papers prepared by the main authors of some of the reports for a three-day seminar away at Gammarth sponsored by APIP in May 1989. Fifty copies of each of the full reports in French were made available to the DG/PDIA, but it has not been possible to ascertain how many of these have actually been distributed aside from a dozen or so to the MOA and other GOT departments and Offices directly concerned. It was found, for example, that no copies had been received by the DG/PDIA's own privatization section, by the semi-autonomous agro-industry promotion agency (APIA) by the research department of the Central Bank, the Prime Ministry's office of privatization, the EEC-funded economic modeling Project in the Institut d'Economie Quantitative (a think-tank for MinPlan), and the agricultural adviser of the local EEC delegation (who, however, received copies in English via U.S.A.I.D./Tunisia). Although there was limited private sector representation at the seminar, there had been no dissemination of the full texts of any of the studies outside official channels.

The seminar, attended by about 150 persons, is reported by all Project partners to have been a great success, so much so that a repetition is planned for 1990. All but about a dozen participants represented the public sector, including members of parliament, four ministries besides the MOA, and all Offices, educational and research institutions concerned. The proceedings and conclusions of the seminar--which could go a long way towards making up for the lack of dissemination of the APIP studies to date--have not yet been prepared.

Involvement of the private sector, as well as of the GOT's privatization apparatus, in the Project has been extremely limited. A handful of trade association representatives participated in the seminar. Representatives and of the milling and citrus industry, of wine and input cooperatives, and of fertilizer companies were consulted during data gathering for the various studies. The semi-private date industry association was actively involved in the export potential study for this product which is about to be presented in draft form.

The low level of private industry interest (or, perhaps, the weakness of private sector organization) may be illustrated by two experiences of the evaluation team. Of all the organizations that the team solicited for interviews, only the semi-private citrus and fruit growers organization (GIAF) and the parastatal Office de la Vigne, which governs the wine industry, failed to respond the team's requests for an interview. The part-time official dealing with agro-industry in UTICA, the national association of entrepreneurs, did not keep his appointment with the team.

As regards the public sector, the two Ministry of Agriculture units concerned with privatization, as well as the Prime Minister's special privatization unit, have not been involved in the Project and knew little or

nothing about it. In fact, the evaluation team became aware of the MOA units' existence only casually towards the end of its mission.

c. Export commodity studies

The series of export commodity studies were part of the list of specific outputs proposed in the PP, even though they had no direct bearing on the ASAL measures that the Project was mainly designed to support. They were included in the work plan agreed upon among the partners in December 1987, and were carried out according to schedule. These, as was indicated earlier, were the outputs described by some Tunisian end users as "old hat". In fact, they are in accordance with their TOR, assemblies of data and facts from existing sources. There was never any implication that they were to create new data. Beyond that, the export studies admittedly put all the data under one roof and, of course, they added some expert interpretations and recommendations that can be applied to the development of the subsector concerned and to the reform of the institutions presently ruling the respective markets.

True to the studies, A.I.D. and GOT-prescribed emphasis on exports to the North American (US) market (except for citrus), there is no analysis of perhaps more easily penetrable export markets such as the emerging consumer economies of Eastern Europe and the USSR--not to mention Japan and Asia. The analyses also stop short of providing a clear forecast of domestic consumer demand versus the potential for expanding production and, in the case of olive oil and citrus, of the extent to which current export levels to the EEC countries can be expected to be maintained after 1992. Finally, aside from the absence of sophisticated demand and supply analyses, the alternative policy options do not present any kind of benefit/cost analyses designed to allow policy level decision making among the options presented.

For example, according to the study, the alternative to continuing to sell largely average priced bulk olive oil to Italy for blending is substantial investment in upgrading the Tunisian processing, handling and packaging infrastructure, and in promotion and advertising. This, the report states, would be required to penetrate the US market with higher quality oil (for which, the report states, current US demand is not large). But there is no comparative cost/benefit analysis and no data on which such an analysis could be based. Also, there is no foundation in the TOR or in the analysis for recommendations that the ONH should divest itself of its technical assistance, rather than its marketing functions.

One GOT official considered the most important recommendation of the citrus export study to be that relating to the need for establishing tree nurseries for breeding and distributing virus-resistant stock. Another volunteered that irrigation water availability is the main constraint. It may be worthwhile following up such technical recommendations of the studies with the appropriate MOA direction or the Office concerned in order to discover whether any of them are being taken seriously. Clearly, new procedures for the dissemination of studies are needed if operational policy agenda insights are to be obtained from a systematic review and feedback process.

The subject of the wine export report--to the extent that this tiny farm subsector merited an APIP investment at all--might more usefully have been "grapes and wine". Among the most interesting findings of the study (which have probably not surprised any knowledgeable Tunisian) are those touching somewhat marginally on table grapes and irrigation. The study asserts (though without any data support) that wine grape growers have little or no incentive for making investments in improving wine grape production at present prices in comparison with grapes grown or sold for table use or as raisins. There are also suggestions (though, again, no data) that part of the present wine grape area can and should be irrigated. However, no analysis or conclusions are provided regarding the economics, and, in view of the TOR, regarding the potential for switching to table grapes or raisins. Further, no analysis of nearby foreign markets for early or late table grapes is presented. Moreover, as in the case of olive oil, there is no attempt to estimate costs and benefits of making the enormous investments required for breaking into the US wine market per se or in comparison with reasonable alternatives.

The last of the export studies, on the dates subsector, is still in its drafting stage. The mostly private-sector groupement (GID) which deals with this product participated fully in the study and is pleased with the preliminary conclusions.

d. Domestic markets

The study of the dairy processing industry is criticized variously for having been excessively time and budget consuming. It arrived (at least in its French version) too late to be useful for ASAL decisions, and presented too many (seven) policy options, none of which include a cost-effectiveness analysis. The debate over the issues during an inter-agency draft review meeting at the end of October was a rather dramatic demonstration of the studies' value as stimulants of brainstorming.

The Plan for Action for Tunisia's Cereals Sector (First Phase) was required for policy decisions related to ASAL II in the most important subsector of the country's agricultural and food economy. It was delivered according to schedule at the end of February 1989 and, as mentioned earlier, was invaluable in providing the GOT with the information needed to assess the probable outcomes of the measures it was about to agree to. Beyond that, it provided the newly appointed President/Director General (PDG) of the Office des Cereales (OC) with an analysis and recommendations to be incorporated into a sweeping reform plan that he has presented to the government. Fortunately the study did not limit itself to the official cereals market, as specified in the TOR. It contains an analysis of the main economic issues regarding production and marketing and ends with a qualitative matrix of probable positive and negative outcomes of various policy options. The matrix is a useful tool for the busy decision maker and might well be adopted for other analytical studies. Yet, the PDG of the OC would have preferred the matrix to have quantified the outcomes of certain key policy options.

A superficial reading of the report indicates that there were omissions of key questions on the demand side, such as "What is the effect of the current flour subsidy system on end product quality?", and "What are some

successful targeted subsidy methods in developing countries?".<sup>3</sup> Although the MOA does not appear to feel that demand/consumption issues for grain products are any of its business, it is hoped that such issues will be covered in the Second Phase cereals market study that is just getting under way. One issue that needs to be analyzed critically by the MOA is the comparative advantage of irrigating breadwheat at present and prospective support prices. Updated analyses based on the DRC study methodology should be helpful in this respect.

The excellent study of the domestic vegetable oils market highlights the main bottlenecks to greater efficiency. Done entirely by a host country consulting firm, the study enabled the GOT to initiate important reforms in accordance with the ASAL commitments.

### 3. Data bases, surveys, econometrics and modeling

Great strides have been made in central agricultural data base development in the DG/PDIA under APIP, compared to the minimal level of computerized data available at the beginning of the structural adjustment process. Documentation of sources was emphasized, as was the need to update the information regularly. Yet, data base management for Ministry of Agriculture statistics has been given insufficient emphasis during the initial phase of APIP. The objective has been largely to automate data collection in the MOA's scheduled surveys and to compile it in computerized form. The lack of a full-time data manager for the MOA's statistics unit as recommended by the A.I.D.-sponsored Management Audit of 1988 (MA), is a crucial weakness. Occasional visits from UW's agricultural statistics expert cannot make up for that gap.

Quality controls for the survey data were recommended by the MA. These were implemented. Software for the automated survey system personal computers (PCs) installed at the central and regional office level with EEC funding was programmed by a medium-term EEC-funded consultant, and an additional six months of EEC consultant time has been agreed to. This should help iron out any remaining potential problems with quality control and missing data, and allow testing the software's capability for accessing the primary data to produce special reports. However, the statistics unit has lost some staff to better paying employers, and the sub-director in charge of the unit feels the need for greater specialization of his staff.

The statistics unit's role in interagency data reconciliation and unification, and its overall plan of work, have not been sufficiently developed. The audit's recommendation to upgrade the unit to full direction has not been implemented. Despite top-level MOA support, the Prime Minister reportedly insists that the DG/PDIA, like other DGs, is entitled to only two directions. This is a long-term issue which will not affect the Project per se during the next 16 months. As emphasized in Section IV, the future efforts of APIP to expand policy modelling and simulation will require good data. The

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<sup>3</sup> These issues are being addressed in the general CGC subsidies study discussed earlier.

procedural role of the unit in providing the data on a regular basis has not been properly be addressed--especially with respect to interaction with other Ministries.

#### 4. Host country institutional improvements

A number of institutional arrangements and improvements contemplated in Project design did not materialize during the first phase. As a result, most of the analytical effort has been borne by expatriate and host country consultants. The DG/PDIA cadre has not been able to take advantage of the kind of intensive in-service training that had been envisioned.

##### a. Personnel

In accordance with its commitments, the MOA has added four new staff members to the DG/PDIA, all at the junior level. This staff helps with added responsibilities under ASAL II and the challenges of APIP, as recommended by the MA. The subdirector of development was appointed as coordinator of APIP monitoring and was charged simultaneously with monitoring the implementation of ASAL II and APIP. He has worked effectively in day-to-day management with MOA cadre, the staff of other ministries and agencies, the contractor's Resident Adviser, visiting consultants, and A.I.D.. However, there are indications that his style is cramped by GOT formalism, by a low level of delegation of decision making and by the shortage of secretarial assistance. The latter problem is aggravated by the non-use of APIP-provided PCs for word processing and inter-office communication (leading to hand-written notes and occasionally even to the use of junior professionals for preparing letters.) This, coupled with the collapse of the APIP coordinating structure, has also led the Director General to complain that he had to devote so much of his own time to resolving administrative problems with A.I.D. that he could not find enough time to participate in substantive aspects.

A large number of DG/PDIA cadre (including the chefs de file of all specific studies) were nominated for important functions in connection with APIP. In practice, most were not able, or not allowed to, spend full time on those functions when necessary. This may well indicate that the Project is not effectively integrated into the normal activities of the DG. The phenomenon is also related to the lack of available computers, the delay in fielding local academic adviser/trainers, and the TOR of the study contractors.

There is no evidence of any staff development plan that could form the basis for a systematic training program (see below). This is probably related to the relative rigidity of the personnel structure, with automatic pay increases based on seniority and promotions tied either to the acquisition of graduate degrees or ascension to a higher position, or both.

##### b. Management

The management audit's recommendations for task scheduling and the development of a management information system (MIS) have not been implemented. Records of procedures followed, of the efforts of specific

working groups, meetings with consultants, A.I.D., etc. are very sketchy. The only central memory for APIP events and work plans at this time is with the office of the contractor's resident representative.

Fifteen personal computers were finally purchased, as well as 13 printers and 16 power stabilizers. While the PC's have fared quite well to date, a number of sub-components have not yet been delivered. A large number of the separately procured stabilizers have failed and are keeping some of the computers out of use for fear of voiding their warranties. (The defective stabilizers are waiting to be returned to France for repair or replacement.) Also, although the main equipment was procured from a firm that--while it was the low bidder--was known to have virtually no local service facilities, no attempt has been made to secure regular service from abroad to avoid a major technical problem. (Meanwhile, the statistical unit's software specialist is being misused as an empirical hardware troubleshooter.)

Five of the PCs were ceded to the MinPlan and ME, respectively. The remaining 10 were retained in the DG/PDIA--six for common use (three of them in the consultants' office where they are very under used), and four assigned to individual offices. As stated previously, the PCs are not used for word processing or inter-office communication by DG/PDIA staff. The myth appears to be that computers are used only for calculating and tabulating. Available data and information indicate that on average all of the PCs are notably under utilized, obviously in large measure owing to the stabilizer problem. All but one or two of the common PCs should be distributed to appropriate senior staff, including the Investment Monitoring Direction.

#### 5. On-the-job and formal training

Training is the essential tool for achieving the Project's subordinate goal, i.e., creating a cadre capable of sustained, independent analytical work for agricultural sector policy formulation and monitoring.

##### a. Formal training

Because of the MOA's insistence, U.S.A.I.D./Tunisia has added another \$140,000 to the modest budget originally allocated to formal short-course training, bringing this component up to a still modest six percent of the total budget. The activity has been well-planned and effectively implemented by U.S.A.I.D./Tunisia, in partial consultation with the prime contractor and subcontractors, both at the domestic and foreign (US) level.

To date, six DG/PDIA officials, including the ASAL/APIP coordinator, have attended short courses in the US--three in "Economic Policy"; two in Project Monitoring and Evaluation; and, one in data management.

In addition, an official of the Ministry of Economy attended a seminar on privatization strategies and techniques in October 1989, and the DG/PDIA is planning to send two more of its staff for short courses in the US. Four

"Level 1" in-country training courses have been offered so far to ten participants in Data Management, English, Econometrics and Forecasting Techniques.

The overall training plan calls for the vast majority of the DG/PDIA's headquarters staff, more than 20 staff members of regional offices, and a dozen officials of the Ministry of National Economy's (MinEcon's) bureaus of price control and of subsidies (formerly the Directorate of Prices and Economic Controls (DPCE)) to take at least one short course in one of their specialties, and in many cases up to four. Because most of the training is provided by two prestigious local institutions (ISG and INAT), the budget is being utilized in a highly cost-effective way. The average cost per person of local training is about \$1,500, compared to \$4,000 for US training. Registration for the numerous local courses given after office hours is said by some DG/PDIA staffers to be very satisfactory, indicating a high degree of real interest. Others state that the 5 pm starting time makes it difficult for higher-level officers to be punctual, and that they also often found it difficult to tear themselves away from their normal duties during office hours. The personnel concerned should be polled to determine their preferences and constraints.

b. On-the-job training

Effectiveness of on-the-job training has so far been sharply limited by the unstructured approach to preparation of the policy studies and to the implementation of the methodological technical assistance by visiting University of Wisconsin faculty.

In accordance with the thrust of the PP, the SOW and contracts for the studies made no provision or allowances for the involvement of DG/PDIA personnel, in general, in more than data gathering. The exceptions were in some cases at the chef de file level during the consultants' in-country work. Unless the individuals concerned heeded the admonition of one of their directors to "always look over the consultants' shoulders", they derived little learning benefit from the experience. (Yet, unprecedented access to information and data in some of the commodity Offices should be considered an important lesson learned by DG/PDIA staff, in addition to its long-term institutional impact.)

The training impact of the Wisconsin technical assistance effort has not been notably successful to date. Consultant visits have been too short, and there was nearly a two-year delay in the recruitment of the two local academicians who are now serving temporarily as "interface" between the consultants and DG/PDIA staff. The problem is brought into sharp focus by the complaints from Wisconsin that "nothing happens between our visits", and complaints of the DG/PDIA staff that "they use us only for data collection when they are here." As a result, many of the cadre in the ministries and agencies concerned with APIP still have a very limited understanding of the economics of structural adjustment. They emphasize that they do not understand where and how their efforts fit into the "big picture".

## C. Important Historical Design and Implementation Problems

### 1. Introduction

The brief analysis that follows is designed to help A.I.D. avoid problems similar to those encountered in APIP. For this Project, they can be viewed to be largely as "water over the dam", but they should prove helpful for similar A.I.D.-funded projects in the future. Two categories of issues are identified. The first set of problems (points 2-4 below) we consider in retrospect to have been "avoidable" (or "foreseeable"). The second set (point 5) was not foreseeable or avoidable and are not uncommon.

### 2. Unrealistic institutional design expectations

The Project design's institutional proposals were based on the PP's institutional analysis. The expectations for institutional design were overly ambitious and unrealistic. The ASAL coordinating committee, after much pressure from A.I.D., attended an initial session with APIP personnel, but had no further role in APIP implementation. In retrospect, it is understandable that a high-level, 20-member committee created to deal with the implementation of a \$84m World Bank loan could not be mobilized to the \$5m APIP. As a result, the inevitable early conflicts among the partners had to be resolved ad hoc at an administrative level. The resulting friction and delays were aggravated by the two unforeseen, key personnel changes discussed below.

### 3. Imbalance of principal Project outputs

Project implementation at the US end is being effected through a prime contractor and two (very diverse) sub-contractors. This has led to substantial slippage between the two principal outputs--short-term policy-oriented studies, and long-term capability building. The prime contractor, Ithaca International (IIL) and the ISG carried out the short-term studies without any discernible attempt to coordinate that effort with the methodological improvement and on-the-job training offered by the University of Wisconsin (UW). Personnel changes at the outset aggravated the problem, as did the delay in contracting local consultants as discussed below.

### 4. Local acquisition and contracting delays

Two simultaneous problems of a legal/administrative nature on the A.I.D. side plagued the implementation of the Project's first phase--in one case for over a year; in the other for more than one-and-one-half years. Both problems were related to the procurement of commodities and services by U.S.A.I.D./Tunisia from funds it was administering outside the contracts. In the case of procurement of services, the problems arose when attempting to hire individuals already receiving salaries from the GOT. There was never any difficulty hiring people from the private sector. The procurement problems resulted in substantial delays in implementing the secondary Project output concerned with long-term capability building. The delays in both cases reflected the ever growing complexity of A.I.D. regulations, especially those related to contracting and procurement. These delays were seriously

exacerbated by protracted (18 months), simultaneous vacancies in the regional posts of contracting officer and legal adviser (both located in Rabat). These delays are described briefly below.

a. Computer acquisition

The purchase of PC and related equipment for the three ministries involved in the Project, MOA, MINPLAN and the Ministry of Economy (MINECON) was seriously delayed. The PC acquisition was expressly designed to provide the personnel concerned with the essential, modern tools to take full advantage of the in-service training opportunities offered by both main Project outputs--studies and methodological technology transfer. None of the personnel concerned in the three ministries had appropriate personal computers available to them. Hence, the one-year delay in availability of this equipment created an extraordinary training backlog. The DG/PDIA personnel (who were until very recently the only "counterpart" personnel of the Project), were not able to participate effectively in the Abt and IIL studies. Numerous person-months of high-priced consultants were fielded to Tunis to research the short-term studies and initiate methodological in-service training, but no modern computer facilities were available for the cadre to train on.

b. Contracting of Tunisian consultants

Part-time contracting by the MOA of two highly qualified Tunisian professors to act as permanent local liaison for DG/PDIA personnel between visits from UW faculty members also was problematic. The MOA's and, subsequently, A.I.D.'s regulatory constraints regarding the advisers' remuneration (because they were teaching in public institutions) delayed their coming on board until October 1989. The subsequent departure of the Resident Adviser, and the lack of a high-level professional Tunisian counterpart (whom the MOA refused to contract from the outside), aggravated the inordinate delay. The combined events impaired substantially the effectiveness of the UW effort. These delays and personnel departures caused a great deal of dissatisfaction with the training effort amongst the Tunisian participants and their supervisors.

5. Personnel issues

a. Initial staffing reconfiguration

Initial Project implementation was reportedly characterized by a protracted lack of decision making on both sides. This problem is attributed to the simultaneous departure of the two principal creators of the Project. The longtime Director General of the DG/PDIA (without whose enthusiasm and dynamism, it is said, the Project would have never been conceived), was called to take charge of a state bank. The A.I.D. agriculture officer, largely responsible for Project conception and design at the other end, was transferred to Washington for personal reasons. Moreover, a key staffer in the contractor's home office also left the scene suddenly at about the same time. Despite the implications in terms of policy continuity, the A.I.D. personnel gap was to some extent remedied by the arrival without delay

of the Project Officer and of the contractor's Resident Adviser. On the Tunisian side, however, the incumbent Director General of the DG/PDIA was replaced only after about six months, at which time some important decisions had been made by default and others were left pending. An outstanding instance, which is also related to the non-functioning of the coordinating committee, is the difficulty reportedly initially encountered by the contractor initially to obtain clear statements of GOT policy priorities (a problem which, as discussed later, has not yet been solved).

b. Departure of resident advisor

The start-up problems were aggravated by the bilaterally perceived unsuitability of the Resident Adviser, who departed after less than 18 months on the job, as did his local assistant. Following a hiatus of three months, during which the contractor had no local representation, the home office Project manager was assigned to the post by common agreement among the partners. At that juncture, management skills were deemed to be valued more highly than specialized academic qualifications. The latter were provided at that point by nomination as home office Project director of a staff agricultural economist with appropriate qualifications and experience. The home office Project director had been the Project's technical backstop officer since July 1988. The new Project director has made frequent field visits. He was, and continues to be, the team leader of one of the most important short-term studies (cereals marketing). Thus, both technical and managerial continuity was assured, and local management--especially as regards the triangular DG/PDIA-contractor-A.I.D. liaison--has improved tangibly.

Nevertheless, despite the best efforts on everyone's part to remedy the situation, the lack of a suitable long-term resident technical adviser in a Project of this type is inevitably felt. There is always a need for someone to whom the local technical staff can turn for guidance and problem solving between the visits of the short-term consultants. A long-term resident advisor is in the best position to provide continuity in the on-the-job training and institution-building effort, and bring important policy and institutional implications for the host government to the direct attention of decision makers (without negating A.I.D.'s low profile in this regard) when insufficient attention is being paid to host country staff.

Finally, the important task of preparing adequate TORs for studies and consultants also continues to be impaired. The A.I.D. Project Officer is unduly burdened with it, despite the best efforts of the incumbent Resident Representative. The last adviser had been less than helpful in this respect.

### III. MAJOR IMPLEMENTATION ISSUES AND RECOMMENDATIONS FOR THE SECOND PHASE

#### A. Need and Scope for Changing Project Focus

At the outset of the evaluation, the major implementation issue of the Project's second phase appeared to be balancing the Project's twin goals and short-term outputs versus long-term capability building, the latter favored by the Ministry of Agriculture. At the time of Project design, A.I.D. favored short-term outputs. However, A.I.D. agreed recently to double the budget for formal training. GOT interest in follow-up to some of the studies indicates that host country priorities now increasingly stress operational applications.

The team believes that there is no need for major adjustments in goal and output priorities for the next 18 months. An analysis of the state-of-the-project-budget against current commitments will be an essential input for even a limited reprogramming exercise. Actual expenditures against the contract budget are almost exactly at the halfway mark. But, according to the incomplete information available to the A.I.D. Project Officer and the contractor's Resident Adviser, overall uncommitted funds probably do not exceed \$0.5 million, i.e., about 10% of total Project funding, of which a substantial share is already earmarked for meeting future commitments for previously agreed activities.

The relevant question, in our opinion, is the degree of resource concentration on:

- (a) reinforcement of the training (i.e., the "technology transfer" or "learning by doing") aspect of the Project; and
- (b) review of the need, priorities and focus of additional policy-oriented studies leading to new developments in GOT strategies, such as the start of preparation of a new 5-year plan in 1990, as well as the Ministry of Agriculture's advanced effort to regionalize planning and implementation.

#### B. Conditions for Effective Implementation

##### 1. Working procedures in DG/PDIA

Aside from a possible reorientation and reprogramming of the consultants' efforts for the remainder of the Project life, as discussed below, such an effort would entail the use of more formal procedures to set up and monitor the DG/PDIA cadre's work programs in conjunction with the local and visiting consultants. The use of working papers, user manuals and records designed to document staff participation in specific studies and exercises should be encouraged. Other conditions for the GOT's public administration methods are discussed later in this section.

## 2. Strengthening in-house analytical capability

The consultants' efforts should be divided into a series of discrete increments designed to transfer knowledge of the application of both the conceptual and empirical issues they are addressing. Methodology should be designed to explain structural adjustment based on the market mechanism. The consultants should begin by presenting to the entire cadre a general introductory perspective of their effort. A short course on the application to policy analysis of the law of supply and demand, using empirical examples and computer aided demonstrations might be advisable.

At least one or two well-qualified staff members of the DG/PDIA should be allowed to devote full time to policy analysis, in addition to the permanent collaboration of academic advisers from teaching institutions. In view of the pre-eminence of cereals in the farm and consumer economy as well as in the balance of payments, this sector should be the first choice for policy simulation efforts. The special interest and concerns evidenced by the incumbent PDG of the OC, and the quantity and quality of analytical work already completed and planned through the end of this year reinforces the team's recommendation for subsectoral modeling.

This recommended approach to the analyses of the cereals sub-sector should be given absolute priority, including both supply and demand analysis linked in a market model framework. This will probably absorb the efforts of the cadre concerned for at least a year, possibly two (depending on U of Wisconsin efforts and inter-ministerial collaboration). A one-to-two year time frame is realistic if a computer model that can be operated and maintained by the cadre is installed. For this purpose, the framework must be designed to allow their efforts to be fully integrated to utilize a policy simulation model. The DG/PDIA is prepared to analyze supply side issues whilst the demand side is in the domain of the ME. Specification and organization of the modeling effort will be crucial. Delegation of tasks to each ministry is essential. The policy modeling experience of the Moroccan Ministry of Agriculture can be a valuable example for this effort.

The role of the University of Wisconsin consultants will need to be synergistic with the rest of the Project's analytical efforts, and vice versa. Moreover, their more sophisticated methodological efforts should be concentrated on the Tunisian trainers (ISG, INAT), rather than directly on Ministry of Agriculture cadre who, in turn, would be expected to make appropriate use of the policy analysis tools (PAT) as part of their regular tasks. The DG/PDIA needs academic experts from other institutions, such as ISG and INAT, on a long or short-term basis, to handle the very sophisticated aspects of modeling and econometric analysis. At present salary levels and under regular staff working methods, it is unlikely that the Ministry could either attract or retain cadre with PhD level training who would be able to formulate, and provide analytical specification of, such work. A much more efficient solution would be to train the cadre to maintain and update the models and interpret the results.

The initial effort would be to develop a prototype of a multi-market policy simulation framework for cereals, which could subsequently be applied

to other subsectors. The University of Wisconsin might also consider dovetailing some of its statistical advisory services with the effort of the short-term (six-months) EEC adviser being recruited to complete installation of a permanent capacity for computerized data entry and transmission at the regional office level.

As a technical point, it is recommended that data bases be organized for five to ten subsectors, with standardized and cross-referenced types of information. The structure of statistics from special studies and from other agencies needs to be formally developed. Linkages of the primary data sources to aggregate systems should be devised to support the release of aggregate data outside the MOA. Special studies of the various subsectors that develop their own data should have copies of the important statistical data included in the data base for the subsector. Inclusion of data into the subsector database should be planned for all major study efforts. Documentation requirements for this information must be identified and methods of its organization and management should be planned. Archival systems and libraries of dated materials are essential elements for the long term.

More detailed proposals for the remaining Wisconsin effort are included found in Annex A.

### 3. Determining priorities of policy analyses

Informal discussions with GOT decision makers indicate that there is general satisfaction with the priority of the two studies, Cereals Sector Phase II and Caisse de Compensation, that are currently under way, to be completed by the end of the year. This is not so for the Cereals Transport Equalization study (to start in November 1989). During a meeting on October 24 between the evaluation team leader and the PDG of the OC (in the presence of the DG/PDIA's chef de file and the project Resident Adviser), the PDG stated unequivocally that the study was not needed because the transport equalization fee was a minor issue that was already being resolved and which did not have any complex economic implications. (This surprise is a prime illustration of the management and communications gaps that need to be filled.)

Ten additional studies are on an informal list for possible completion by the end of 1990. They include: animal feed and irrigation subsidies; project monitoring; competitiveness of marine fishery products; farm credit; profitability of agricultural investments; agricultural taxation; greenhouse farming; bakery margins; and, liberalization of animal feed imports.

In view of the breakdown of the GOT's project-governing mechanism, it is not clear how, why, and by whom this list was selected, except that parts of it were reportedly accepted informally at the project partners' January 1989 programming meeting. The rest was informally transmitted by the DG/PDIA's ASAL/APIP coordinator. Meanwhile, the evaluators found a variety of opinions about priorities among key potential decision makers who were interviewed, as well as admissions by the principals involved that there had been little or no recent consultation. Moreover, there has been no systematic attempt to prepare preliminary TOR on which to base, inter alia, preliminary cost estimates. Finally, the limited time horizon of the project--it is due to end in April, 1991--must be taken into consideration.

A cursory comparison indicates that only four of the proposed studies are related to ASAL actions to be taken through the end of 1990. The agricultural policy priority of proposals such as greenhouse farming might well be questioned; two might be combined (animal feed subsidies and import liberalization). The focus of the proposed fisheries study is not in keeping with World Bank assessment of the issues, and the specific issues to be examined in two institutional studies (credit and taxation) would need to be spelled out early on. One also notes the absence of certain fundamental policy themes related to land tenure, farm labor and rural social conditions that are hardly (or not at all) touched by ASAL. Some of these issues were specifically mentioned as priority matters by GOT officials in our discussions.

Finally, the subject of "drought strategy" looms large in the minds of some GOT decision makers and A.I.D. seems to have agreed to include it in the projects' agenda, albeit with extra-project resources. The evaluation team did not have access to any documentation on this subject, but we would counsel caution in approaching it. Above all, there needs to be clarity over the nature of such a study if it is not to join dozens of others that are gathering dust on bookshelves. The ideal product would be a series of technically and socially realistic proposals within an overall theoretical framework, based on experiences gathered elsewhere. Moreover, rather than entrusting such a study solely to APIP and to one A.I.D. contractor, consideration should be given to undertaking it in concert with other partners, such as FAO and one of the international research centers, given the risks involved for Tunisia and for the prestige of the sponsoring entities.

The list of studies should be reviewed thoroughly by all concerned, including the project leaders of the contractor and the sub-contractors and, most importantly, by the formal GOT decision making mechanism proposed below as its first order of business. The basis for decision making should be a decision memorandum prepared at the technical level, with appropriately justified priority options based on policy and strategy considerations and accompanied by budget analyses that will permit a final ranking.

#### 4. Future structure and performance of GOT project management

There is no reason at this time for changing the main locus of the project implementation from the DG/PDIA of the Ministry of Agriculture. This directorate general is the only executive entity within the government with the institutional capability for taking charge of ASAP implementation, which APIP is designed to support. However, for the sake of the project's continued legitimacy in the eyes of the government as a whole as well as of A.I.D., an appropriate policy and program coordinating mechanism needs to be re-established. This would lead to a more cooperative relation among participating ministries. As has been illustrated throughout this report for various reasons, creation of such a structure is the essential basis for the implementation of the institutional and instrumental improvements that we believe are required to match the extent of the project's ultimate impact with the amount and quality of its inputs.

Given the important policy support role that continues to be expected of the ASAL/APIP process throughout the government, we believe consideration should be given to the following, relatively simple, management structure. Such a structure would, respond to the needs for systematic implementation without encroaching on the valuable time of the decision makers or of the technical staff:

- o Policy should be set by a steering committee composed of the two Secrétaires d'Etat, respectively, of agriculture and economy and the DG of Planning of MinPlan, with the Director, U.S.A.I.D./ Tunisia, attending by invitation. The steering committee would meet only ad hoc whenever the executive committee (see below) is unable, or does not feel authorized, to resolve a specific issue, and to sanction important changes in priorities, institutional arrangements, etc.
- o Permanent coordination should be guaranteed by a standing executive committee of manageable size, which would include the appropriate Directors General or Directors of the three Ministries concerned as well as the U.S.A.I.D. Project Officer; the APIP contractor's Resident Representative would be regularly invited as an adviser. Observers/advisers from among the contractors' consultants and from the cooperating ministries and other Tunisian agencies could be invited ad hoc. The ASAL/APIP Coordinator would be the permanent secretary of this committee. He would be responsible for preparing the agenda and the agreed minutes of the meetings, including formal resolutions when applicable, as well as for assuring that all members attend and are adequately briefed regarding the agenda. We suggest that this committee meet regularly (perhaps every two weeks).

Obviously, creating an institutional structure for coordination is not sufficient to guarantee more efficient and, above all, more effective, Project implementation. Most important is institution of a system and spirit of participation, collaboration and communication within the DG/PDIA and externally, inside and outside the Ministry of Agriculture. Such an environment is essential for optimizing the use of existing human and physical resources, especially with respect to data bases, information exchange, existing computer networks, etc.

In this type of institutional and management framework, consideration might also be given to having the steering committee make budget allocations to each cooperating ministry, based on final decisions on program priorities for the remainder of the project, and to let each directeur be responsible for implementing and monitoring his budget.

It is recommended that ISG be consulted, informally or via contract, to help DG/PDIA staff and the executive committee devise simple management procedures that would meet the minimum requirements of policy and agenda coordination, of day-to-day management and of monitoring under Tunisian conditions. DG/PDIA staff and the executive committee also need to develop procedures to manage workable systems of inter-office and outside

communications (with maximization of computer use over paperwork), the use of the computers, selection and training of support staff (secretaries), and delegation of authority. ISG should also propose a minimum of standard documentation of Project activities and of individual participation in them.

## 5. Information

In order to achieve maximum impact in the public sector as well as among public opinion makers, the evaluation team proposes that a respected, professional writer or journalist with some appropriate specialized background (or a specialist with recognized writing ability) be contracted to help write the executive summaries of new studies in French. This writer/specialist would also prepare accurate press releases of Project documents which the steering committee may consider appropriate for dissemination outside official circles. The summaries could be specifically targeted, in accordance with the audiences which they address, for example, GOT policy makers, technocrats and well-educated private entrepreneurs, academicians, and external donors/lenders. The less educated business person and person-in-the-street could be reached through the daily press and specialized periodicals.

A systematic distribution list for the full text of the studies should be established, based on questionnaires to be returned by all addressees that have a potential interest in them (as in the case of the National Center for Agricultural Documentation (CNDA) quarterly accessions list, for example).

A one-day review seminar on each new study draft is suggested, with ample participation of the public sector and, where appropriate, of the private sector as well. A second, general ASAP seminar outside the capital is already being planned. Greater private sector participation should be sought, and the professional writer proposed earlier should summarize the papers presented and draft the proceedings immediately after the end of the seminar.

As suggested by the Director General of the DG/PDIA, A.I.D. should consider participating with the World Bank in sponsoring a multi-national workshop of Francophone African nations that have ASAPs and/or APIP-like projects under way.

#### IV. A LOOK BEYOND THE PROJECT: FUTURE AGENDA SUGGESTIONS AND LESSONS LEARNED

##### A. Introduction

The implementation of the Project in accordance with its original goal and dual output targets through the current termination date will not require any major readjustments--with the exception of policy simulations. This view is shared by the Project partners. However, some adjustments at the margin will result in a more effective conclusion of the process.

##### B. Unfinished Agenda: Suggestions to the GOT and Donors

Unless the GOT and the World Bank decide to undertake ASAL III, it is nearly the end of a process that was expressly designed to deliver technical assistance to enable the GOT to comply with the undertakings of ASAL II. The GOT has acquired a far better appreciation of the probable macro-economic impact of the agreed market liberalization measures. If the remaining time is used to best advantage and in accordance with what we have heard from the majority of GOT officials with whom we conversed, policy analysis for structural adjustment will have been successfully developed. The Project will have also gone a long way towards helping the GOT design the various measures required to translate the agreed policies into specific actions for moving towards a free market economy.

However, by April 1991, the Project's "subordinate" objective of helping to create a cadre with a sustainable institutional capability for policy analysis will not have been achieved. Creating a national capability for analyzing a continuing process of structural adjustment and proposing alternative solutions with their probable outcomes is a more complex task than had been initially appreciated. The lack of such an independent, national capability jeopardizes the successful completion of the process. To minimize friction in a process that has top-level political backing, MOA must have the capability to manage a free-market agricultural sector, for which continued support to the structure created by APIP will be necessary.

Moreover, it will not be possible to meet by April 1991 the need for critical subsectoral, commodity and institutional analyses beyond the formal requirements of ASAL II given the human and financial resources available to the Project. The same is true for technical assistance in policy implementation. (However, if "buy-ins" and other creative resource additions are maximized, more can be achieved.) One major collection of structural-institutional issues is land tenure. This is a subject which the GOT has so far been reluctant to discuss even with the World Bank, but which came up in our discussions with at least two senior officials. Indeed, the issues can hardly be avoided when examining the subject of agricultural taxation, for example. They have major implications for private investment in agriculture.

The question of financial sustainability of agricultural adjustment and development policy without a land tax base to recoup the extraordinary costs is a critical issue.<sup>4</sup>

The Government, and the Ministry of Agriculture in particular, are increasingly anxious to implement successfully the new decentralization policy, under which the regions will very shortly enjoy major decision-making, operational and budgetary autonomy.

The establishment of a healthy private sector in agriculture and related activities is best served at the present time by continuing to assist the GOT in its decisive but properly cautious ongoing effort to dismantle a state socialist economy. The Government should be assisted simultaneously to create the appropriate environment for socially and politically useful private investment. The Government should assure adequate support from external donors for this continuing effort. Potential donors should also insist on obtaining commitments from the Government regarding some of the more important institutional and management issues discussed in this report, many of which are unlikely to be resolved by April 1991.

Also, when a policy environment favorable to private initiatives has been fully established, the creation of a special cellule, along the lines of the Moroccan model, for combining policy analysis as well as studies and advisory services for privatization should be considered.

One issue that needs special attention, but which may not be crucial to the successful completion of APIP, is the upgrading, and improvement of the management and output of the DG/PDIA statistical unit, recommended nearly two years ago by the management audit. Presently a sub-directorate within the directorate of planning and development, it has a staff of nearly 200 including field personnel, i.e., more than the rest of the DG/PDIA together. It needs to become a directorate in its own right, equipped to serve the agriculture statistical needs not only of the DG/PDIA but also of the rest of the Ministry of Agriculture (except for administrative data) and other units of the government. To accomplish this, the unit must have sufficient prestige to attract qualified staff (especially because public salaries for trained statisticians cannot compete with those offered by the private sector) and to gradually impose systematic order in this field within the Ministry and among various public agencies. Employment or contracting of a data manager is also urgent.

The development of policy simulations for the cereals subsector will probably not be feasible by the currently established end of project date. UW consultants indicate that they are well along in laying the groundwork for such policy demonstrations--at least on the supply (production) side. ME cadre, with the help of ISG faculty, currently do most of the work on the demand (consumption) side. Two problems arise from this. First, the UW team

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<sup>4</sup> The Land Tenure Center of the University of Wisconsin has a practically unique capability in the U.S. for providing analyses and technical assistance in this field.

does not believe that the cadre will be prepared to undertake the preparation of policy simulation models by the end of project date (in part owing to the initial delays in the availability of computers and the INAT consultants for training). Secondly, it is unlikely that ME staff can be expected to develop the modeling of consumption (needed for policy simulation), given their current budget and work plan commitments.

### C. Lessons Learned

#### 1. Searching for policy-level impact

A.I.D. is understandably anxious to document policy-level impact, even after less than two years of project life. However, it is difficult to pinpoint specific instances where decisions taken could be directly related to Project outputs, even in such obvious cases as cereals and oil marketing. (The task would clearly be easier if there were still a long-term Resident Adviser in place with continuous access to the relevant decision-makers, who would likely be a participant rather than an outside observer.) A.I.D. should be content, in assessing the "impact" of policy-related, and thus politically charged, "projects", with the reasonable assumption that, barring proof or indications to the contrary, the policies engendered with the support of APIP so far have been successful. Given the continuous demand for specific, policy-oriented studies and the participation of key host country personnel in their planning and execution, the implementation of measures that the studies either suggested or supported analytically, is a fairly persuasive indicator of positive and beneficial decision making impact.

#### 2. Influencing host country policies

An issue related to the search for policy-level impact is the degree to which A.I.D. believes it can influence host country policy making through the Project. In the present case, it is explicit U.S.A.I.D. Mission policy for the Project to limit itself to supporting host country policy decisions with analyses designed to allow decision makers to assess probable outcomes. The benefits of free market policies speak for themselves. Indeed, the PP makes it quite clear that the Project is designed to strengthen the capability of key public institutions for responding to the analytical requirements of the implementation of the government's agricultural adjustment policy agenda (including those aspects which arise from commitments made to the World Bank). The contractors have been equally scrupulous in avoiding imposition of a policy agenda. Implementation of this Project is thus considered to be a valuable guide to how A.I.D. should and could avoid even giving the impression that it is departing from a fundamental "non-intervention" stance.

#### 3. Flexibility in implementation

Throughout the first half of the project implementation, A.I.D. and the contractors have been duly alert to needs and opportunities for modifying work plans and agendas in response to changing circumstances. This is especially true regarding actions specifically related to the World Bank's structural adjustment loan. "Flexibility" has properly been one of the

Project's key (if unwritten) mottos. Quite aside from legal commitments to outside powers, such flexibility in backing up new policy initiatives has been good and promises to continue. It is essential that projects supporting the decision making and policy proposing level, including areas related to agriculture and food, such as price controls, should have flexibility built into project design. Care must be exercised, nevertheless, lest flexibility degenerate into chaos when signals are changed so fast that responsible professionals are frustrated. In this respect, it could be crucial for the contractor to have the right mix of local representation with both specialized advisory and management skills.

4. A.I.D. regulations as constraints on project effectiveness and impact

To everyone's credit, project outputs and intermediate activities have been in general delivered or carried out according to schedule and substantively in a timely and satisfactory fashion. Despite a number of implementation obstacles arising from the increasingly "Catch 22"-like administrative and regulatory procedures of the agency, most actions are now on track. As is frequently the case, these problems have interfered with key, time-phased implementation actions that should have been complementary, leading to delayed impact. What may be more deleterious in the long run are frictions over these administrative issues that have resulted in freely acknowledged strained relations between U.S.A.I.D. and key GOT personnel (and at times with the contractors). The U.S.A.I.D. Mission states that these instances have been formally brought to the attention of the home office in what is called a "vulnerability" report. Thus, we limit ourselves to supporting strongly the repeated calls, inside and outside the agency, for a thoroughgoing review of the increasingly self-defeating regulatory structure. This can be especially critical for policy adjustment programs where timing is of the essence.

5. Formal versus informal project monitoring

Project implementation has been effective and timely, despite several important constraints. Project achievements have accrued without a formal set of benchmarks, timetables, PERT charts and the like, at the U.S.A.I.D., Project Contractor and DG/PDIA levels--and perhaps because of their absence. This is not considered to be a problem because the Project implementation is largely a moving target. Thus, as was stated earlier, one of its main strengths has been its flexibility in response to changing circumstances and exigencies. At the Ministry of Agriculture level, moreover, the APIP is conceived, in the words of the Director General of the DG/PDIA, as "a tool for achieving structural adjustment objectives, not an end in itself".

This remark serves as a vivid reminder to U.S.A.I.D. that this type of project calls for a special relationship with the host country. If such a relationship continues to be respected, it can point the way for similar, potentially sensitive projects elsewhere. Conversely, if A.I.D. insists, for their own sake, on formal monitoring controls designed for other types of projects, it might well jeopardize substantive effectiveness as well as the

special relationship. U.S.A.I.D., itself, is learning about contributing to policy adjustment projects. Over-managing policy adjustment projects by A.I.D. may risk repudiation of adjustment goals by the host government. A.I.D. staff, like the DG/PDIA cadre, is "learning by doing".

6. Myths versus facts in project design and the institutional memory problem

A.I.D. personnel currently dealing with the Tunisian program stated at various times that the Agency was reluctant to assign a greater role to the capacity building objective of the Project. The reluctance was influenced by what was perceived to be the lack of impact of a massive, formal, out-of-country training program for the Ministry of Agriculture, implemented by the University of Minnesota between the late sixties and the late seventies. The attitude was justified by the assertion that there were only two graduates [presumably in agricultural economics] left in the DG/PDIA more than ten years after the end of the program.

Massive professional training programs in other countries have been among A.I.D.'s and its predecessor agencies' outstanding successes. Thus it is important to verify whether Tunisia was an exception to this success. As it turns out, according to one of the two survivors of the training program in DG/PDIA, approximately 15 participants received training in agricultural economics. Of these, a total of five or six are still working in the Ministry of Agriculture, and at least an equal number are currently serving in public research or educational institutions. Most of the rest are spread through other public or parastatal agencies. Moreover, head counting of former training participants in one particular agency, or even in the public sector at large, over a long period, is counter-productive in assessing the impact of such a program on national development--and for justifying de-emphasis on training under APIP.

A.I.D. had other reasons for wishing not to invest a greater share of the APIP resources in training, i.e., the urgency of the ASAL policy adjustment measures in the face of budget limitations. Nevertheless, one has the impression that in reaching that decision, undue weight may have been given to a fiction that could have been disproved with a minimum research effort.

ANNEX 1

Summary of Understanding with the University of Wisconsin's  
APIP Team Regarding Future Policy Analysis Agenda  
for the Project

SUMMARY OF UNDERSTANDINGS WITH THE UNIVERSITY OF WISCONSIN'S APIP TEAM REGARDING  
FUTURE POLICY ANALYSIS AGENDA FOR PROJECT

by Ted S. Black, Econometrics/Statistics Evaluator

These notes are based on intensive discussions with Drs. Kenneth Shapiro, Jean-Paul Chavas, Michael Roth and Cobe Johnson on October 24 and 25, 1989. Their purpose is to amplify the crucial elements of the University of Wisconsin plan for developing policy analysis tools (PAT) in the Tunisian Ministry of Agriculture, with the objectives of (a) determining the conceptual underpinnings for developing policy analysis capacity in the Ministry during the remainder of the project life and (b) clarifying the purposes of the planned activities.

Methodology

PAT will be developed with Tunisian staff to address specific issues of the ASAP, to be formulated in terms of questions with measurable components. Presentation of the results will be, as much as possible, in non-technical terms. The specifics of proposed policy impact measures will be presented in a concept paper scheduled for completion in two to three months. The concept paper will include a tentative design of the format and content of the expected outputs (computer graphs, charts, tables and user menus). The PAT outputs will provide essential, comprehensible, quantitative evidence that can be inferred from the analysis. The paper will also identify the conceptual and data limitations of the PAT and suggest statistical means for rectifying the limitations.

The work will use a categorical approach that concentrates on prior identification of the steps to be used and procedures to be followed by the cadre to teach them, as well as the collaborating Tunisian academics, how to use the PAT. The approach, initially to be concentrated on the supply side, is designed to provide an analysis of the effect of applying specific policy instruments in the ASAP (e.g., input subsidies reduction, producer price changes).

Conceptual specification of the study will explain the complexities of the approach on the basis of fundamental supply and demand principles. Empirical analysis will tie together available statistics and APIP databases and develop analytical software, including an impact simulation system, to illustrate policy effects and to integrate the direction's efforts in statistics, databases and computerization. The software for the PAT will include graphs, charts, tables and reports to summarize the empirical evidence and support hypotheses about specific policy scenarios reflecting combinations of policy instruments and other economic factors influencing the sector; it will be easy to use--menu driven and user friendly.

Workplan

In addition to the concepts paper to be presented in two or three months, a workplan for developing PAT for the cereals sector supply side will be developed using farm level data and the representative farm budget technique. The assistance of Professor Wallace Tyner of Purdue is being considered to refine this workplan and to assist in developing a long-term approach to more complete and reliable PAT, based on his recent experience in Morocco. Special

efforts will be made to link the work of ISG and the D/PCE to the demand side, using consumer surveys and results of the ISG econometric analysis for the Caisse study.

### Statistics

Availability of reliable statistics is the most critical constraint facing the application of reliable PAT. A long-term plan for resolving reliability issues will be integrated into the PAT development. In part to assure coordination with the EEC project extension, Wisconsin is considering inviting Mr. Akrouf to Madison to meet with Cobe Johnson, who will not be able to return to Tunis this year. Discussions will be scheduled to determine the statistical reliability of policy conclusions derived from PAT. They will include issues of design of the database and software for the surveys, question item usage, sample size and consistency of the sampling technique, and propose more complete QA/QC techniques.

### Local Staff

Involvement of local academic staff (especially Professors Thabet and Salmi of INAT) contracted with local funds is deemed to be absolutely essential to the success of the Wisconsin effort. The University is considering posting a UW graduate student in Tunis to help coordinate the analytical complexities of the PAT and further improve continuity.

ANNEX 2

Documentation Consulted

DOCUMENTATION CONSULTED

Abt Associates

Subcontract with Ithaca International Ltd	November 1987
Subcontract Modification	August 1989
Subcontract with University of Wisconsin	August 1987
Subcontract with Institut Supérieur de Gestion	August 1987

U.S.A.I.D./TUNIS

Country Development Strategy Statement, FY 1988, Tunisia, Annex I, Agriculture Sector Assessment	
Tunisia Agricultural Strategy Statement	December 1986
Project Paper, Tunisia: Agricultural Policy Implementation (664-0343)	March 1987
Award/Contract to Abt Associates, Project # 664-0343	November 1987
Tunisia Agricultural Sector Strategy Statement, Final Version	June 1989

APIP

Agricultural Profitability, Protection and Comparative Advantage (AIRD, pre-Project)	June 1987
Subsidy Removal Impact (Abt, ISG)	April 1989
Management Audit of the Planning Unit in Tunisia's Ministry of Agriculture (DAI: Klein et al.)	January 1988
Cereals Sector, Plan of Action, First Phase (ILL)	May 1989
Dairy Processing Implementation Study, Final Draft Report (IIL)	July 1989
(Fertilizer Marketing): Possibilités d'Amélioration de la Commercialization des Engrais Chimiques et de Leur	

Utilization dans les Exploitations  
(Draft; Abt) February 1989

Export Commodity Studies (Ithaca/ISG):

Citrus January 1989  
Olive Oil January 1989  
Wines January 1989

Domestic Vegetable Marketing  
(Comete, in French) March 1989

Semi-Annual Report and Update of  
of Year II Workplan July 1989

Trip Report, Jean-Paul Chavas, Jul-Aug. August 1989

Papers Presented to Policy Implementation Seminar, May 1989

D.G. Sisler, Strategie pour l'Exportation et  
la Competitive de l'Huile d'Olive Tunisienne

G.B. White, Strategie pour l'Exportation et la  
Competitivite du Vin Tunisien

E.W. McLaughlin, Strategie pour l'Exportaton et la  
Competitivite des Agrumes Tunisiens

M.S. Rejeb, Reduction des Subventions d'Intrants  
Agricoles: In\mpact sur la Demande d'Instrants et  
l'Offre de Produits

R. Meddeb, Commercialisation des Huiles de Melange

Ch. J. Heureux, Commercialisation des Engrais

M.D. Newman & M. Boughzala, Quel Role Pourraient Jouer  
les Secteur Publique et Prive Dans la Collecte et les  
Marches d'Importation des Cereales in Tunisie?

DAI

Management Audit of the Planning Unit  
in Tunisia's Ministry of Agriculture  
(Koein et al) January 1988

Ministere de l'Agriculture-DG/PDIA:  
Systeme de Commercialisation des Engrais,  
Situation Actuelle et Possibilite  
de Son Amelioration September 1989

World Bank

"President's Report" on Proposed  
Agricultural Sector Adjustment Loan to  
Tunisia (Report # P-5001-TUN)

May 1989

ANNEX 3

Persons Interviewed

PERSONS INTERVIEWED

A.I.D./A.N.E.

Paul Novick, Agricultural Development Officer

U.S.A.I.D./Tunisia

George Carner, Director  
Nancy Tumavick, PDO  
John Sperling, Program Officer  
Shirley Pryor, Project Officer  
Robert Rucker, Economist  
Monica McKnight, Private Sector Officer  
Pamela Day Pelletreau, Consultant

Abt Associates

Stephanie Wilson, Managing VP  
Jerry Martin, VP International Agric. Projects  
Mark Newman, Project Leader  
Cheryl Rassas, Resident Representative, Tunis

Ithaca International

John Eriksen, Project Leader (by phone)

University of Wisconsin

Kenneth Shapiro, Associate Dean & Project Leader  
Peter Bloch, Project Coordinator  
Jean-Paul Chavas  
Cobe Johnson  
Michael Roth

World Bank

Laura Tuck, Agricultural Economist, EMENA

Government of Tunisia

Prime Ministry:

M. Jebali, Directeur General des Entreprises d'Etat,  
et Directeur des Privatisations

J. Saghir, Conseiller Resident (AID/CGP) aupres du Directeur  
des Privatisations

Ministry of Agriculture:

M. Boujbel, Secrétaire d'Etat

DG/PDIA:

M. Gharbi, Directeur General  
B. Ben Amar, Directeur, Planification/Dev't  
K. Zeghidi, Directeur, Investment Agriculture  
A. Khaldi, Sous-Dir., Dev't Agriculture  
    Coordin., PASA & APIP  
M. Akroud, Sous-Directeur, Statistiques  
M. Chouchane, Chef, Service de Planification  
    Sectorielle & Regionale  
M. Bel Haj, Chef, Service des Analyses et de la Synthese  
M. Chaffai, Chef, Service des Analyses Economiques  
M. Triki, Specialiste en Informatique

CNDA (Centre National de Documentation Agricole):

R. Ali, Directeur  
M. Gharbi, Sous-Directeur

APIA (Agence de Promotion de l'Agroindustrie):

M. Dridi, Directeur

Ministry of Planning and Finance

M. Saddem, Directeur General de Planification  
K. Borgi, Sous-Directeur  
C. Aissa, Directeur des Etudes

Ministry of Economy

M. Zouavi, Secrétaire d'Etat, Industrie & Commerce  
S.B. El Hannachi, Conseiller Economique  
M. Makhoulf, Directeur, Prix & Contrôles Economique  
R. Touiti, Directeur, Soutien des Prix

Banque Centrale

R. El Hakim, Directeur General des Etudes

Office des Cereales

M. Debbaya, Directeur General

Office National des Huiles

M. Rouissi, Directeur General  
M. Tlili, Sous-Directeur

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Institut Supérieur de Gestion (ISG):

M. Safra, Directeur  
M.S. Redjeb, Professor

Institut National d'Agriculture de Tunis (INAT):

A. Selmi, Professor  
B. Thabet, Professor

Other Tunisian and International Institutions:

Groupement Interprofessionel des Dattes (GID):

H. Belaifa, Directeur General

Institut d'Economie Quantitative (ISQ):

Erwin Reister, Conseiller (EEC)

European Economic Community (EEC):

Jean Breteche, Conseiller (Agriculture)

Food and Agriculture Organization (FAO):

M. Chouiri, Resident Representative

La Bourse (Stock Exchange):

H. Trad, Secretaire General

ANNEX 4

Scope of Work

4/2

4/1

Attachment

## SCOPE OF WORK

1. Project Title: Agricultural Policy Implementation Project (APIP)  
Project No.: 664-0343

### 2. Background

2.1 Purpose: The purpose of this mid-term evaluation is to provide the Ministry of Agriculture and USAID with an assessment of project performance to date and guidance for future project direction. It is a crucial period in the life of the project. There have been major changes in project personnel and project structure. Several important studies are now available and the quality and effectiveness of APIP's contribution in the policy-making arena can be evaluated.

2.2 Project Background: The Project was developed to support the GOT/IBRD Agricultural Adjustment program which was begun in 1986 to assist Tunisia in its shift from a controlled agricultural sector to a more liberalized sector lead by exports. The major objective of the project is to support the GOT in the policy analyses necessary to support structural adjustment as Tunisia liberalizes and privatizes certain functions of its agricultural sector. The GOT is committed to structural adjustment and has made considerable progress. Implementation is the major issue: At what speed, which measures come first, etc. The World Bank's Agricultural Structural Adjustment Program (ASAP) supports key reforms but provided no funding to assist GOT with the analysis necessary to decide on scope, pace, and implementation plans of these reforms.

2.3 Description: The Project Agreement for the Agricultural Policy Implementation was signed in April 1987. A contract with Abt Associates to carry out a major proportion of the technical assistance was signed on November 6, 1987 and the resident advisor was in place by January 1988.

2.4 Project objectives: The Goal of the Agriculture Policy Implementation Project (APIP) is to assist the GOT reach its objective of increasing the efficiency of resource allocations in the agricultural sector through greater reliance on open market economic competition as the primary driving force in the economy.

The purpose of the project is to help the Government analyze and formulate actionable policy initiatives in support of the GOT's Agricultural Structural Adjustment Program (ASAP).

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In support of the Project's purpose, APIP is designed to produce two major outputs during its four year life:

- First, discrete economic analyses useful to government decision-makers in implementing needed policy reforms under the Agricultural Sector Adjustment Program.
- Secondly, enhanced technical capabilities of several governmental agencies to manage and use policy analyses through collaborative work with experts, both US and Tunisian, in identifying better policy constraints, gauging economic effects of alternative policies, formulating appropriate policy recommendations, and monitoring the impacts of economic changes in the agricultural sector.

### 3. Objectives of Evaluation

- 3.1 Evaluate implementation progress to date against project objectives.
- 3.2 Assess quality and especially the usefulness of analyses to date.
- 3.3 Review experience and project organization and recommend improvements to help project meet objectives and targets and respond to needs.

### 4. Specific Tasks and Questions to be addressed

#### 4.1 Analyses

- a. Assess quality of APIP analyses in terms of realism, appropriateness to Tunisian case.
- b. How has APIP's policy agenda been determined? Suggest methods of improving this. Should there be changes in policy agenda? Which major items have been missed or excluded?
- c. Has project been flexible enough to respond to changing analytical needs particularly in response to negotiations with the World Bank?
- d. Has the project encouraged private sector activities? Should there be expanded interaction with USAID's privatization activities? Has the private sector been adequately involved in the project?
- e. Assess integration and dissemination of materials. Has the agenda been too broad to allow appropriate follow-up? Are policy themes emerging which encourage attention and follow-up?

f. What is the dissemination process of analyses? How can it be improved? Evaluate format of reports and summaries.

g. To what extent have APIP analyses been taken into consideration by policy-makers? Document any impact APIP has had on agricultural policy and its application in Tunisia.

h. To what extent has MOA participated in draft TORs, reviewing TORs, participating and reviewing analyses and ensuring follow-up? To what extent have other Ministries been involved? Should these roles be expanded and if so, how?

i. To what extent was the time of staff from MOA and other Ministries made available to work on the analyses?

j. Has there been adequate preparation in advance of short-term consultants? To what extent has the MOA participated?

k. How can the process of identifying uses of local currencies to support APIP and encourage private sector involvement in agricultural production, processing, importing and exporting and input supply in Tunisia?

#### 4.2 Information and Monitoring:

a. Has the project set up an adequate data base and information system? Is such a system necessary?

b. Has USAID set up appropriate benchmarks to monitor project progress? If not, recommend appropriate benchmarks.

#### 4.3 Contractor Performance:

a. Has the contractor provided appropriate consultants for the specific analyses on schedule?

b. Is there a way to improve or expand the roles of the subcontractors, particularly University of Wisconsin contribution?

c. Are there ways to improve the on-the-job training provided by the short-term consultants to Ministry staff?

#### 4.4 Is there a need to change the ratio of project inputs: TA, training, commodities?

4.5 Administration:

- a. Measures to establish effective project management arrangements.
- b. Review implementation of management audit recommendations to determine which items need renewed emphasis.

4.6 Training:

- a. What evidence to date is there of improved GOT agricultural policy analyses and policy analyses skills?
- b. Evaluate APIP training program. Has there been the right mix of training -- overseas and domestic, on the job and formal?

5. Evaluation Schedule

USAID anticipates that the evaluation team will require an estimated 36 working days to complete the evaluation outlined above. The tentative schedule is described below:

- |        |   |
|--------|---|
| Week 1 | Evaluation team assembles in Washington and confers with AID/W representatives, World Bank staff, and Prime Contractor (Abt). Team planning sessions held. (3 people plus facilitator)          |
| Week 2 | Evaluation team arrives in country and meets with Ministries of Agriculture, Plan and National Economy, and USAID staff. (3 people)   |
| Week 3 | Continuation of meetings with primary and secondary GOT agencies and field trips if necessary. Mid evaluation briefing with USAID and MOA at end of week. (3 people plus senior policy analyst) |
| Week 4 | Continuation of meetings and preparation of report. (3 people)  |
| Week 5 | Presentation of preliminary report three days before departure. (2 people)  |
| Week 6 | Final report presented before departure. (Team Leader)  |

6. Reports and Deliverables

Report will be written in English and translated into French. An executive summary in French will be prepared before departure. The translation will be submitted after the team has left the country. Briefings to USAID will be in English and briefings to GOT will be in French. Week 5 the team leader will provide ten copies of a draft evaluation report in English to the APIP project manager. Before completion of Week 6 the team leader will provide ten copies in

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English of a USAID reviewed evaluation report in final draft form and ten copies of the executive summary in French. The document will be translated and ten copies sent to Tunis. Final payment will depend upon acceptance by USAID of the final evaluation report and receipt of ten copies in English and ten in French no later than thirty working days after the date of departure of the team leader or thirty working days after the date of completion whichever is sooner.

## 7. Evaluation Team Qualifications and Responsibilities

### 7.1 Senior policy analyst - 8 working days

The Senior Policy Analyst will be responsible for reviewing the studies and the workplan to analyze the quality of the work done and the appropriateness of the studies to the structural adjustment program and the process of liberalization and privatization in Tunisia.

This will be contracted outside of IGC.

Three people to be provided under the IGC should have a combination of the following skills: (the skills are listed in order of priority)

### 7.2 Agricultural economist, team leader - 6 weeks

The individual with expertise in agricultural economics should be a Ph.D. with considerable overseas experience as an agricultural economist and fluent in French. The team leader must have hands on experience at agricultural policy making and counselling. The team leader must have hands on experience working in technical advisory capacity with host country nationals in a national government atmosphere. Experience in agricultural information systems would also be helpful. The team leader will be responsible for coordination of the overall mid-term evaluation, for assigning duties and coordinating activities for all members. Although all team members will contribute to preparation of a written report, the team leader is responsible for preparation of a first draft evaluation report and a final draft evaluation report. Week 5 the team leader will provide ten copies of a draft evaluation report in English to the APIP project manager. Before completion of Week 6 the team leader will provide ten copies in English of a USAID reviewed evaluation report in final draft form and ten copies of the executive summary in French. The document will be translated and ten copies sent to Tunis. Final payment will depend upon acceptance by USAID of the final evaluation report and receipt of ten copies in English and ten in French no later than thirty working days after the date of departure of the team leader or thirty working days after the date of completion whichever is sooner.

- 7.3 Private sector: Agro-business and Privatization - 4 weeks  
An individual with expertise in private sector concerns will carryout those sections of the scope of work which relate to private sector as well as review studies and workplan to see how and APIP could better assist the entry of the private sector into the agricultural sector and how local currency could be used to ensure that transition.
- 7.4 Statistics/Computers - 4 weeks  
An individual with expertise in statistics and computer systems will be responsible for evaluating the statistical system used as basis for the APIP analyses and the use of computers. He/she should have an M.S. in statistics or computer science and have at least five years experience is working in L.D.C.s in an advisory capacity in the area of statistics and computer use.
- 7.5 Management - 4 weeks  
An individual with expertise in management will be responsible for carrying out those elements of the scope of work that related to management issues and will execute his/her responsibilities under the general guidance and direction of the team leader.

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