

A.I.D. EVALUATION SUMMARY - PART I

PD-ARH-363 85001

- 1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
- 2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX".

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office: <u>USAID/TUNISIA</u> (ES# _____)		B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY ____ Q ____		C. Evaluation Timing Interim <input type="checkbox"/> Final <input checked="" type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>	
D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)					
Project No.	Project /Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
664-0343	Agricultural Policy Implementation Project	1987	4/29/93	5,237	5,237

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
Action(s) Required <p style="text-align: center;"><u>POST PROJECT ACTIONS</u></p> <ul style="list-style-type: none"> - Training programs should be continued to consolidate what has been already achieved under APIP. - In the cereals and olive oil sub-sectors, more studies should be undertaken to prepare for the transition of OC and ONH to become stabilizing agencies operating in the framework of a free market system. - Concerning olive oil, new studies are needed to find a strategy to penetrate new international markets. - For most export commodities, training on modern techniques of production and transformation is necessary. 		

(Attach extra sheet if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation:			
	(Month)	(Day)	(Year)
	January	29	1993
G. Approvals of Evaluation Summary And Action Decisions:			
Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer / Mission or AID/W Office Director
	Salah Mahjoub	KHALDI - A	Peter Kolar / James A. Graham
Signature	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
Date	7/29/93	10/4/93	9/29/93

ABSTRACT

H. Evaluation Abstract (you will expand the space provided)

The purpose of this evaluation is to shed some light on the following issues:

-- Efficiency issue: The evaluation of the project's performance should lead to the conclusion on whether or not such kind of project is an efficient way for USAID to spend money.

-- The design of successful projects: The identification of factors of success and failure should - to the extent that the experience of APIP can be generalized - help the designers and implementors of other projects such as the new Agribusiness Program to do a better job.

-- The post APIP issue: This evaluation should help identify potential sub-sectors or agricultural products/commodity groups where more help is needed. The Agribusiness Project which is designed to reinforce and consolidate the work of APIP could profit from the experience of the latter. (It should be noted that, because of budget reductions, the Agribusiness Project had to be cancelled.)

This evaluation report is intended to complement two previous reports on APIP.

The first report is entitled: "MID-TERM EVALUATION OF THE TUNISIA AGRICULTURAL POLICY IMPLEMENTATION PROJECT" (USAID/Tunisia 1990). This report provided a first evaluation of major accomplishments of APIP and made recommendations concerning organizational aspects. Because of the timing of this evaluation, the report did not analyse in detail the impact of the project on policy reforms. This final evaluation is intended to fill this gap. In addition, now that the project has ended, this evaluation will address the question of the lessons learned that were partially discussed in the mid term evaluation.

The second report is entitled: "PROJECT ASSISTANCE COMPLETION REPORT" (USAID/Tunisia August 1992). This report documents thoroughly the activities (studies, seminars, training programs etc.) undertaken under APIP. For this reason, this final evaluation will not go into the details of the project's activities.

COSTS

I. Evaluation Costs

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Dr. Mohamed Salah Redjeb	Contractor	P. O. No. 664-0343-0- 00-2285-00	11,900	ProAg
2. Mission/Office Professional Staff Person-Days (Estimate) <u>4 Person-Days</u>		3. Borrower/Grantee Professional Staff Person-Days (Estimate) <u>2 Person-Days</u>		

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Purpose of evaluation and methodology used • Purpose of activity(ies) evaluated • Findings and conclusions (relate to questions) | <ul style="list-style-type: none"> • Principal recommendations • Lessons learned |
|--|--|

Mission or Office:
AGR

Date This Summary Prepared:
August 29, 1993

Title And Date Of Full Evaluation Report:
Final Eval. of the Tunisia Agric
Policy Implementation Project (APIP)
January 23, 1993

PURPOSE OF EVALUATION: See Item H.

FINDINGS AND CONCLUSIONS:

APIP largely achieved its two main objectives, namely supporting the GOT in the implementation of policy reforms and building up the technical capabilities of the Direction Générale de la Planification du Développement et des Investissements Agricoles (DGPDI) of the Ministry of Agriculture. The project has produced more than thirty generally high quality studies each with a set of recommendations and an action plan. Many recommendations made by the studies have already been implemented and there are plans to implement others in the future. In addition, the project has improved the capacity of the DGPDI to analyse and monitor the impact of policies in the agricultural sector and created a positive attitude towards market oriented policies.

I. A brief Summary of the Main Findings of this Evaluation:

APIP's contribution to policy reforms

Reduction of subsidies:

The project made a remarkable contribution in helping the GOT reduce the burden of the Compensation (Subsidies) Fund. The reforms undertaken to date led to a reduction of the overall budget of the Compensation Fund from around 4% to 2% of GDP. The project's contribution to this performance was certainly important. The reforms proposed in the studies were either implemented as such or modified to meet certain political considerations.

Institutional reforms and privatization:

The project's chief contributions in institutional reforms and privatization concerned essentially the cereal and oil sub-sectors. The results were mixed. Legally, some important reforms have been undertaken to allow private operators to participate in collection, storage, distribution and marketing. However, the private sector's participation, in practice, is still limited:

In the cereal sub-sector, private operators are now allowed to participate in collection and storage of grain under OC supervision and with its agreement (decree #90-1083 of June 1990). The marketing of barley, soya and fertilizers has also been opened to the private sector,

together with the importation of corn without the interference of the OC, starting July 1992.

In practice, the qualifying conditions for cereals collection are so exacting that only two private sector activities are underway. The situation for storage is totally different. Private sector participation is not only accepted but even encouraged. To attract private investments in storage the Office of Cereals made a commitment to rent the private sector-erected silos for a period of ten to fifteen years. This policy has been adopted because the Office of Cereals has an ambitious program to double the storage capacity of the country within a period of five years. With private sector participation this goal is expected to be reached in less than three years.

In the vegetable oil sub-sector, very little has been achieved even though awareness about the need of reform has increased sharply. It seems that private operators are satisfied with the present system because it serves their own interest.

Although the results are so far limited, a deep impact of APIP may be perceived. The political class and key decision makers are more and more convinced that reforms are badly needed. Awareness is indeed increasing owing to the impact of APIP's high quality studies and the interaction which occurred between the analysts and the various Government staff.

Export commodities:

APIP's contribution in the export sector has been so far very limited. Most of the recommendations made in the studies have not been implemented. One positive impact of the project however is that it created an awareness about the need to take action to conform to the new EEC regulations. The studies undertaken by the project have also provided a useful starting point for the Agribusiness Project to design a program to help the agricultural export sector.

APIP's contribution to capacity building

The overall results of capacity building given the resources constraint were quite good:

- The supply of just a few computers created a need for additional computers which was satisfied through other sources and the result was the generalization of the use of computers by DGPDI staff members. As a consequence, productivity has increased.

- Training programs have increased to some extent the capacity of analysis within the DGPDI. A by-product of this activity is the positive attitude towards the project that training has created. The training activity has suffered from three basic deficiencies. First,

participants were chosen on the basis of their availability and not qualifications and motivation. Second, there was little relationship between the contents of some of the training programs and the specific job requirements of the participants. Third, the time constraint issue

of the participants has not been dealt with, which led to a high rate of absenteeism in the courses.

Deficiencies in the organization and management of the project:

In general the project management relied on informal procedures. The responsibility of preparing progress reports and of disseminating results of the studies to concerned institutions and agencies was not assigned to any party. In general, there were at various levels problems of role distribution, of coordination and of dissemination of information. The project could have gained more efficiency by adopting a more formal decision making procedure.

II. POST APIP AGENDA

As a result of APIP, major reforms have been implemented in the agricultural sector. However, the process of liberalization is still underway and many problems are yet to be solved. The following activities are suggested for the new Agribusiness Project:

- Continuation of the training programs undertaken by APIP within DGPDIA should be considered. Special attention should be paid to the selection of participants, their availability for training and the design of the training programs to match the participants' job requirements.
- There is a need for a study to prepare for the transition of OC and ONH to become stabilizing agencies operating in the framework of a free market system.
- More studies are required (and requested by ONH) in order to obtain more accurate knowledge of the international olive oil market. These studies should lead to an operational plan to penetrate new markets. Many important questions have to be answered: for example what are the prerequisites to attract an American brand distributor to chose a Tunisian instead of an Italian or Spanish oil exporter? What can the Tunisian side offer to compete with them, despite their subsidy advantage? EEC import restrictions and export subsidizing definitely constitute the hardest barrier for Tunisian exports world wide. Should Tunisia retaliate by subsidizing its oil export too?
- In the seafood sector, there is a need to develop joint ventures with foreign partners possessing needed technical expertise and marketing channels. To solve the problem of decreasing production there is a need to attract joint venture partners for aquaculture development activities and undertake applied research regarding the problem of overfishing. A study to identify new markets given the possibility of the reduction of quotas in the EEC market is also highly recommended.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

Overall, APIP has achieved its goals and purposes. The Project has been driven by the Tunisian government's need for assistance in the implementation of its agricultural policy reform program. Through formal and on-the-job training plus a lot of hard work, it has assisted in increasing the capabilities of GOT personnel to conduct policy analysis and draft action plans for decision makers to act upon. Over the life of the Project, the dialogue with the private sector has become an essential ingredient to the successful implementation of liberalization policies. With the change in attitude towards private sector participation in policy decisions and development in the agricultural (and other) sectors, the environment is ready for an agribusiness focus.