

PD-BBE 865

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
C = Change
D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY ZAMBIA

3. PROJECT NUMBER

611-0207

4. BUREAU/OFFICE

AFR

5. PROJECT TITLE (maximum 40 characters)

Zambia Agricultural Training, Planning and Institutional Development (ZATPID)

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
10 31 93

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 87

B. Quarter

C. Final FY 90

8. COSTS (\$000 OR EQUIVALENT \$1 =)

| A. FUNDING SOURCE | FIRST FY 87 | | | LIFE OF PROJECT | | |
|------------------------|-------------|--------|-----------|-----------------|--------|------------|
| | B. FX | C. L/C | D. Total | E. FX | F. L/C | G. Total |
| AID Appropriated Total | | | | | | |
| (Grant) | (3,000) | () | (3,000) | (11,113) | () | (11,113) |
| (Loan) | () | () | () | () | () | () |
| Other U.S. | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| Host Country | | 1,289 | 1,289 | | | |
| Other Donor(s) | | | | | 6,330 | 6,330 |
| TOTALS | 3,000 | 1,289 | 4,289 | 11,113 | 6,330 | 17,443 |

9. SCHEDULE OF AID FUNDING (\$000)

| A. APPRO- PRIATION | B. PRIMARY PURPOSE CODE | C. PRIMARY TECH. CODE | | D. OBLIGATIONS TO DATE | | E. AMOUNT APPROVED THIS ACTION | | F. LIFE OF PROJECT | |
|-----------------------|-------------------------------|--------------------------|---------|------------------------|---------|-----------------------------------|---------|--------------------|---------|
| | | 1. Grant | 2. Loan | 1. Grant | 2. Loan | 1. Grant | 2. Loan | 1. Grant | 2. Loan |
| (1) FN | 180B | 053 | | -0- | | 3,000 | | 11,113 | |
| (2) | | | | | | | | | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | | | 3,000 | | 11,113 | |

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

051

052

054

11. SECONDARY PURPOSE CODE

280

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

BF

COOP

TNG

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To improve GRZ agricultural policy formulation, sectoral planning, and management in key policy making institutions.

14. SCHEDULED EVALUATIONS

Interim

MM YY
02 90

MM YY

Final

MM YY
08 93

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000

941

Local

Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a page PP Amendment.)

Not applicable.

17. APPROVED BY

Signature

Title

Director, USAID/Zambia

Date Signed

MM DD YY
03 24 86

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

List of Acronyms

| | |
|-----------|---|
| AID/W | Agency for International Development/Washington, D.C. |
| ARPT | Adaptive Research Planning Team |
| BUCEN | U. S. Bureau of the Census |
| BOZ | Bank of Zambia |
| B.S. | Bachelor of Science |
| CSO | Central Statistics Office |
| CIP | Commodity Import Program |
| CG | Consultative Group |
| CDSS | Country Development Strategy Statement |
| COF | Chief of Party |
| CBD | Commerce Business Daily |
| CPI | Consumer Price Index |
| CTP | Counterpart |
| ECPR | Executive Committee for Project Review |
| FY | Fiscal Year |
| FX | Foreign Exchange |
| GDP | Gross Domestic Product |
| GNP | Gross National Product |
| GRZ | Government of the Republic of Zambia |
| ha | hectare |
| H/C | Host Country |
| ISPC | International Statistical Programs Center of the U.S. Bureau of the Census |
| IMF | International Monetary Fund |
| IQC | Indefinite Quantity Contract |
| K | Kwacha |
| LC | Local Currency |
| MAWD/ED | Ministry of Agriculture and Water Development/Planning Division |
| TA | Technical Assistance Section |
| BAS | Budget Analysis Section |
| PAI | Project Analysis and Implementation Section |
| P&M | Production and Marketing Section |
| S&PA | Sectoral Policy Analysis Section |
| ASS | Agricultural Statistics Section |
| MOF | Ministry of Finance |
| MOC | Ministry of Cooperatives |
| M/SER/IRM | Office of Information Resources Management, Program and Management Services, Bureau for Management (AID/W) |
| NCDP | National Commission for Development Planning |
| NAMBoard | National Agricultural Marketing Board |
| ODA | Overseas Development Agency (U.K.) |
| PEC | Project Executive Committee |
| PAAD | Program Activity Authorization Document |
| PACD | Project Assistance Completion Date |
| PASA | Participating Agency Service Agreement |
| PID | Project Identification Document |
| PIC/C | Project Implementation Order/Commodities |
| PP | Project Paper |

| | |
|-----------|---|
| PSA | Procurement Services Agent |
| PSU | Project Support Unit |
| PY | Person Year |
| RDSB | Rural Development Studies Bureau |
| REDSO/ESA | Regional Economic Development Services Office for East and Southern Africa |
| RFP | Request for Proposals |
| USAID | United States Agency for International Development |
| UNZA | University of Zambia |
| ZAP | Zambia Auction Support Program |
| ZATPID | Zambia Agricultural Training, Planning and Institutional Development Project |
| ZAMARE | Zambia Agricultural Development, Research and Extension Project |
| ZAMCAM | Zambia Multichannel Agricultural Marketing Program |

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I. INTRODUCTION AND SUMMARY

A. Background. Since 1980, USAID/Zambia program strategy has emphasized the importance of better economic policies and of improving the institutional capacity of the GRZ to deal with policy issues. The ZATPID I project, together with its large non-project AID portfolio, has been the focus of USAID efforts to date in implementing this strategy for the agricultural sector. ZATPID I, funded at a life of project level of US\$9,755,000, was authorized in September 1980 to assist the GRZ to improve and strengthen its capacity for, and performance in, analysis, planning and management in the agricultural sector. An early political impasse, completely unrelated to the project, delayed full implementation until 1982. The project will continue through FY 1987.

A central activity of the project has been collaboration by ZATPID advisors and GRZ personnel in conducting studies on specific policy or planning issues. These studies have a dual purpose of (1) improving current policy and management, and (2) contributing to the institution building needed to improved policymaking over the longer run. The January 1986 "ZATPID Impact Assessment and Institutional Analysis" (included as Annex G to this Project Paper) found that the project has begun to have a significant impact on the agricultural policy process, both in terms of the effect of specific project policy studies, and in terms of strengthened coordination between key Zambian institutions.

The conclusion from the assessment, and from the analyses conducted during project design, is that while some progress has been made toward sustained, institutionalized and localized processes during the implementation of ZATPID I, a great deal more needs to be done in both policy formulation and institutional development. This is even more the case since, within the last 2 or 3 years, pressure for policy change in agriculture has mounted, and there has been greatly increased demand for sound policy analysis. The situation of continued need and the positive impact of ZATPID I clearly justify proceeding to a follow-on project, following the same basic design concept.

B. Goal and Purpose. Consistent with the USAID/Zambia emphasis on improving performance in the agriculture sector, the goal of this project is to increase Zambia's total and per capita food production, and small farmer income.

The specific purpose of the project is to improve GRZ agricultural policy formulation, sectoral planning, and management in key policymaking institutions. Changes to be expected by the end of the project which will indicate that the project purpose has been achieved will be: (1) improved planning and management in key policymaking institutions; (2) an increase in the availability and effective utilization of information and analysis for policy decisions; (3) improved communication and coordination among GRZ institutions key to the policymaking process; (4) improved and more effective allocation of GRZ and donor resources for investment in the agricultural sector; and (5) improved design and execution of agricultural projects.

C. Project Strategy. The GRZ has undertaken a comprehensive and far-reaching set of economic reforms during the last few years, and has

adopted, or agreed to adopt within the next two years, virtually all the major agricultural pricing and marketing policy reforms so far recommended by AID, the World Bank, and the IMF (see II.A. and III.B., below for discussion of economic policy reforms.) The next few years, therefore, will be a period of consolidation, of refinement of the major policy reforms already approved, and of learning to manage the implementation of these reforms. It will also be a period requiring careful monitoring of the effects of new policies on different groups within the society and economy, of subsidiary policy adjustments in response to policy impacts, and of designing and implementing measures to ease the transition period for those most adversely affected. Whereas foreign donors have been important participants in the design of the major policy reforms adopted to date, outsiders will play a somewhat smaller role during the period of consolidation. The continuation of the ZATPID effort to improve Zambian institutional capacity to perform these functions therefore assumes added importance.

Four types of project outputs are anticipated:

- (1) collaborative policy studies;
- (2) better collection, processing and analysis of appropriate data for formulating and implementing policy;
- (3) studies and plans for improved management systems and procedures and for institutional coordination; and
- (4) trained personnel in key analysis, management and decision making positions.

The areas of Zambian agricultural policy most likely to need continued attention and possibly further reform over the next seven years, and the reasons therefore, are discussed in Section III.B., and listed as Annex I. Because of the evolving nature of the economic and political context within which policy must be determined, and because of its inherent complexity, particularly in the wake of the major package of reforms currently being implemented, the list of priority areas for study must be kept flexible.

D. Project Elements and Inputs. Resident advisors will be placed in three key policymaking institutions: the Ministry of Agriculture and Water Development/Planning Division (MAWD/PD), the National Commission for Development Planning (NCDP), and the Central Statistics Office (CSO). The Ministry of Finance (MOF), another key policymaking institution, will be assisted by short term advisors. Resident advisors and short term consultants, who will assist the Ministry of Cooperatives (MOC), NAMEcard and the Rural Development Studies Bureau (RDSB) as well as the four core institutions, will provide guidance in the collection, processing and analysis of data; conduct policy studies; conduct management studies; address internal organization and management issues; and conduct or assist with local training courses, seminars and workshops on topical and management issues. On-the-job training will be conducted during the process of executing analyses and studies. Long range participant training will be provided to counterparts of the long term advisors. Short term external in-service training will be provided to GRZ professionals to augment specific skills.

Overall, the project will provide 27 person years of long term technical assistance, with 6 advisors in country for varying lengths of time. An

estimated 85 person months of short term technical assistance, 57 person years of long term degree training, and 150 person months of short term training will be provided. Commodities to be purchased include computer equipment, books and learning materials, office equipment, some audio/visual training equipment, and vehicles. Counterpart funds will be accessed for the support of in-country seminars, workshops and training courses; construction of a conference facility at MAWD; studies, including a fund to permit the GRZ to contract for selected studies; and for project operational costs (see E. below).

E. Financial Summary. The total cost to AID will be \$11,113,000. By type of input, costs are as follows: long term technical assistance, \$5,010,000, or 46 percent; short term technical assistance, \$1,275,000, or 11 percent; training, \$2,390,000, or 21 percent; commodities, \$675,000, or 6 percent. Administrative and monitoring costs will be \$100,000, or 1 percent. Contingency and inflation (compounded) for all years will be \$1,673,000, or 15 percent of the total. 91 percent of AID costs in the project are going to the core institutions, MAWD/PD, NCDP, CSO and MOF.

The GRZ inputs consists of counterpart funds and the host country contribution from the regular budget. The total for counterpart funds will be the local currency equivalent of \$2,863,000. These funds will be used for in-country training, construction, project administration and monitoring, and other costs. The "other costs" item includes funds for support of studies (including contracting locally); local cost support of project personnel and vehicles; graduate student trainee research; and per diem, fuel and other operating costs to permit participating GRZ institutions, with the existing pool of staff, to work effectively with project technical assistance. The remaining host country contribution represents annual contributions by institution from budgeted salaries for trainees, office space and administrative support, existing levels of per diem, travel and vehicle support, and other items provided to project activities as part of already-budgeted operating costs. This item totals the local currency equivalent of \$3,467,000.

F. Implementation Plan. The primary GRZ institution responsible for implementation of the ZATPID II project is to be MAWD/PD. Implementation will require regular coordination of project activities between MAWD/PD and MOF, NCDP and CSO, and other institutions receiving ZATPID support. GRZ coordination of ZATPID II activities will be through the Project Executive Committee (PEC) established during ZATPID I. The Director of MAWD/PD heads this fully-functioning committee, and other institutions with representatives on it include NCDP, MOF, UNZA, USAID, and a representative of the AID contractor. The PEC (whose activities are fully described in the Implementation Plan, IV, below) will develop and review annual project workplans which will set forth short and long term training, studies, in-country training and short term technical assistance.

The PEC is also responsible to assure GRZ inputs to the project such as provision of counterparts, supplies, transport and survey personnel. The GRZ has provided inputs in a timely fashion during ZATPID I and communications are regular and working relationships excellent between

those institutions involved in ZATFID I and USAID/Zambia. This situation is expected to continue through ZATFID II.

II. PROJECT RATIONALE

A. Economic and Sectoral Background

Zambian bilateral relations with the United States are good. U.S. objectives are to encourage Zambian stability, self-reliance, and growth so that the country can pursue economic development despite the political and military turmoil in the region. Given its strategic position in southern Africa, a secure and prosperous Zambia will help foster stability in the region as a whole, ensure continued access to Zambia's strategic minerals, and enable the country to continue in the active pursuit of initiatives seeking peaceful solutions to the conflicts in the area. As a leading member of the region's front line states, Zambia plays a vital role in efforts to resolve conflicts in Namibia, Mozambique and Angola.

Zambia's landlocked position and heavy economic dependence on a single commodity (copper), has made it particularly vulnerable to events outside its control. The dependence on copper and on imported goods, sectoral income differentials, wage adjustments which were often unrelated to productivity gains, and rapid urbanization have all been factors inhibiting growth. The manufacturing sector's dependency on imported inputs has placed increasing demands on scarce foreign exchange; and given the economy's inability to meet the sector's requirements, capacity utilization, manufacturing output and employment have fallen. Severe balance of payments deficits have made it necessary to search for sources of external financing, and this in turn has led to mounting foreign debt and debt service requirements which the economy has not been able to meet. The fall in mining revenues has impacted the domestic economy and contributed to large gaps between revenues and expenditures. The government's response was to reduce capital expenditures and borrow from the domestic banking system, which has led to monetary expansion and inflationary pressures. Faced with a declining mineral resource base, deteriorating terms of trade, falling incomes, growing unemployment and increasing underemployment, economic diversification cannot be further postponed.*

The development of Zambia's agriculture sector has lagged behind its potential. Zambia has approximately 60 million ha. of arable land, but only about 12 million (20%) is currently cultivated. While much of the land is relatively infertile and is suited mainly to extensive farming, there remain large areas of idle land with medium to high potential for production. The rainfall pattern tends to be erratic, but the climate is generally favorable for the cultivation of a wide range of crops. Maize is by far the most important crop and accounts for over 70% of the value

* For a more detailed analysis of the Zambian economy see Hadley E. Smith, "Macroeconomic Analysis," Annex K of the "FY 1985 CIP PAAD," USAID/Zambia and REDSO/ESA, Nairobi, December 15, 1984, and the "Zambia Auction Program (ZAP) Support PAAD," USAID/Zambia, October 30, 1985, pp. 4-19.

of the marketed agricultural products. Cassava, millet, sorghum, groundnuts, sunflower, cotton, tobacco, sugar cane, rice, soyabeans, and a variety of legumes and vegetables are other significant crops. Zambia also has a sizeable number of the various types of livestock, and cattle are a major source of cash income and offer a considerable potential for animal draft power.

While the farm production sector remains essentially dualistic, it is actually composed of four basic groups of farmers: (1) traditional farmers (460,000), who use hand tools and produce little marketable surplus (cash value per family of K60-K70 in 1982); (2) emergent commercial farmers (120,000), who use improved technology and some mechanization and produce an increasing marketable surplus (K1000-K3000 per family in 1982); (3) medium-scale commercial farmers with 10-40 ha. (25,000); and (4) the large-scale commercial farmers with more than 40 ha. (740), who use capital intensive technology with a large foreign exchange component and produce 40-60% of the marketed production.*

Much of the growth in agriculture has been in the non-food sector. The food sector has been growing at an annual rate of approximately 2%, while population growth has been over 3%. Hence, Zambia's degree of food self-sufficiency in staple grains declined from 97% during 1964-66 to 79% during 1978-80 (IBRD Report No. 4764ZA). The declining food self-sufficiency has caused Zambia to turn to imports, particularly of wheat, maize and vegetable oil. The decline in food self-sufficiency reflects the general stagnation in agricultural productivity, due in large part to inappropriate policies,** exacerbated by the strain of rapid population growth.

The GRZ has embarked on a comprehensive package of policy reforms in order to restructure the economy away from its reliance on copper, imported inputs and capital intensive modes of production. The success of such a restructuring effort depends heavily on changing the price signals 1) to encourage producers and potential investors to direct more productive resources toward the agricultural sector and toward more labor-intensive industrial activities and 2) to encourage consumers to switch their consumption habits away from tradable commodities (both exports and imports) toward other commodities produced domestically. This is a necessary and vital first step, and most of the reforms undertaken to date involve price adjustments of one kind or another, including 1) the devaluation and continued flexibility of the exchange rate, culminating in the October 1985 initiation of an auction system for available foreign exchange, 2) the increase of agricultural producer prices and an agreement to adopt a pricing methodology utilizing border price concepts, 3) the raising and gradual decontrol of agricultural consumer prices, 4) the phased elimination of consumer, farm input (namely fertilizer) and commodity subsidies, 5) budgetary and wage

*These estimates of the numbers of farmers in each category have come recently from the Commercial Farmers Bureau of Zambia.

**See the "Zambia Auction Program (ZAP) Support PAAD" (611-0757), USAID/Zambia, 10/30/85, pp. 12-19, for a discussion of policy constraints affecting agriculture.

restraint, and 6) the elimination of interest rate controls. In addition, the Government has recently announced the withdrawal of NAMBoard's monopoly control over maize and fertilizer markets and has agreed to allow private traders to compete with NAMBoard and the Provincial Cooperative Unions.

In May 1984 the GRZ presented the report, "Restructuring in the Midst of Crisis," to the Consultative Group (CG) for Zambia. The report outlined policies the GRZ proposed to undertake to reduce dependence on the mining sector and develop the productive capacity of the agricultural sector, concentrating on the smallholders, reforming price incentives, making marketing systems more open and competitive, and increasing the availability of consumer wage goods in rural areas. In addition, it stressed: "i) the importance of macroeconomic policies, including exchange rate and budgetary policies, in ensuring the efficient allocation and use of scarce resources; ii) the need to ensure that parastatal companies operate efficiently within a commercial environment to the maximum extent possible; and iii) the importance of institutional changes to upgrade economic management."⁴

In its 1985 presentation to the CG, the GRZ reconfirmed its commitment to these development policy objectives. Over the last year the GRZ has sought to reach a national consensus in support of the required, and politically difficult, measures--an effort led by President Kaunda himself.**

Recognizing the importance of better economic policies, the USAID/Zambia FY 1982 CDSS (approved in 1980) identified the improvement of Zambia's institutional capacity to generate and process reliable data and to analyze development problems and the implications of alternative policies as key areas for AID support. The importance of better policies and of improving the institutional capacity of the GRZ to deal with policy issues was validated by a major evaluation of AID's assistance strategy for Zambia in 1983*** and re-emphasized in the FY 1985 CDSS. The ZATFID project has been a key element in the implementation of this USAID strategy, and provides the substantive inputs and daily personal contacts essential to the conduct of what has so far been a very effective policy dialogue process, a process that has been supported by substantial amounts of non-project assistance as well. Taken together, the ZATFID project and parallel USAID non-project assistance provide an effective mechanism for accomplishment of overall USAID program goals.

* Republic of Zambia, "An Action Programme for Economic Restructuring," presented to the Consultative Group for Zambia, June 4-5, 1985, p. 1.

** Ibid., p. 2.

*** Aulakh, Ravi, C. Stuart Callison, Colette Claude, and Dirk Dijkerman, Evaluation of AID's Assistance Strategy for Zambia, REDSO/ESA, A. I. D., Nairobi, June 1983, pp. 120-124.

B. Progress Under ZATFID I

ZATFID I, funded at a life of project level of US\$9,755,000, was authorized in September 1980, with the objective to assist the GRZ improve and strengthen its capacity for planning and management in the agricultural sector. An early political impasse, completely unrelated to the project, delayed full implementation until 1982. The project will continue through FY 1987.

The project addresses the necessary and close relationship between good policies, especially those relating directly to the agricultural sector, and the performance of that sector. Since policy formulation is a continuing process reflecting changing objectives and circumstances, the project aims to develop, within key GRZ institutions, a greater capacity for analyzing problems in the agricultural sector. The end product sought is a process which involves multiple institutions adequately staffed by competent personnel. Ideally, these institutions will make those policy decisions which, when implemented, will achieve desired objectives in the agricultural sector.

The majority of ZATFID's activities have been implemented through a Cooperative Agreement between USAID and Iowa State University, which began in 1985. CSO receives assistance in data collection and processing under a PASA with the U.S. Bureau of the Census (BUCEN). The project involves short and long term training of professionals in relevant disciplines, and the development of operational skills through on-the-job experience and in-country training. Long term training has been provided in agricultural economics, rural sociology, development studies, agricultural statistics, and other subjects. Short term in-country training courses include mathematics for economists, use of microcomputers, management and development planning. Long term advisors and short term consultants have been provided in such areas as agricultural economics, development management, computer science, agricultural financing, agricultural statistics, and regional planning. Advisors provide guidance in the conceptualization of appropriate organizational and management procedures for the institutions key to the policymaking process, and in defining and elaborating analytic frameworks and information required for needed analyses. A modest amount of commodity support has broadened data processing and library facilities. Most activities to date have involved MAWD/PD, with other major support to CSO and UNZA. Support to MOF and NCDP has been limited to training. It is also important to note that the Project Executive Committee, a GRZ body formed to coordinate ZATFID implementation, also provides a forum for dialogue among the key policymaking institutions.

A central activity of the project has been collaboration by ZATFID advisors and GRZ personnel in conducting studies. MAWD/PD has produced nineteen significant research and planning studies ranging from groundnut production and marketing in Eastern Province, fertilizer supply and distribution, regional production and pricing models, and the economics of wheat production, to an inventory and assessment of Planning Division outputs. Studies are carried out using a collaborative problem-solving approach with the dual purpose of (1) improving current policy and management, and (2) contributing to the institution building needed for improved policymaking over the longer run. Thus, the studies are aimed

at improving the GRZ's performance in, and strengthening its capabilities for, analysis, planning and management in the agricultural sector.

The external evaluation undertaken in February 1984 noted three modifications in the original project design: (1) the selection of an institutional cooperative agreement as the implementing mechanism rather than personal services contractors as proposed in the PP; (2) relatively greater emphasis on activities in MAWD/PD than on WCDP; and (3) relatively greater emphasis on initiatives with UNZA. The evaluation reviewed project activities from a number of perspectives, including effectiveness of institution building, extent of collaborative policy analysis, adequacy of technical assistance provided, appropriateness of training, degree of coordination with other donors, extent of data collection and management activities, and the overall adequacy of project management. The evaluation made a series of detailed recommendations and concluded that, despite some implementation problems, the project should continue through its final two years.

The January 1986 "ZATPID Impact Assessment and Institutional Analysis" (Annex G) found that the project has begun to have a significant impact on the agricultural policy process, both in terms of the effect of specific project studies, and in terms of strengthened coordination between key Zambian institutions. For example, certain of the studies (e.g. Groundnut Study, Agricultural Finance Markets Study, Tractor Hire Study) formed a basis for specific policy recommendations. Also, several participants have returned to Zambia, most of them to the institutions which sent them and to positions from which they can affect agricultural policies. Accomplishments cited as important to the institution building objective have included establishment of a library in MAWD, a computer center in MAWD, and a data processing center at CSO, the regular publication of an Agricultural Planning Newsletter and other information dissemination, and various seminars related to improved procedures and management. Also noted in the assessment was the collaboration between CSO and MAWD/PD on a major agricultural survey, whereas in the past both organizations independently collected this type of data. (See also the paper, "Anthropology and Agricultural Planning in Zambia," for a detailed summary of management-related activities under ZATPID I, included in the Project Paper as Annex H).

The purpose of ZATPID I is "to improve the GRZ's performance and strengthen its capacity for the analysis, planning and management in the agricultural sector to contribute to an increase in Zambia's per capita food production and the incomes of small farmers." Five aspects of GRZ socioeconomic performance were identified in the PP as indicators of purpose achievement. These were (1) increased investment of resources in the agricultural sector; (2) a more coherent and effective agricultural strategy; (3) an increase in the availability and utilization of information needed for managing the agricultural sector; (4) improved design and execution of agricultural projects in small farmer areas; and (5) improved procedures in analysis, planning and management in WCDP, MAWD, and other appropriate institutions.

The assessment pointed out that while some progress has been made on all five purpose achievement indicators, significant progress directly attributable to the project has been made on only two of them --

increased availability and utilization of information, and improved procedures in analysis, planning and management. Some of the reasons for this are due to delays unrelated to the project. However, there has been less impact on relevant policymaking organizations than envisioned in the project's design. The assessment examined to what extent a follow-on project should broaden the scope of ZATPID I as opposed to continue activities toward a more thorough achievement of the same objectives as ZATPID I. It recommended that ZATPID II "stay the course," and continue to emphasize policy formulation and planning, and improved management in key institutions involved in planning and decision making in the agricultural sector.

Regarding relative emphases among activities in ZATPID I, the assessment team agreed with the 1984 project evaluation that there is a distinction between the short to medium term policy reform impact achieved through collaborative studies, and the longer term institution building impact of all project activities. Both are important, and production of analyses and studies is one means to achieve longer term institutional objectives. However, in the follow-on project, in order to maximize the long term impact of both ZATPID I and ZATPID II, and the ability of Zambia to sustain sound policy formulation in the future without donor assistance, emphasis should be equally on establishing sustainable institutions as on studies. This should include greater attention to development of improved management and budget systems and institutional coordination.

The conclusion from the assessment is that while some progress toward sustained, institutionalized and localized processes has been made during the implementation of ZATPID I, a great deal more needs to be done in both policy formulation and institutional coordination. AID's involvement in strengthening a Zambian policy formulation and planning process should continue, since that job is not yet completed. This is even more the case since, within the last 2 or 3 years, pressure for policy change in agriculture has mounted, and there has been greatly increased demand for policy analysis. The institutions are simply unable to keep up. The team found the basic design concept of ZATPID I to be sound, and recommended its continuation under ZATPID II. According to the assessment, the situation of continued need and the positive impact of ZATPID I clearly justify proceeding to a follow-on project.

C. Other Donor Support

The technical assistance (TA), training and commodities provided under ZATPID I and planned under ZATPID II complements the support received by the same agencies from other donors, which is summarized below:

MAWD/PD. The other major donor providing assistance to MAWD/PD is the Canadian International Development Agency (CIDA). Their project was initiated in 1984 and will terminate in 1990. It includes 30 person-years of long-term TA and 15 months of short-term TA. The present TA team consists of 1) the team leader, who is assigned to the Director's Office to provide policy advice and management support, 2) a senior financial analyst in the Budget Section, 3) a senior statistical analyst in the Statistics Section, 4) a senior agricultural economist in the Sectoral Policy Analysis Section (in the near future this advisor will

have greater involvement in the Project Section assisting with the implementation of the Fourth National Development Plan (FNDP), and 5) a senior production economist in the Production and Marketing Section.

In addition to the technical assistance, the CIDA project will finance 27 person-years of long-term participant training and 4 years of short-term training. It will also provide two more IBM PC/XT's to the Computer Center and will help in upgrading MAWD'd telephone system.

Five expatriate advisors are funded separately by other donors, not as parts of specific projects, and function as line staff:

| | |
|------------|---|
| NORAD | One agricultural economist in the Projects Section |
| SIDA | One advisor in the Women's Program |
| FAO | One statistical advisor for the Early Warning Program |
| World Bank | One agricultural economist in the Projects Section working with irrigation projects |
| ODA | One position vacant |

NCDF and MOF. Phase two of the World Bank Technical Assistance Project for Zambia, which is expected to be approved this spring or summer, will provide TA to most of the analytical sections of NCDF, primarily to assist it prepare the FNDP, and to MOF, to improve its budgetary analysis, planning and control functions. While a copy of the Bank project document is not available in Lusaka to provide more specific information on this assistance, the World Bank office in Lusaka identified agricultural economics as a weak area in both the NCDF and MOF staffing patterns, making it difficult for them to coordinate their planning and budgetary activities and requirements with MAWD. The resident Bank representative did not think their TA Project was designed to address this weakness, since the TA Project was concerned primarily with the more general planning and budgetary processes, and he expressed his hope that the USAID ZATPID II Project would indeed do so.

CSC. The Central Statistical Office is receiving technical assistance from several sources with most of the assistance consisting of long term advisors. The ILO is assisting CSO with the Labor Force Survey by providing one advisor on a short term basis. The FAO is providing support to the Early Warning System for agricultural output forecasting by providing one advisor with duties split between the Planning Unit of MAWD and CSO. The National Accounts section of CSO is being supported by one long term advisor provided by UNDP and the Census work of CSO is supported by UNFPA through a full time advisor. The World Bank has at times provided very short term assistance and is expected to continue the same relatively low level of activity. In addition, SIDA is pursuing the idea of providing some yet undefined support to CSO. In addition to the TA mentioned above, short and long term training has also been provided by the above donors.

NAMBoard. The World Bank is providing some technical assistance to NAMBoard assist with the design, construction and management of grain storage facilities, but it has not funded TA to help them deal with the broader questions of establishing and managing a strategic grain reserve, including the need for stock rotation and the market activities (buying and selling) that will entail. The short-term TA and training to be provided NAMBoard under ZATPID II, together with the availability of a long-term agricultural marketing advisor in MAWL/PD, will address these requirements.

UNZA and RDSB. There are five departments in the School of Agricultural Sciences of the University of Zambia (UNZA): Crop Science, Soil Science, Animal Science, Agricultural Engineering, and Rural Economy and Extension Education (DREEE). The Netherlands is assisting Agricultural Engineering and Belgium Soil Science. The Canadians (CIDA) are providing two faculty members in Crop Science, one in Animal Science, and one in the DREEE. The German Academic Exchange Service (DAAD) is currently providing two faculty in the DREEE, and USAID is funding an agricultural economics professor in the DREEE. Both DAAD and CIDA also provide a modest amount of material support for books, classroom equipment and supplies; and CIDA also provides some vehicles, local currency for housing, and is planning to provide computers. CIDA is currently funding long-term degree training for 12 faculty members.

RDSB presently has four professionals studying abroad for Ph.D. degrees: one in the U.S. funded by USAID, one in Australia funded by the Australian government, and two in the U.K. on UNZA fellowships. The International Food Policy Research Institute (IFPRI) in Washington, D.C., has provided some support, including a project vehicle, for a survey it is sponsoring, and plans to provide 18 months of training for one RDSB professor. RDSB presently has three expatriate researchers working with the staff, but two of them are leaving within the next 3 months. (Its present authorized professional staff level is eight; and plans to expand to a professional staff level of 15 have been postponed indefinitely due to recurrent cost limitations). Other donor support, including that from the Netherlands, FAO (with World Bank funding), NORAD, and the Canadian IDRC, is mostly ad hoc in connection with specific surveys and study projects desired by the donors themselves, and it consists largely of operational funding, a few vehicles and some office and survey supplies.

III. PROJECT DESCRIPTION

A. Goal and Purpose

Consistent with the USAID/Zambia emphasis on improving performance in the agricultural sector, the goal of this project is to increase Zambia's total and per capita food production, and small farmer income.

The specific purpose of the project is to improve GRZ agricultural policy formulation, sectoral planning, and management in key policymaking institutions. Changes expected by the end of the project which will indicate that the project purpose has been achieved will be: (1) improved planning and management in MAWL/PD, NCDP, MOF and CSO, and other relevant institutions; (2) an increase in the availability and effective

utilization of information and analysis for policy decisions; (3) improved communication and coordination among GRZ institutions key to the policymaking process; (4) improved and more effective allocation of GRZ and donor resources for investment in the agricultural sector; and (5) improved design and execution of agricultural projects.

B. Project Strategy

Inadequate performance of the Zambian agricultural sector is the main problem that this proposed project addresses. The project's basic premise is that two main factors account for Zambia's unsatisfactory agricultural performance: (1) inappropriate macroeconomic and agricultural policies, and poor planning for implementation of policy reforms; and (2) inadequate implementation of agricultural programs and projects. Both ZATFID I and the proposed ZATFID II deal primarily with the first factor. Inappropriate policies are largely the result of (a) insufficient and unreliable data for the analysis of agricultural and related macroeconomic problems; (b) inadequate data processing and storage capabilities and performance; (c) inadequate capabilities for carrying out needed analyses and the formulation of alternative policies, and (d) inadequate management procedures and organizational effectiveness, including cooperation among relevant GRZ entities involved in the policymaking process.

ZATFID I has been helping the GRZ address these constraints. Much progress has been made during the last few years, with increased availability and utilization of information and improved procedures in analysis, planning and management in NCDP and MAMD noted in the "ZATFID Impact Assessment and Institutional Analysis" (Annex G). Considering the improvements in agricultural pricing and marketing that have been made since 1980 and their apparent effect of increased production, it is clear that considerable progress has also been made toward a more coherent and effective agricultural strategy and in stimulating investment in the agricultural sector. This progress should be greatly accelerated when the recently agreed-upon reforms involving maize and fertilizer pricing and marketing are implemented.

The GRZ has undertaken a comprehensive and far-reaching set of economic reforms during the last few years. In fact, the pace of change may begin to outstrip government's ability to deal with any social and economic problems they may engender and the consequent need for detailed and well-designed supporting measures. These reforms have included the foreign exchange auction system, the elimination of all controls on interest rates, the effective decontrol of all commodity prices except maize and fertilizer, and continued wage restraints. Also important are commitments to end the NAMBoard parastatal monopoly in maize and fertilizer markets and to allow the prices of those commodities to fluctuate within an economic range determined by border price equivalents. The GRZ has thus adopted, or agreed to adopt within the next two years, virtually all the major agricultural pricing and marketing policy reforms (including the institution of a realistic foreign exchange rate through which commodity prices are related to world market values) so far recommended by AID, the World Bank and the E.F.

The next few years, therefore, will be a period of consolidation, of refinement of the major policy reforms already approved, and of learning to manage the implementation of these reforms. It will also be a period requiring careful monitoring of the effects of new policies on different groups within the society and on the economy, of subsidiary policy adjustments in response to policy impacts, and of designing and implementing measures to ease the transition period for those most adversely affected. At the same time, the GRZ should also be encouraging renewed investment in agriculture and other employment- and export-generating activities. Ultimately, more emphasis will also have to be placed on the design and execution of agricultural projects which address non-policy constraints and problem areas, and on determining their most effective priority order.

Whereas foreign donors have been important participants in the design and rationalization of the major policy reforms adopted to date, their analysis and advice will play a somewhat smaller role during the period of consolidation. The details and timing of policy refinements and supporting measures will have to account for cultural and political factors peculiar to the Zambian context, and be undertaken by Zambians, with others in a supporting (but collaborative) position. Success will depend on the quality of Zambian data generation, processing and analytical efforts, in support of improved Zambian policy formulation and decision making. The continuation of the ZATPID effort to improve Zambian institutional capacity to perform these functions therefore assumes added importance.

The ZATPID II PID design team proposed what was essentially a continuation of the ZATPID I approach and made a conscious effort to "get back to the original design" in ZATPID II, in order to better assure the overall success of the effort. The intent in the PID was to provide adequate support to those institutions key to the policymaking process -- and which must coordinate their efforts in that process -- to make it effective and efficient. Even though they were included in the original design of the first project, several of these institutions -- NAMBoard, NCDP and MOF -- have not, for various historical reasons, received the support anticipated under ZATPID I. Major support under ZATPID I has been concentrated in MAWD/PD and CSO.

The ECPR guidance, transmitted in 85 STATE 274279 (see Annex A), expressed concern about the management burden on USAID of supporting so many different institutions, and the likelihood of limited project impact in doing so. It suggested that "the most appropriate ZATPID II project design...may involve selection of a smaller number of institutions on which to focus assistance and/or assistance to institutions on an as-needed basis." (para.4). The ECPR also recommended a thorough review of the policymaking process and of the institutions involved in it, in order to provide a sounder basis for selection of institutions and required support. The "ZATPID Impact Assessment and Institutional Analysis" was undertaken to provide additional inputs into the design of ZATPID II. It proposed a conceptual distinction among policy formulation, planning, policy implementation and program execution, suggesting that ZATPID II restrict its support to the first two. This distinction, and the findings of the assessment team concerning the policymaking process and the institutions and linkages key to it, provide

a useful rationale for focussing the project on four key institutions involved in agricultural policy formulation and planning, namely the core group of MAWD/PD, NCDP, CSO and MOF. NAMBoard and MOC, which are involved more in implementation and execution, will receive some short-term technical assistance and training to improve their ability to manage a successful implementation process, and RISE will receive some training and short term technical assistance to further improve its ability to conduct surveys and analyses, but they will not receive major support from this project. (The Agricultural Economics (B.S.) degree program at UNZA will be considered for possible additional support under the Zambia Agricultural Research (ZAMARE) Project (611-0201), instead of continued support under ZATPID -- see Annex K.) This overall approach should serve to maximize the project's impact on agricultural policy making processes and institutions.

The ECFR guidance also suggested that "the focus of the ZATPID II Project should be on aspects of agricultural policy which deserve attention and/or reform. Once these are identified, a number of analytical studies will be undertaken by Zambian institutions.....The staff resources which are strengthened by training and participation in the studies will result, in turn, in the development of particular institution(s)...the selection of studies will determine which institutions will be assisted through staff development." (Para. 2). However, the assessment concluded that the emphasis in the follow-on project should be on establishing sustainable institutions for policy formulation and planning. Although some resources should be devoted to continued production of studies, more attention should be paid to developing management systems and procedures, to training, and to institutional coordination.

These suggestions and expressions of concern have been helpful to USAID/Zambia and the design team in the final project design effort. The project strategy proposed in this PP incorporates key elements of all these inputs and has relied heavily on the "ZATPID Impact Assessment and Institutional Analysis."

Four types of project outputs are anticipated, which are required to assist the core policymaking institutions improve GRZ agricultural policy formulation, sectoral planning and management -- the purpose of the project. These are:

Collaborative policy studies;

Better collection, processing and analysis of appropriate data for formulating and implementing policy;

Studies and plans for improved management systems and procedures and for institutional coordination;

Trained personnel in key analysis, management and decision making positions.

The areas of Zambian agricultural policy most likely needing continued attention and possibly further reform over the next seven years, and the reasons therefore, as listed as Annex I. They are likely to include, as candidates for early attention under ZATPID II: pricing policy;

development of a market information system; marketing policy; rural non-farm small scale enterprise; private sector agribusiness climate, potential and ability to assume NAMBoard marketing functions; establishment and management of a National Grain Reserve; agricultural credit; fertilizer production, marketing, subsidies and use; effects of macroeconomic trends and policies on agricultural development; and, impact of policy reforms on various social groups. Because of the evolving nature of the economic and political context within which policy must be determined, and because of its inherent complexity, particularly in the wake of the major package of reforms currently being implemented, the list of priority areas for study must be kept flexible, and under the control of the GRZ's Project Executive Committee (PEC) for ZATFID II as it assembles annual workplans.

ZATFID II will continue to take the collaborative problem-solving approach of ZATFID I. A major element in this approach is constituted by analyses and studies of sub-sector and problem-areas that are carried out by GRZ officials with the assistance of resident advisors and short-term consultants. These analyses and studies have two purposes: 1) to provide findings of immediate utility for policy; 2) to strengthen GRZ

capabilities for data collection, processing, analysis and the formulation of policy. These studies and analytical procedures are adopted by the institution in question and thus become an integral part of the policymaking and ultimate implementation process.

The pressing needs which ZATFID II will address through its assistance are for improved management systems and procedures, better institutional coordination in policy analysis and formulation, and still better capacity to generate and process the relevant data to analyze key problem areas, and to provide decision makers with well designed policy alternatives.

C. Project Elements and Inputs

1. Overview

The ZATFID II Project inputs have been designed to emphasize professional staff training, both short and long term; to reduce the number of long-term technical advisors, slotting those retained only for the "core institutions involved in policy formulation; and to rely a little more heavily on short-term technical assistance to fill specific needs as they arise.

The technical assistance and training, both in-country and external, will provide the GRZ with resources to address the policy, human resources and institutional constraints identified in the above sections. Resident advisors in MAWD/PD, NCDP, and CSC, and short term consultants, will work with the policy institutions to: provide guidance in the collection, processing and analysis of data; conduct policy studies; conduct management studies; address organization and management issues; and conduct or assist with local training courses, seminars and workshops on topical and management issues. On-the-job training will be conducted during the process of executing analyses and studies. Long range participant training will be provided to counterparts of the long term advisors. Short term external in-service training will be provided to GRZ professionals to augment specific skills. Long term advisors will also identify training needs, make arrangements for training, and propose specific short term technical assistance needs.

The project will provide 27 person years of long term technical assistance, with 7 advisors in country for varying lengths of time. An estimated 85 person months of short term technical assistance, 57 person years of long term degree training, and 150 person months of short term training will be provided. Commodities to be purchased include computer equipment, books and learning materials, office equipment, some audio/visual training equipment, and vehicles. Counterpart funds, derived from non-project assistance, will be obtained for the support of in-country seminars, workshops and training courses; construction of a conference facility at MAWD; support for studies, including a fund to permit the GRZ to contract for selected studies; and for additional operational costs incurred as the result of initiatives by project technical assistance. Readers should refer to section IV, below, Cost Estimate and Financial Plan, for further detail on the project budget.

2. Categories of Inputs

a. Technical Assistance

Critical to the achievement of project outputs will be the provision of appropriate technical assistance. Long term advisors, as detailed below, will represent a number of disciplines. Although project needs can be stated in a general way during the design phase, final terms of reference for these individuals should be reviewed and approved by the FEC. Although some of the short term technical assistance, such as that to be provided to CSO, can be configured with some detail at this point, much of it will be specified only as GRZ staff of the relevant institutions or ZATPID long term advisors plan and proceed with the studies and other project activities. Terms of reference for short term technical assistance should also be reviewed and approved by the FEC. All advisors, long and short term, will take a collaborative problem solving approach and work closely with Zambian staff in the institutions they are assisting, in the conduct of policy and management studies, in conduct of seminars, workshops and courses, and in day-to-day functions at each institution. In-country courses will address specific policy areas, planning issues (for example, establishment of a rational project cycle, resource allocation), organization and management, research and statistical methodologies, and computer applications. It is anticipated that many of the short term advisors will be individuals who return to Zambia more than once or stay for relatively long periods (several months), in order that their skills can be more effectively transferred to the relevant GRZ institutions and individuals.

Both long term and short term advisors will spend a significant proportion of their time in the conduct of specific studies. The illustrative list of study areas has been addressed in section III. B., above and is included as Annex I. Also, general criteria, related to consistency with project objectives and with GRZ needs, will be applied as studies are selected, planned and designed. These are more fully discussed in the Technical Analysis, VII. B., below. The ZATPID II approach is to maximize Zambian involvement in the choice and development of studies.

b. Training

Short and long term external training will be important inputs to the institution building objectives of ZATPID II. For the most part, the focus of long and short term training will be as it has been during ZATPID I, that is, in the areas of agricultural economics, economics, statistics, computer science, rural sociology, survey methods, international development, and public policy. However, much more emphasis will be given to management development in the second phase project, and training is anticipated in such areas as public administration and business management, for MAWD/PD and for staff involved in agricultural policy in the core institutions.

The record is impressive for ZATPID-funded trainees, 10 of which have returned to Zambia. Nine of the 10 are with the institutions which sent them, and occupy positions from which they can influence policy. The recent assessment of ZATPID I noted, however, that despite the

accomplishments to date, there remains a keen shortage of skilled Zambians in key positions. It will be important that long term training continue to be provided to increase the skills of Zambians in priority areas. The possibility that there may be some fallout, with a few trainees leaving government for positions in the private sector, has been considered and taken into account in estimating training needs. Long term training under ZATPID II will be staggered through the life of project and formally structured along counterpart lines as much as possible, to preclude any temporary weakening of institutional capacity. It will also be coordinated with any training to be provided by other donors.

Although general needs for short term training can be identified at this time, specific courses, training sites and individuals for training will be identified collaboratively as the project proceeds, since specific needs will relate to particular deficiencies identified by the technical advisors, and the particular management concerns and policy areas for study which will emerge during the life of the project. Also, it is anticipated that institutions other than MAWD/FD, which do not have detailed training plans at this time, will develop them during the early part of the project.

c. Data Processing Equipment

One of the project's major areas of output will be better collection, processing and analysis of appropriate data for formulating and implementing policy. Reviews conducted under ZATPID I for CSO and MAWD, and reviews of the situation by the ZATPID II PID team, the impact assessment team and the Project Paper design team reaffirm that a key input to achieve this objective will be additional and/or improved data processing equipment and software. Items imported as a part of ZATPID I have begun to fill a pressing need, and are appropriately used. Further requirements for increased computer capacity have been identified jointly with the GRZ, and exact specifications will take into account assessment of existing capacity, planned uses, overall need and compatibility. The needs of CSO in this area are greater than other institutions, given its mandate for national statistics and its current constraints. In the case of CSO, the design team agrees strongly with the recommendation made in the impact assessment that short term technical assistance be brought in from AID/W/M/SER/IRM or elsewhere to define needs. For the other institutions, short term assistance will be brought in as needed.

3. The Agricultural Policy Institutions

a. Ministry of Agriculture and Water Development/Planning Division (MAWD/PD)

ZATPID II will support a broad program of assistance to MAWD, including technical assistance, both long and short term; degree training; short term training; and procurement of microcomputer equipment, office materials, training materials, and some furnishings. Activities will include improvement of data quality; on-the-job training in analysis and agriculture policy concerns; seminars and workshops on research methodologies, computer use, policy issues, and management; management studies; increased information dissemination; and establishment of a

monitoring and evaluation system. Much of the training material and furnishings will be provided to the planned conference and resource facility, which will be constructed near the MAWD headquarters building using counterpart funds made available through the project. Counterpart funds will also be made available to contract for studies and analyses locally, to RDSB or private organizations, in order to enhance the breadth and number of analyses produced for MAWD/PD.

Three long term personnel will be provided, for a total of 17 person years. The configuration and number of people is based on a firm request by MAWD/PD. A senior person, who should be the contractor's chief of party, will work directly with and advise the Director of the Planning Division, particularly on overall management issues, and work with the Project Analysis and Implementation Section as well (see below). This person should be a social scientist with experience in organizational management, and with a strong financial background. By section, project personnel will include:

(1) One person in the Sectoral Policy Analysis Section. This person will continue the work on key sectoral policy issues begun in ZATPID I, including marketing and pricing, and also provide outreach assistance on marketing issues (as developed in the annual workplans) to NAMBoard and the Ministry of Cooperatives. An agricultural economist who is strong in the field of marketing will be required.

(2) One person in the Production and Marketing Section. This person will be charged with assisting MAWD/PD in its program of smaller scale surveys of the agricultural population. The Director of MAWD/PD is particularly interested in examining contributions to production and agricultural income by different household members, and in the role of women in agricultural production. The surveys undertaken by this section should provide one key source of information on the socioeconomic impact of different policy changes, and on the continuing constraints at the level of the household which should be addressed at the national policy level. Studies are likely to include costs of production and household decision making. This position requires a social scientist (rural sociologist, agricultural economist or anthropologist) with experience in conducting agricultural and social surveys and relating them to policy formulation.

(3) The person who assists the Project Analysis and Implementation Section will work to establish an overall system of monitoring and evaluation for all agricultural projects, and will train staff to implement it. Monitoring and evaluation is a new but very important mandate for MAWD/PD, and establishment of such a system is required of a rational planning process in agriculture. The person in this position can also assist with (1) efforts to rationalize the overall agricultural project cycle, (2) the management of different donor inputs, and (3) along with colleagues in NCDP, the analysis of investment alternatives in agriculture. Activities undertaken in this section can include in-depth anthropological fieldwork as well as broader surveys to address policy and program impact on target groups.

Master's level degree training will be provided for 9 individuals, according to the already-developed MAWD/FD training plan. Short term training for MAWD/FD staff (35 person months) and short term technical assistance (15 person months) will be in a wide range of agricultural, development and management topics, and will include public administration. All training will be consistent with the already-developed MAWD/FD staff training plan.

MAWD/FD will, as a result of this assistance, have improved analytical capability; contribute more effectively to agricultural policymaking on the basis of analysis; have improved monitoring, evaluation and planning ability; and, in general, have a much stronger institutional basis to achieve its mandate, including institutional ties to NCDP, MOF, MOC and CSC.

b. National Commission for Development Planning (NCDP)

Activities will be similar to those undertaken in MAWD/FD, and will include improvement of data quality for sectoral planning and investment policy; on-the-job training in data processing and analysis, statistical and financial procedures; seminars and workshops on sectoral and regional planning and policy issues; and policy and management studies. Most of NCDP's in-country seminars and workshops cross institutional and disciplinary boundaries, and develop channels for communication important to overall allocation of development resources. Long term and short term advisors will interact closely with Zambian staff and ZATFID advisors in MAWD/FD. It is important to note that ZATFID II support will complement major support to NCDP from the World Bank (see II.C., above, Other Donors).

ZATFID II will provide one long term (four year) advisor to the Sectoral Planning department, the unit of NCDP charged with analysis of resource allocations to the agriculture sector and coordination with MAWD. The Sectoral Planning staff of economists analyze and negotiate MAWD's budget submissions. Short term technical assistance (15 person months) will be provided to this department and to the departments for Investment Policy and Regional Planning. Degree training in economics will be provided to 3 individuals. A total of 32 person months of short term training is budgeted. Relatively greater levels of short term training and technical assistance are planned for NCDP and this is intended to provide additional opportunities for external and in-country training of staff in the Investment Policy and Regional Planning divisions, as well as Sectoral Planning, whose responsibilities relate to agriculture. Funds for two microcomputers and some learning materials and office equipment are budgeted.

As a result of ZATFID II support, NCDP will have improved analytical capacity; strengthened coordination with MAWD/FD in developing agricultural policy and resource priorities and in considering the impact of macroeconomic policies in the agricultural sector; better communications with the nation concerning agricultural policies and their impact; and an overall improvement in planning capacity with reference to the agricultural sector.

c. Ministry of Finance (MOF)

Funds are budgeted for 11 person months of short term technical assistance to work along with Zambian personnel and provide in-country training in budget analysis, financial analysis and economics. Assistance will probably include analysis of agricultural programs, expenditure analysis, economic planning, balance of payments analysis, public finance and fiscal policy, and budgetary policy in relation to agricultural policy. In-country short term training will also be provided in computer applications. Long term degree training (3 persons) will be provided in economics and development studies/public finance. Short term training (36 person months) will be provided in agricultural economics, to familiarize staff economists with policy issues in agriculture, and in such areas as computer programming, expenditure impact analysis, public expenditure planning, analysis of economic policy issues, and quantitative methods, according to a detailed MOF plan. Some short term training may also be provided in public administration and management. Funds for two microcomputers, a vehicle, and various training materials are included.

ZATPID II assistance will help the Ministry of Finance realize improved functions related to allocation and use of financial resources for agriculture, including strengthening the expenditure monitoring control and reporting system, and the analysis of impact of agricultural policy shifts on the budget and the economy. The determination of effective use of allocated resources for agriculture will also be enhanced. Strengthened sectoral capacity in MOF is important given the greatly increased national emphasis on agriculture. The MOF will also realize improved coordination with the departments of NCDP involved in agriculture sector planning, and with MAWD.

d. The Central Statistics Office (CSO)

Support will follow the program laid out in the current PASA with the U.S. Bureau of the Census for ZATPID I. That document presents a 5 year program, but only a portion of it will be funded with ZATPID I funds. The rest will be picked up under ZATPID II, and will include long and short term technical assistance, long and short term training and commodity support, in the general areas of survey/census design and the development of procedures for data collection, processing and analysis.

Two long term advisors will be provided, for a total of 7 person years. The current data processing advisor position will continue in order to assist CSO establish a fully functioning data processing center. The BUCEN PASA will include a survey manager/census advisor, who will work with CSO counterparts for planning, implementation and analysis of the agriculture and demographic surveys, and 1990 census planning. This person will also coordinate the work of BUCEN short term statisticians, systems analysts, data processing experts and mathematical statisticians. Sixteen person months of short term assistance is budgeted. Short term advisors will provide on the job training and workshops, according to the general plan laid out in the PASA document. Long term training (3 persons) and short term training (17 person months) will be provided to CSO staff in such areas as survey methods, agricultural statistics, demographic statistics, computer science, and

data processing. Commodity support will include computer equipment -- to be specified in final following review by a consultant -- and training materials..

ZATPID II support will improve the timely collection, processing and analysis of data and application of survey methods at CSO. The project will assist CSO in its establishment of a data processing center and a continuous process of census and survey design, implementation and dissemination of findings. Communications and coordination with user GRZ agencies, especially those involved in agricultural planning and policy, will increase through workshops, seminars and regular inter-institutional discussions, as will assistance to these users to interpret CSO data.

Ministry of Cooperatives (MOC) and NAMBoard

The Ministry of Cooperatives (previously a part of MAWD) and NAMBoard (a parastatal administratively under MAWD) will receive assistance in key areas of marketing policy. Also, both institutions will have access to the skills of the marketing advisor placed in MAWD/PD, and will collaborate with MAWD/PD in conduct of policy studies related to marketing issues. In addition, both institutions will be receiving support from other donors, and in the case of MOC, other support to the institution may come from USAID via a different mechanism. The ZATPID II assistance to these institutions is fully complementary to other sources of assistance.

Short term technical assistance (10 person months) and short term training, particularly in management (10 person months), a microcomputer and learning materials will be provided to the MOC, along with funds for in-country training. ZATPID II assistance will improve MOC management and planning capacity for cooperative support, and its coordination with MAWD/PD in the areas of pricing and marketing policy.

NAMBoard will receive short term technical assistance (.8 person months), short term training (11 person months), one microcomputer, and funds for in-country training. This assistance will help NAMBoard with foodgrain projections and monitoring, and assist it to establish and manage a national foodgrain reserve.

As a result of ZATPID support, both organizations will be better able to manage new responsibilities related to marketing, especially given the impacts of lifting the NAMBoard monopoly and the liberalization of agricultural markets in Zambia as part of recent and ongoing policy developments.

f. Rural Development Studies Bureau (RDSB)/UNEA

RDSB, administratively a part of the University of Zambia, will receive some short and long term training and short term technical assistance and will also be provided a microcomputer, a vehicle, office and learning equipment, and counterpart funds for studies, in-country training and some operating costs. In addition, RDSB should benefit from ZATPID support to MAWD/PD in two ways: (1) participation in seminars, workshops and courses in such areas as research methodologies, computer use, and policy issues; and (2) contracts from MAWD/PD to undertake specific

studies on its own or in collaboration with PD analysts. As a result of ZATPID II support, RDSB will be better able to carry out special agricultural surveys and analyses, to continue its investigations into the nature and constraints of the rural non-farm small scale enterprise sector, and to serve future GRZ needs for such studies and analyses. ZATPID I has strengthened the linkage between UNZA and RDSB, on the one hand, and MAWD/PD. This linkage will be strengthened during ZATPID II, as will University linkages with CSO.

4. Flexibility and Collaboration

As has been discussed in the preceding pages and sections, many project details will be decided on an annual basis and collaboratively between USAID, the contractor, and the GRZ. This flexibility is built into the project because, while constraints and needs can be identified in a general sense at this time, it is not possible to identify the best mix and timing of inputs to address these identified constraints. The PP team has identified institutional weaknesses by institution, as well as areas of agricultural policy which will require attention over the life of project. This has formed the basis for designing long term technical assistance and training inputs for each institution. However, the exact configuration of short term consultancies, short term training, and in country training will be finalized on an annual basis using an iterative process, in which needs are defined as better understanding is gained of the management and policy problems of concern, and as the GRZ steps up the pace of change in unanticipated areas -- or slows it down in others -- in response to the sociopolitical environment.

Cooperation between USAID, the GRZ and the contractor in project implementation will be maintained through the Project Executive Committee and regular communications between the ZATPID II institutions. The activities of the FEC are more fully described in the Implementation Plan, V., below. The FEC assures formal involvement of GRZ entities in approving studies, technical assistance and training, and increases forward planning and GRZ participation in the overall project. Collaborative mechanisms built into the project, and their broader role in increasing institutional collaboration and contributing to the achievement of project purpose, are further discussed in the Technical Analysis, VII.B., below.

IV. COST ESTIMATE AND FINANCIAL PLAN

A. AID Input

Table 1 shows a breakdown of the total project costs for both AID and the GRZ. See Annex D. Budget Backup, for explanation of the basis of calculations. The budget includes costs by input and by institution for each year of the project. All cost estimates are based on known current prices, and a contingency factor of 7 percent is used. Inflation is calculated at 5 percent (compounded) for AID costs. (Costs for project support by USAID/Zambia's Project Support Unit (PSU) are built into costs for technical assistance.)

The total cost to AID, including contingency and inflation, will be \$11,113,000. By type of input, costs are as follows: long term technical assistance, \$5,010,000, or 46 percent; short term technical assistance, \$1,275,000, or 11 percent; training, \$2,390,000, or 21 percent; commodities, \$675,000, or 6 percent. Administrative and monitoring costs will be \$100,000, or 1 percent. Contingency and inflation (compounded) for all years will be \$1,673,000, or 15 percent of the total. The line item for project administration and evaluation includes funds for the mid-term and final evaluations, funds to hire an administrative assistant to the chief of party, and funds for a vehicle for this person.

Table 2 is a summary of project costs by project element, showing a breakdown by each institution: the "core" institutions MAWD/PD, NCDP, CSO and MOF, as well as NAMBoard, MOC and UNZA (RDSB). 91 percent of AID costs in the project are going to the core institutions.

Table 2: Costing of Project Elements
(in \$000)

| <u>Institution</u> | <u>AID (FX)</u> | <u>CIP (LC)*</u> | <u>H/C</u> <u>Regular Budget</u> |
|---------------------------|-----------------|------------------|-------------------------------------|
| MAWD/PD | 4395 | 1035 | 600 |
| MOF | 675 | 170 | 300 |
| NCDP | 1475 | 210 | 360 |
| CSO | 2065 | 315 | 360 |
| NAMboard | 205 | 65 | 120 |
| MOC | 245 | 165 | 300 |
| RDSB (UNZA) | 380 | 290 | 130 |
| SUBTOTAL | 9440 | 2250 | 2520 |
| Contingency and Inflation | 1673 | 613 | 947 |
| TOTAL | 11113 | 2863 | 3467 |

*To be generated from AID CIP and Program grants.

Note: Project administration/monitoring/evaluation costs are built into estimate for MAWD/PD.

It is planned that \$2.0 million will be obligated in FY1987. The remainder of funds are planned to be obligated as follows: FY1988, \$3.1 million; FY1989, \$3.0 million; FY1990, \$3.0 million.

A projection of expenditures by fiscal year is shown in Table 3.

Table 3: Expenditures by Fiscal Year
(in \$000)

| <u>Fiscal Year</u> | <u>AID</u> | <u>CTP (LC)</u> | <u>H/C</u> <u>Regular Budget</u> |
|-----------------------|------------|-----------------|-------------------------------------|
| 1987 | 716 | 392 | 360 |
| 1988 | 2058 | 590 | 360 |
| 1989 | 2150 | 393 | 360 |
| 1990 | 1842 | 335 | 360 |
| 1991 | 1371 | 250 | 360 |
| 1992 | 827 | 200 | 360 |
| 1993 | 476 | 90 | 360 |
| Subtotal | 9440 | 2250 | 2520 |
| Contingency/Inflation | 1673 | 613 | 947 |
| TOTAL | 11113 | 2863 | 3467 |

B. GRZ Input

The GRZ input consists of counterpart funds and host country contributions from the regular budget. See Annex D, Budget Backup, for further detail on budgeted items. An inflation rate of 10 percent (compounded) and a contingency of 7 percent has been used in compiling these estimates. The total for counterpart funds will be the local currency equivalent of \$2,863,000. These funds will be used for in-country training (\$635,000), construction (\$400,000), project administration and monitoring (\$125,000) and other costs (\$1,090,000). The "other costs" item includes funds for support of studies (including contracting locally); local cost support of project personnel and vehicles; graduate student trainee research; and per diem, fuel and other operating costs to permit participating GRZ institutions, with the existing pool of staff, to work effectively with project technical assistance. The remaining host country contribution represents annual contributions by institution from budgeted salaries for trainees, office space and administrative support, existing levels of per diem, travel and vehicle support, and other items provided to project activities as part of already-budgeted operating costs. This item totals the local currency equivalent of \$3,467,000.

The recurrent cost implications of project support are examined in the Economic Analysis, VII. C., below. However, it is important to note here that the majority of the host country input represents costs which will be budgeted by the GRZ for activities related to agricultural policy making and planning, many of which are a continuation of activities initiated under ZATPID I. Counterpart funds represent additional GRZ resources applied to ZATPID II, given its priority at this time. The "other costs" item from the counterpart funds represents added costs needed by each institution in order to function effectively, given the increased level of activity generated by project technical assistance.

V. IMPLEMENTATION PLAN

A. GRZ Responsibilities

The primary GRZ institution responsible for implementation of the ZATFID II project is to be the Ministry of Agriculture and Water Development, Planning Division (MAWD/PD). Implementation will require regular coordination of project activities between MAWD/PD and MOF, NCDP, CSO, and other institutions receiving ZATFID support, including MOC, NAMBoard, and RDSB(UNZA). Active participation of representatives from these institutions will be critical to successful implementation of the project.

GRZ coordination of ZATFID II activities will be through the Project Executive Committee (PEC) established during ZATFID I to provide a means to coordinate and approve actions necessary to implement the project. The Director of MAWD/PD heads this fully-functioning committee, and other institutions with representatives on it include NCDP, MOF, RDSB/UNZA, the Contractor, and USAID.

The PEC reviews annual project workplans based on proposals by each institution, and coordinates and assures the approval of the workplan by each committee member. The workplans for ZATFID II will set forth planned short and long term training, studies, in-country training, and short term technical assistance. Training proposals are reviewed against general criteria and compared with each institution's training plan. The PEC reviews and approves candidates for long term training and may recommend specific types of training and training sites. The PEC approves the terms of reference for each major study. Other responsibilities of the PEC are to assure GRZ funding for project activities and GRZ supporting actions such as provision of counterparts, survey personnel, supplies and transport. The PEC will also be involved in developing and approving evaluation plans, will participate in review of evaluations, and will, in general, review the progress of the project.

The GRZ has provided inputs (trainees, salary support, office space) in a timely fashion during the implementation of ZATFID I. Communications are regular and working relationships excellent between those GRZ institutions involved in ZATFID I and USAID/Zambia. This condition is expected to continue through implementation of ZATFID II. It is important to note that adequate counterpart support to the technical assistance team will be critical to successful implementation of ZATFID II. The current head of MAWD/PD, as chairman of the PEC and as Director of MAWD/PD, is taking steps to ensure that technical assistants will be provided appropriate counterparts and that sound counterpart relationships will be maintained (e.g., he has recently appointed permanent section chiefs, who will in turn be responsible for designating and maintaining appropriate counterpart relationships within their respective staffs.).

B. USAID and Contractor Responsibilities

Primary responsibility for overall project management will be with the AID Director in Zambia. The project manager will be the General Development Officer, who will coordinate activities of the contractor and the BUCEN PASA team and maintain liaison with MAWD/PD and with other GRZ

institutions. USAID will also interact with GRZ and the contractor through participation on the FEC, and be actively involved in development of the annual workplan and review of project progress.

The Commodity Management Officer will assist with commodity procurement matters. The USAID Training Officer will provide backstopping assistance for long term and short term training. REDSO/ESA will provide legal, contracting, and periodic project backstopping. Logistic support for contractor staff and many project activities will be provided by USAID/Zambia's Project Support Unit (PSU). The PSU is an administrative office established at USAID/Zambia to provide logistical support to all USAID projects. The PSU performs a variety of general services functions, including procurement, real property management, motor pool management, housing maintenance, and non-expendable property management.

The majority of project activities will be implemented through a contract with a private institution. The contractor will provide appropriate long term and short term technical assistance to the key ZATFID II institutions, provide placement and support services to long and short term trainees, review commodity needs, and, if so decided by USAID, undertake a proportion of the commodity procurement (see E. below). The contractor's chief of party will supervise the long term technical assistance provided to MAWD/PD, NCDP, and CSO and will coordinate closely with the GRZ, primarily through the FEC, and with the USAID Project Manager, to ensure proper completion of items as planned and progress toward project outputs. The project includes counterpart funds for a locally-hired Administrative Assistant to the contractor's chief of party, to assist with administrative matters.

C. Counterpart Funds

Counterpart funds, generated under the program assistance components of USAID/Zambia's portfolio (e.g., CIP programs and Program Grants) will be made available in direct support of project activities. Counterpart funds will be provided for: in-country seminars, workshops and training courses; selected studies; operational costs and project administration; and construction of a conference and resource facility at MAWD headquarters. Disbursement of counterpart funds to those entities charged with implementation of the above activities will be made in conformity with the procedures as agreed upon by the GRZ and USAID, which became effective March 27, 1986.

Funds required for conference facility construction will be released from the Bank of Zambia to MAWD/PD, and domiciled in a dedicated special account of MAWD/PD's choice, controlled by the Project Executive Committee Chairman.

Funds required for seminars, workshops, training, operational costs and project administration will be released from the BOZ in conformity with the annual work plan drawn up and approved by the Project Executive Committee on an annual basis. These funds will be deposited into a dedicated special account under the joint control of the FEC Chairman and the COP.

D. Contracting for Services

The majority of required services for project implementation will be provided by a U.S. institution through a direct AID contract. Consistent with the recommendation made in the ECFR for the PID, competition will be open. It is important to point out that, although ZATPID I has been implemented through a cooperative agreement with a U. S. University, universities have no unique experience in a project such as this, which combines studies and analyses with management development in government policymaking, planning and financial institutions.

The design team considered the advisability of using performance incentive contracting for ZATPID II, but decided that it would not be appropriate in this case. First, given the rapidly changing policy and economic environment in Zambia, it is very likely that factors outside AID or the contractor's control could affect project implementation and contractor performance of targetted accomplishments. Second, the project design incorporates a great deal of flexibility in setting of annual targets in certain key areas (e.g. studies), thus making it difficult to set forth discrete and measurable performance targets in the contract.

For ZATPID II, it will be important that the contractor's chief of party have project implementation experience in Africa, preferably involving institutional development and policy analysis in the agricultural sector. All long term technical assistance should bring appropriate development experience (preferably in Africa) to Zambia. The contractor must be able to have access to a wide range of experts in agricultural policy, planning, agricultural marketing, economics and agricultural economics, social science applications, public administration, and financial and organization management. Since UNZA will not receive support in ZATPID II as one of the core policy institutions, the minor project activities to be supported at UNZA do not require assistance through a university for this aspect. An outline of possible future assistance to UNZA is contained in a letter, dated 4 March 1986, from the USAID Director to the Deputy Vice Chancellor of the University of Zambia (Annex K).

Ideally, at least one representative of the contractor's technical assistance team should be on site by May 1987 or before, in order to overlap with the team for ZATPID I and ensure an orderly transition. The current cooperative agreement ends in June 1987 (the project's FACD is June 30, 1987), and at least one team member will remain through May. Although PP review is scheduled for June of 1986, the project will not be authorized and the Grant Agreement signed until early FY 1987. Given these timing constraints, it is recommended by the design team that the tendering process be initiated prior to project authorization, and as soon as possible after review and approval of the PP. The RFP will indicate, in this case, that the contract is subject to final authorization, signing of the Project Agreement, and availability of funds.

The Central Statistical Office (CSO) will be provided technical assistance through a PASA with the U.S. Bureau of the Census (EUCEN). In conformance with Handbook 12, Chapter 1B2, the design team has examined the justification for using a U. S. government entity in this case.

First, the technical assistance is required. CSO's data collection, processing and analysis activities, with which BUCEN will assist, provide nationwide socioeconomic statistics which are required input to the analytical activities undertaken by MAWD/PD and other institutions. Without assistance to CSO in conjunction with other project activities, the project would not achieve its purpose. Secondly, BUCEN's facilities are particularly and uniquely suited for this technical assistance. Support is to be provided through the International Statistical Programs Center (ISPC) of the U.S. Census Bureau, which has demonstrable U.S. experience in the design and implementation of national censuses and large scale national surveys. This experience is already being tapped for support through a PASA under ZATPID I. Furthermore, BUCEN is the U.S. institution analogous to the CSO, in that CSO is responsible for Zambia's national censuses and statistics and for intergovernmental coordination of required data collection and analysis. BUCEN is not in competition with the private sector for the provision of these technical services, and in fact has clear superiority to the private sector, as only a government institution of this type would be suited to assist in such an area, and transfer similar institutional expertise to the GRZ. Finally, BUCEN's services and facilities can be made available without unduly interfering with its domestic programs, especially as the support is to be provided through a branch of the organization charged with conducting international activities. It is important to point out, as well, that BUCEN support provided to ZATPID I to date has been excellent. The choice of such a PASA arrangement is clearly appropriate in this case.

The design team has reviewed options for participation of Gray Amendment entities in the implementation of the project, including through joint ventures or subcontracts with larger firms and/or institutions. The USAID/Zambia mission director certifies, by submission of this PP, that the Project's procurement plan was developed with full consideration of maximally involving such organizations in the provision of required goods and services and that the project is appropriate for minority or Gray Amendment contracting. Involvement of minority or Gray Amendment organizations will be determined through the procedures for open competition and the selection criteria included in the RFP. The CBD notice and the RFP for this activity will contain the following statement:

"AID encourages the participation to the maximum extent possible of small business concerns, small disadvantaged business concerns, and women-owned small business concerns in this activity as prime contractors or subcontractors in accordance with Part 19 of the Federal Acquisition Regulation. In this respect, it is anticipated that AID will make every reasonable effort to identify and make maximum practicable use of such concerns. All selection evaluation criteria being found equal, the participation of such concerns may become a determining factor for selection."

E. Commodity Procurement

The authorized source and origin for procurement is Geographic Code OCO and Zambia. Commodities will be received and cleared through customs by the USAID/Zambia Project Support Unit. The procurement of required commodities is discussed below:

Vehicles: Vehicles to be procured include 4 eight-passenger station wagons for an estimated total of \$50,000, and 5 four-wheel drive passenger vehicles (long wheel base for an estimated total of \$80,000. Most country procurement procedures have been reviewed and found to be acceptable by AID procurement personnel. However, due to concerns related to project management and contractor effectiveness, USAID/Zambia prefers to procure vehicles directly. Vehicle procurement will be under the Agency-wide blanket waiver for right hand drive vehicles under 11,000 pouchds. In the even that this waiver lapses and is not reinstated to permit timely procurement in FY 87, the necessary waiver is attached in Annex L.

Computer Equipment: Requirements are for (1) one minicomputer at an estimated cost of \$200,000, (2) eleven microcomputers for an estimated total of \$110,000, and (3) upgrading of existing systems and hardware at an estimated value of \$65,000. As part of the scope of work, the technical assistance contractor may be required to assess the existing facilities and capabilities of GRZ agencies participating in the project and recommend exact configurations and models best suited to achieve project objectives. Computer equipment purchases will be cleared as required with M/SER/IRM.

USAID/Zambia intends to include a statement in the RFP such that contractors may be required to procure project commodities, and that contractors must submit their procurement qualifications and a fee schedule along with their proposals. If the contractor selected to manage the project appears unqualified or too expensive to procure the required equipment, the work will be assigned to a procurement services agent under one of the AID IQC's.

Books and Periodicals: When exact requirements have been determined by the contractor, books will be procured through the IQC with the American Overseas Book Company, or its successor, per a purchase order issued by USAID/Zambia. Periodicals will be procured by the TA contractor with subscription costs to be reimbursed under the contract.

Conference Facility/Library Equipment: Requirements are: (1) one each slide projector, sound projector and projector screen at an estimated cost of \$2,270; (2) two photocopies at an estimated total of \$7,000, (3) one public address system, complete with microphone, mixer, amplifier and speakers, at an estimated \$1,500, and (4) one each multi-system video cassette recorder, multi-system television and camera with accessories at an estimated total of \$4,100. This equipment will be procured by the TA contractor or an IQC PSA (same as for the computer equipment). A waiver to procure the public address system, audiovisual equipment and photocopiers from Geographic Code 935 countries is included in Annex L.

F. Proposed Schedule of Activities

| <u>Date</u> | <u>Action</u> |
|-------------|--------------------------------------|
| 6/86 | Project Paper reviewed and approved |
| 8/86 | Preparation of RFP |
| 9/86 | CBD Notice/Solicitation of Proposals |

| <u>Date</u> | <u>Action</u> |
|-------------|---|
| 10/86 | Project Authorization |
| 11/86 | Grant Agreement Signed |
| 11/86 | Conditions Precedent Met |
| 11/86 | Overall Local Currency Agreement Signed with GRZ |
| 11/86-2/87 | Proposal submission and review; contractor selection; negotiations. |
| 2/87 | Contract signed |
| 5/87 | First contractor team member arrives |
| 6/87 | PACD for ZATPID I |
| 8/87 | Full contractor team in-country |
| 8/87 | First long term trainee departs |
| 8/87 | First short term trainee departs |
| 12/87 | First in-country training given |
| 12/87 | PEC Prepares Annual Workplan |
| 1/88 | LC Funding Released for Year |
| 10/88 | Annual Internal Review |
| 12/88 | PEC Prepares Annual Workplan |
| 1/89 | LC Funding Released for Year |
| 10/89 | Annual Internal Review |
| 12/89 | PEC Prepares Annual Workplan |
| 1/90 | LC Funding Released for Year |
| 2/90 | Mid-Term External Evaluation |
| 10/90 | Annual Internal Review |
| 12/90 | PEC Prepares Annual Workplan |
| 1/91 | LC Funding Released for Year |
| 10/91 | Annual Internal Review |
| 12/91 | PEC Prepares Annual Workplan |
| 1/92 | LC Funding Released for Year |
| 10/92 | Annual Internal Review |
| 12/92 | PEC Prepares Annual Workplan |
| 1/93 | LC Funding Released for Year |
| 8/93 | Final Evaluation |
| 10/93 | Project Assistance Completion Date |

VI. MONITORING PLAN

Within USAID/Zambia, primary responsibility for monitoring of project progress will be assigned to the General Development Officer, who serves as project manager. The mission's agricultural economist will assist with monitoring of substantive aspects of project activities. The training officer and commodity management officer will assist in their areas of specialization.

Monitoring will be facilitated through the regular activities of the Project Executive Committee, including meetings, reports and the preparation of the annual workplan, and through mission participation on the committee. Also, contractors' quarterly reports summarizing inputs, accomplishments and planned activities will assist the monitoring function.

VII. SUMMARIES OF ANALYSES

A. Administrative/Institutional

This section is based primarily on the February 1986 "ZATPID Impact Assessment and Institutional Analysis," which details the findings of a four week review of (1) the project's impact to date, (2) the agricultural policymaking environment and decision making process in Zambia, (3) needs and constraints in key GRZ policymaking institutions with recommendations for ZATPID II support.

1. Policymaking Process

Recent policy changes affecting agriculture in Zambia are discussed in Section III. B. Significant steps have been taken, and there is reason to believe that the pace of change in both macroeconomic and sectoral reforms will (and indeed should) slow as the country enters a period of consolidation and of policy refinement. In many ways the costs of these changes to particular groups in the society are unknown, and need to be monitored (as discussed in the Social Analysis, VII.D.). In general, however, it is important to note that Zambia realizes that a strong capacity for policy formulation and program implementation are essential to a successful agricultural sector. Its overall environment for policy discussion is open and flexible.

The assessment provides a detailed description of the channels for agricultural policy decision making and of the organizations and individuals involved. Although a generalized "model" is described, there are actually several routes whereby policy decisions can be proposed, vetted and finalized. The impetus for policy formulation and decision making can come from internal political forces, professional technical assessments, or external parties such as donors. Once the need for a policy analysis has been identified, it can be articulated by several means. A Cabinet officer or member of the Central Committee may request a study, or a professional staff member (Zambian or expatriate) of a ministry may make a proposal. In the case of agricultural policy; MAWD is usually the responsible ministry -- and within MAWD the Planning Division is the action office -- charged with conducting the relevant studies.

All such studies are synopsisized for presentation to the Minister, who may act on a recommended course of action, or call a meeting of relevant parties within MAWD to discuss the analysis and the options it presents. He may also decide to take no action, or decide not to decide. Unilateral decisions by MAWD are possible if the matter lies within the Minister's statutory authority. Or, MAWD may present a Cabinet memorandum, usually drafted by the individual who performed the initial analysis. The Cabinet Memorandum is circulated to other relevant GRZ Ministers and agency heads, and the receiving parties direct their staffs

to comment on it. MAWD will usually make revisions in light of comments received. After incorporating comments from the civil service, the Minister formally presents the memorandum to his Cabinet colleagues. In most cases, Cabinet will not act on a major policy issue without concurrence of the Central Committee. A policy accepted by the Central Committee is then passed for implementation.

2. The Budget Process

Priorities within the agriculture sector are determined by budget decisions as well as by sectoral analysis. Thus, those institutions involved in the budget process are important to overall planning and management of the sector. The MOF is responsible for the recurrent budget and NCDP (now within MOF) is responsible for the capital budget. The submission to Parliament is made in one document amalgamating both budgets. The budget cycle starts with the MOF and NCDP issuing budget guidelines in July or August of each year, which include ceilings for expenditure by each Ministry. The sectoral ministries prepare budget submissions according to the guidelines. Within MAWD, the Budget Analysis Section of PD has the responsibility to meld the submissions of each department into a ministry-wide budget. Submissions are made to NCDP and the MOF during September-October, if on track. The Sectoral Planning Unit of NCDP reviews the capital submission, while the MOF Budget Office reviews the recurrent submission. These offices negotiate as necessary with the sectoral ministries, and the completed budget for the current fiscal year is prepared by MOF and then submitted to Cabinet on the 31st of January of the budget year.

3. Constraints to Empirically-Based Decision Making

As discussed in detail in the referenced assessment, these include:

Organizational Coordination: There is need for improved coordination among departments in MAWD, and among the range of GRZ actors in the agricultural policy making process. There is need to prioritize problems and establish a common agenda across government at the senior technical level, and to avoid duplicative data gathering and analysis.

Data Collection and Analysis: Available data and analyses are inadequate to meet the greatly increased demand caused by the need to make major decisions on agriculture sector policy. Considerable progress has been made under ZATPID I in strengthening the CSO, MAWD/PD, and to some extent RISB capacity to handle data collection and analytical tasks. However, the saturation point has yet to be reached. MAWD/PD is fully staffed, but still short on human resources with advanced training. The CSO will need to institutionalize the upcoming agriculture survey so that it can be repeated every three to five years, and will need to begin preparing for the 1990 census. The MOF will require training to manage its move into microcomputers for budget analysis.

Management of Investment in the Agricultural Sector: At present and for the foreseeable future, capital resources for GRZ agricultural development are supplied entirely by donors. Not only does the GRZ need to manage better the donor flows it receives, but it needs to establish sustainable systems for planning and implementing realistic development

plans for the sector. With assistance from the World Bank, the GRZ is instituting a financial management system that is specifically designed to track the 30-odd streams of donor funds that flow into Zambia. The next step will be to organize the planning of donor expenditures according to Zambia's priorities and perceived needs, rather than according to donors' interests or mandates. Related to this concern is the need to standardize the project cycle, specifically procedures and schedules for project identification, approval, and evaluation within the agricultural sector. These activities will involve NCDP, MOF and MAWD.

Resource Allocation: As agriculture begins to generate revenues for the economy, some funds should be redirected to additional agricultural development. This can only happen if some institutional memory is established, time series can be constructed, and trend analyses carried out to convince decision makers that they should refuel the agriculture sector rather than drain resources from it. There is also an intersectoral element to resource allocation. Choosing from among alternative investment opportunities requires sectoral development plans to be considered in conjunction with their contribution to overall growth.

4. Institutional Profiles

The key civil service organizations involved in policy formulation and planning for the agriculture sector in Zambia are the Ministry of Agriculture and Water Development (MAWD), and the Ministry of Finance (MOF), which administratively includes the National Commission for Development Planning (NCDP) and the Central Statistics Office (CSO). Other government organizations that play a role in agricultural policy include the Ministry of Cooperatives (MOC) and the parastatal National Agricultural Marketing Board (NAMBoard). The Rural Development Studies Bureau (RDSE) at the University of Zambia also plays a role, in support of data collection efforts and in conduct of research studies..

The Ministry of Agriculture and Water Development (MAWD) is the principal agency for agriculture and is responsible for providing services and advice to the farming population and for managing development of the sector consistent with sound policy objectives. The Planning Division (PD) is the locus of policymaking within MAWD. Its duties include the coordination of budget submissions; planning and project implementation; compilation of agricultural statistics; and performing economic and other special studies. The Planning Division is divided into six sections: Technical Assistance (TA), Budget Analysis (BAS), Project Analysis and Implementation (PAI), Production and Marketing Section (P&M), Sectoral Policy Analysis (SPA) and Agricultural Statistics (ASS).

To perform its functions effectively, PD needs to strengthen its capability for coordination, policy analysis and planning processes for the long term. The capability of MAWD/PD to perform these functions is affected by shortage of appropriately trained and experienced staff, considerable time spent on crisis management and insufficient quality of data required for policy analysis and decision making.

The Ministry of Finance is responsible for appropriating and allocating financial resources to all sectors. It also monitors how the allocated

resources are utilized, through audits. In 1985 the National Commission for Development Planning was subsumed under the portfolio of the Ministry. Thus, the Ministry now has a planning arm as well as a financial administration arm. The Budget Office of MOF has responsibility, along with the Sectoral Planning and Investment Policy Departments of NCDP, for preparing the annual budget submission to Parliament. In a somewhat cumbersome arrangement, MOF currently makes resource allocation decisions for the recurrent budget, while NCDP makes such decisions for the capital budget. The Ministry lacks procedures for quantifying and analyzing the efficiency of expenditure allocations to and within the sectoral Ministries, including MAWD. There are also problems with timeliness and accuracy in the budget process.

The National Commission for Development Planning is responsible for coordinating sectoral planning across the Zambian economy, for coordinating technical assistance, for managing the Provincial Planning Units, and for national level data collection and statistical analysis. It coordinates the preparation of the country's published development plans. Of note, its Investment Policy unit weighs the alternatives presented in the agriculture sector against those in other productive sectors and analyzes non-government as well as government resource allocation. NCDP is an important link in developing capability for collaborative planning, policy analysis and implementation processes at all levels. Its problems include insufficient data, weak institutional procedures and linkages, insufficiently trained and experienced manpower, and insufficient computer capability.

The Central Statistics Office, administratively under NCDP, has statutory authority to approve and oversee all data collection efforts in Zambia; carry out censuses and sample surveys; and organize a coordinated scheme of social and economic statistics related to Zambia. CSO is responsible for collecting and processing national agricultural statistics and implementing special surveys for MAWD or other ministries. It is an important link in MAWD/PD's planning, policymaking and decision making processes. It currently lacks adequate capability, including the skilled manpower, to collect, process and analyze data to perform its function. The Rural Development Studies Bureau is complementary to the CSO in terms of types of collection efforts, levels of analysis, methodologies and study purposes, often performing smaller, more in-depth, or more specific studies. With a permanent staff of 8 researchers, it is one of four research institutes that comprise the National Integrated Rural Development Studies Centre, a part of the research arm of the University of Zambia. In addition to the support received from UNEA, RDSB enters into contracts to perform studies and analyses for GRZ, donor or other entities and is thus self-financing to a certain extent. It is, however, constrained by a shortage of funds for operating costs and for capital equipment, and will be in need of additional training support over the ZATPID II period.

The Ministry of Cooperatives was formed in 1983 from the former Department of Cooperatives and Marketing within MAWD. Its major tasks include analysis of the physical requirements for marketing, support and outreach to cooperatives for input supply and marketing, and marketing policies. As marketing policy and agricultural pricing policy are

closely linked, MOC and MAWD/PD need to collaborate in the formulation of these policies.

NAMBoard is a parastatal, originally established as the sole buyer of controlled agricultural produce and distributor of inputs. The functions of NAMBoard have been reduced over the last few years in an attempt to cut subsidies and improve the organization's efficiency. NAMBoard will, in the future, be limited to managing a national food grain reserve and serving as buyer and seller of last resort. Officially, NAMBoard no longer has the monopoly on marketing of maize and fertilizer, although, as of this writing, details have not been announced.

5. Summary

Two particular weaknesses emerged in the analysis of the agricultural policymaking process. The first is a shortage of appropriately trained individuals in the relevant institutions with the skills to conduct thorough analyses and translate them into actionable recommendations. The second is in management -- of time, of financial resources, of personnel, and of collaborative efforts across institutional boundaries. The dearth of management capacity has led to weaknesses in organizational structures, functions and procedures.

Major GRZ policymaking and agricultural sector management problems result from these weaknesses. These include (1) inadequate information to understand and analyze the nature of key development problems and to consider the effects of alternative solutions; (2) inadequate analysis of development problems and their possible solutions; (3) ineffective coordination among key ministries and agencies dealing with particular problems; and (4) inefficient use of financial resources to achieve priority GRZ objectives.

B. Technical Analysis

The following analysis examines (1) the project strategy and institutions to be supported; (2) the types of resources to be provided; and (2) the project's implementation procedures (including the operation of the FEC in setting annual workplans), in order to verify the technical suitability and appropriateness of the overall project structure to support the project purpose, to improve GRZ agricultural sector policy formulation, planning and institutional management. Specific aspects of the project which will enhance input to output and output to purpose linkages are highlighted.

In the broadest sense, the project aims to ameliorate the problem of inappropriate macroeconomic and agricultural policies and inadequate planning for implementation of policy reforms in Zambia. As has been pointed out in previous analyses, this problem is the result of insufficient and unreliable data for the analysis of agricultural and related macroeconomic problems; inadequate capabilities for carrying out needed analyses and the formulation of alternative policies; and inadequate management procedures and organizational effectiveness, including cooperation among relevant GRZ entities involved in the policymaking process. The constraints which lead to these inadequacies, as identified in the institutional analysis, above, and the recent

assessment of ZATPID I, are (1) a shortage of appropriately trained human resources in the institutions involved in policymaking, (2) weaknesses in data collection, processing, storage and analysis, and (3) weaknesses in management and organizational procedures. U. S. inputs of technical assistance and training, both in-country and external, and selected commodities, will provide the GRZ with resources to address these constraints.

The overall strategy followed in the project is to support those institutions (as identified in the recent institutional assessment) which are critical to policymaking. This has limited major project support to four institutions: MAWD/PD, NCDP, MOF, and CSO. Primary support is given to MAWD/PD, and support to the other three, and to MOC, NAMBoard, and RDSB, will enhance linkages between these institutions and MAWD/PD in analyzing agricultural policy, making resource allocation decisions or providing data for policy. MAWD/PD will play an appropriately central coordinating role in the project through its direction of the broadly-representative Project Executive Committee. This approach of focusing on the key players in the policymaking process will have the dual effect of maximizing the impact of AID resources on the policymaking process, on the one hand, and reducing the span of management for AID and the contractor, on the other.

The production of specific policy studies will be a concrete output of the project. In ZATPID II as in ZATPID I, the conduct and application of results of policy studies will have the dual effect of (1) providing findings of immediate utility for policy, and (2) strengthening GRZ capabilities for data collection, processing, analysis and the future formulation of policy. Studies will be initiated in response to Zambian concerns as voiced through the FEC. Although study topics will be in accord with the detailed list of potential study areas in Annex I, they will be specified on an annual basis by the FEC. This flexibility is deliberately included and will enhance Zambian participation, as well as permit the FEC to respond to changing economic and political circumstances (see Project Strategy, III. B., above). This should serve to maximize selection of appropriate topics and the involvement of Zambians in the ultimate use of information and results in policy formulation and planning.

In addition, application of criteria for studies will further verify their suitability to impact the policymaking process. These criteria are: (1) the study addresses one of the topics on the list of studies in Annex I; (2) the study relates directly to the achievement of the project's purpose and goal; (3) the study conforms to the Zambian strategy for agriculture; and (4) the study is of demonstrated interest to Zambian policymakers, or key Zambians who feed information and analysis to policymakers. The commitment of Zambian human resources to active participation in the study will be one key indicator of Zambian interest. Also, studies will not be supported if there is duplication with similar activities undertaken by other donors or by Zambian institutions. All studies will be designed following a thorough review of existing work in the same area, in order to ensure that previous studies and recommendations have been taken into account in study design.

In order to provide a sound foundation for a Zambian policymaking process, the project strategy emphasizes activities specifically directed to improvement of overall management capacity within key institutions. The assessment noted the effectiveness of management-related activities in ZATFID I. The assessment's recommendation has been followed that ZATFID II place even greater emphasis on management, organizational planning and internal procedures, through the activities of project personnel and through training. The assessment concluded, and the design team strongly agrees, that sustained institutional development requires good management systems, clearly determined organizational functions, and procedures for accomplishing the necessary work. With improvements in these areas, investments made for ZATFID II will be more likely to outlast the project itself.

The actual configuration of inputs, particularly long term training and technical assistance, is based on a series of meetings with and requests made by the GRZ. Long and short term advisors will be involved in a wide range of activities to include improvement of data quality; on-the-job training in analysis and policy and management topics; seminars and workshops on research methodologies, computer use, policy issues and management; management studies; information dissemination; and establishment of organizational and procedural systems. Workshops and seminars are an effective tool for institution building and provide for interaction and feedback on policy issues across different levels within the GRZ. By adopting a collaborative problem solving approach and working closely with Zambian staff to meet project objectives, the work of the project advisors is more likely to be successful. Collaboration will be required in the conduct of policy and management studies, in conduct of seminars, workshops and courses, and in day to day functions at each institution. Inasmuch as the short term advisors are familiar with Zambia and understand the Zambian context, they will be more effective. Many activities will require followup by the same short term advisor, or stays of adequate length to transfer the necessary skills. Short term advisors who have previously worked in Zambia will probably be more effective.

Given the identified skills shortages in each institution, short and long term external training will be important to the institution building objectives of ZATFID II, and vital to the achievement of project purpose. Although the fields of study will be diverse, and be suited to the needs of each institution, it is important to note the increased emphasis to be placed on training to enhance skills in management and computer applications. Participants will be carefully selected following proposals made by participating institutions to the FEC. MAND/PD has a detailed training plan, and training will be in accord with that plan. Other institutions are in the process of developing similar training plans for submission to the FEC. Short term training needs should be carefully reviewed on an annual basis, and will depend in large part on the activities developed by the project's advisors. Advisors will also be involved in examining skills deficiencies in each of the institutions. The level of long term training funded under the project takes into account the likelihood of a small percentage of turnover in the key institutions, despite planned efforts to increase the incentive structure for staff, and despite the excellent record to date with retention of ZATFID trainees in the institutions which have sent them.

Long and short term training criteria as applied in ZATPID I will continue to apply in ZATPID II and will be used by the FEC in selecting candidates. These include (1) a fixed period of service in the home institution before departure for training; (2) work in a discipline that addresses constraints identified in the PP; (3) an acceptable level of academic achievement; (4) and meeting the specific criteria of the sending institution.

To achieve the project purpose calls for close collaboration and coordination between the various GRZ institutions involved in policy formulation and planning for the agriculture sector. The implementation process established for the project should enhance cooperation not only between USAID, the GRZ and the contractor, but also between the GRZ institutions. The Project Executive Committee and regular communications between the ZATPID II institutions provide the fora for collaboration between GRZ institutions in project implementation. The activities of the FEC are more fully described in the Implementation Plan, V. above. The FEC assures formal involvement of GRZ entities in selecting topics for and approving studies, technical assistance and training, and increases forward planning and GRZ participation in the overall project. (The recent assessment's recommendation for a technical subcommittee of the FEC for technical guidance of activities undertaken by the project team will be considered by the FEC. The design team views such a subcommittee, if seen as viable by the FEC, as one mechanism to improve involvement by GRZ staff in substantive aspects of the annual workplan.) The capability of the FEC to meet assigned tasks has already been demonstrated since its establishment during ZATPID I. This capability should increase as project activities to improve management skills within ZATPID institutions have their anticipated effect.

ZATPID support to the core institutions should increase collaboration between them. The institutions which must collaborate to improve data collection, processing and analysis for policy formulation are primarily MAWD/PD, CSO and, to some extent, RDSB. CSO provides national social and agricultural statistics; MAWD/PD conducts agricultural surveys and studies focussed on agricultural problems; and RDSB supports these efforts through taking on responsibility for specific studies, and also has the capacity to conduct more focussed and in-depth social research. As a result of ZATPID II, it is anticipated that duplication will be minimized, sharing of information will increase, and more complementary inputs will be made by these three institutions to the overall data base for agricultural policymaking. Between NCDP, MOF, and MAWD/PD it is anticipated that policy concerns, whose impact and importance will be more precisely understood, will better inform resource allocation and sectoral planning, and that agricultural objectives will better inform the budget and planning process.

The four types of project outputs are (1) collaborative policy studies; (2) better collection, processing and analysis of appropriate data for formulating and implementing policy; (3) studies and plans for improved management systems and procedures and institutional coordination; and (4) trained personnel in key analysis, management and decision making positions. The inputs to be provided by ZATPID II, the plan for implementation, and the collaborative problem solving approach to be

taken by resident advisors and short term consultants, will all contribute directly to the achievement of these outputs.

A rigorous analysis of alternate options to achieve project outputs (e.g. no long term advisors, training only, or a greatly reduced level of training) has not been conducted for this analysis. However, the selection of project inputs, the implementation plan and the project approach have taken into consideration the findings of an assessment by an AID/Washington team, statements by GRZ representatives, and analyses undertaken by the Project Paper design team. Alternate courses of action have, for various reasons (e.g. inconsistency of a lower level of training with the known magnitude of the human resources constraint) been deemed less appropriate. More importantly, the project structure is consistent with lessons learned and the proven experience to date in ZATPID I. In conclusion, the technical alternative chosen should provide the most appropriate solution to the identified problems.

The assignment of implementation functions to government, to the contractor, and to USAID appears appropriate to ensure timely conduct of planned tasks. In addition, the design stresses GRZ involvement, and minimizes, through its focus on a few key institutions, the management burden on USAID/Zambia. Because the design combines short term outputs (policy studies) with long term institution building (management development) the returns to AID investment should be maximized.

C. Economic Analysis

As appropriate for an institution building project, cost-effectiveness considerations have guided design efforts to determine the mix of long and short term technical assistance and training which would be most effective in achieving improved policymaking performance. The potential for improving the performance of the whole economy by designing better policies is so high, and the magnitudes of investment resources that could be better directed and of additional income that could be thereby created are so great, that effectiveness considerations must outweigh small differences in costs.

Even so, least-cost considerations have guided choices among in-country and overseas training, long and short term training, and long and short term technical assistance, resulting in the indicative mix of assistance appearing in the project budget, which has been discussed at some length with the heads of the agencies involved and which has benefitted from their experience to date with ZATPID I. For example, long term technical assistance has been reduced from the 45 person years budgetted in the PID to 27 person years, while funds for short term technical assistance and training have been increased. In order to achieve maximum impact with the limited funds available, planned support has been concentrated on the four agencies most heavily involved in the agricultural sector policymaking process, namely MWD/PD, NCDP, MOP and CSO.

In another effort to improve the overall effectiveness of the project and, ultimately, to help assure the successful development of the Zambian agricultural sector, the illustrative list of policy areas of concern, attached to this paper as Annex I, has been expanded to include the major macroeconomic policy areas affecting agriculture and the impact of policy

reforms on different social groups, with special attention to ways of alleviating severe cases of hardship.

With respect to recurrent costs, it does not appear that they will be increased significantly by the activities of this project for any of the GRZ agencies involved. While a few existing vacancies may be filled by newly recruited employees, the positions are already established and funded. With these few exceptions, all the agencies designated to receive support expect to use the technical assistance and training to upgrade personnel already on board. None of the activities to be supported are new, but are rather tasks already being performed or planned for the next few years by existing staff. If MAWD/PD, NCDP and CSO do expand any further during the lifetime of ZATPID II, as suggested by one official interviewed, it will be because their functions are deemed to have high priority and are exempted from the current GRZ-wide hiring freeze, and not because of this project.

In fact, this project is deliberately designed to help the GRZ solve its current economic crisis and its consequent recurrent cost budgetary problems. Preliminary figures indicate that total GRZ revenues collected in 1985 amounted to K1.6 billion, or 25.8 percent of GDP, while total expenditures were K2.6 billion, or a whopping 40.2 percent of GDP. This level of public sector revenues is quite high, compared with other developing countries, but the level of expenditures is even more unusual. The resulting fiscal deficit, equal to 14.5 percent of GDP in 1985, imposes an immense inflationary financial burden on the faltering economy. If used wisely for basic social and economic services and infrastructure, the level of revenue currently collected should be more than adequate for a strong and effective government in Zambia. Overall public expenditures not only need to be reduced, but redirected toward more efficient and productive government activities. The ZATPID Project is designed in part to help the GRZ achieve these goals with respect to the agricultural sector, and, if successful, it will help the GRZ deal more effectively with its overall recurrent cost problems.

For example, food and fertilizer subsidies have varied from year to year, but have often amounted to around 10 percent of total government expenditures. They are budgetted for K334 million (about US\$50 million) in 1986, and could well, with supplemental budgets, wind up considerably more than that. Even so, as the ZATPID Impact Assessment has noted, recently announced price increases for fertilizer and maize will result in subsidy reductions from without-price-increase levels and consequent savings for the GRZ of more than K300 million (US\$45 million) in 1986, according to Ministry of Finance estimates (unpublished). Fertilizer and maize price policy studies conducted by MAWD/PD and supported by ZATPID I were part of the decision making process that led to these price increases. The GRZ intends to press for political approval of further reductions in such subsidies over the next two or three years, with their complete elimination as the ultimate goal. The analyses supported by the ZATPID project will be an integral part of this effort.

The Mission economist has drafted a detailed analysis of the 1986 GRZ Budget (Lusaka 01496, dated 2 April, 1986), which has been forwarded to AID/Washington and REDSO/ESA. The analysis has been particularly difficult this year due to the substantial increases of imported

commodity and service prices resulting from the large and sudden devaluation of the kwacha after the foreign exchange auction system was instituted. While the GRZ seems committed to keeping salary and wage increases down to modest levels (no more than 25%, in the face of a CPI increase of more than 50%), the kwacha cost of purchasing imported goods and services or servicing the external debt has increased by nearly 300% since September 1985. This has resulted in large increases in those items of the budget containing substantial foreign exchange costs, but relatively much more modest increases for personal emoluments and domestic recurrent cost items, making valid comparisons with previous year budgets difficult. Furthermore, the inability of the GRZ to forecast, with any degree of accuracy, the course of the exchange rate or the probable nature of the domestic political compromises regarding public sector salaries and wage rates that might be required because of the extraordinarily high rate of inflation, makes it even more likely this year than previously that the GRZ will resort to supplemental budgets.

Nevertheless, the history of budgetary allocations over the last few years to the key institutions supported under ZATPID II would indicate the GRZ places sufficient priority on their activities to make sure they receive sufficient funds to maintain effective operations, despite the general budgetary stringency. Allocations to CSC, in particular, have risen substantially in real terms during the last two years. While recognizing that the current GRZ budgetary crunch is likely to continue throughout the next few years and may occasionally cause the institutions supported by this project some headaches, the Mission does not expect recurrent cost problems to reach a magnitude that would seriously interfere with the implementation of this project.

D. Social Analysis

1. Context

With 43 percent of its population in urban areas, Zambia is one of the most urbanized countries in Africa; and the urban population has been growing by about 7 percent annually as rural workers flood to the cities seeking non-existent jobs. Due in part to the capital-intensive and import-dependent nature of urban-based industries, the growth of formal sector employment, which is mostly urban, has failed to keep up with the growth of the labor force, so that the proportion of the labor force actually employed in the high-wage modern sector has been declining. Falling prices for Zambia's major export, copper, has seriously reduced its ability to import industrial inputs, resulting in chronic underutilized capacity and falling employment and real income, in addition to mounting foreign debt and debt service problems. Agricultural pricing and marketing policies, introduced in an attempt to keep urban food prices as low as possible, have seriously reduced production incentives and eroded farm incomes, which have been major factors, together with an ineffective rural development program, behind the rural exodus to the cities. Food and agricultural production has fallen behind the rising demand, forcing the country to import large amounts of food and further reducing its ability to import industrial inputs to sustain productive urban employment.

With copper prices likely to remain low for some time and Zambian copper reserves running out in any case, Zambia has no choice but to reorient its economy to develop its vast agricultural resources, which alone seem to have the potential to replace copper as the country's economic base. The continuing policy reforms required to do this pervade virtually all aspects of the economy. They are understandably proving to be difficult to implement, as well as technically complex, since they must necessarily redirect price and income incentives away from existing urban-based industries and the powerful labor, financial and managerial vested interests associated with them, and toward the scattered, poorly-informed and less articulate small farmers and entrepreneurs. This project is designed to assist the GRZ collect and process the data and conduct the analyses necessary to better inform policymakers on how to proceed with this most urgent and difficult task.

2. Beneficiaries

Obviously, the employees of the various GRZ agencies receiving training and technical advice from the consultants provided under this project, and using the computer and other commodities to be financed, will directly benefit by becoming more professional and productive on the job and by improving skills that will enhance career success.

The basic justification for the project, however, is its expected positive long-run impact on the entire Zambian economy, reversing the current downward trend in GNP and income per capita, and providing new and more productive jobs at a faster rate in agriculture and in related processing and consumer goods industries. Also, in the medium to longer term, the agricultural sector will have better designed and more effectively implemented projects. The indirect beneficiaries will include virtually the entire population, since all will eventually benefit from project success.

The short run is more difficult to deal with, though, since during the process of economic adjustment some groups will benefit from specific policy changes and other groups will suffer loss of jobs and/or income. The expected impact on five major groups of households, urban and rural, of the three main reforms supported by the ZAMCAMP Program, for example, is discussed on pages 31 to 34 of that program document. That particular set of reforms is thought most likely to have the strongest short-term beneficial effect on the incomes of the 120,000 smallholder, "emerging" farmers, with a relatively smaller positive impact on the commercial farmers (due to higher input costs) and the 460,000 subsistence farm families. Urban groups are expected to suffer a loss of real purchasing power in the short run due to higher food prices, with the lower income informal sector and unemployed workers harder hit in relative terms than the higher income formal sector wage earners. Both of these urban groups are expected to benefit in the longer run, however, as the positive economic benefits generated by a more dynamic and productive agricultural sector begin to increase employment opportunities and income in the urban sector.

It is the short-run trade-offs like these that make Zambia's structural adjustment program politically difficult to implement. Decision makers must not only weigh the likely macroeconomic consequences of policy

alternatives, but the political and social ramifications of their adverse short term impact on different groups and how best to alleviate unacceptable costs to those groups, as well. This project is designed to help the GRZ address these sensitive issues.

3. Participation

The requisite participation of mid-level GRZ officials in the training and analytical activities of the project is assured by the career enhancement they will receive from improving their professional capabilities. Decision makers will participate out of their desire to base policy decisions on as much information and professional analysis as possible. Indeed, this has already proven to be the case with ZATPID I. The question as to whether the Zambian farmers will participate, in the sense of providing a positive response to policy reforms providing greater incentives and financial rewards for agricultural investment and production, is not quite so easily answered. However, all indications are that they will (and significant increases of marketed food production in response to price increases during the last 3 years have already been observed), especially given the rest of the agricultural development program being undertaken by the GRZ, with strong World Bank, USAID and other donor support. The project is designed to improve GRZ ability to answer this question and to increase its understanding of how best to deal with other constraints to agricultural production and marketing.

Since a large proportion of the subsistence farm families are headed by women, both the NCDP and MAWD/PD, in conjunction with the Zambia Nutrition Council and with support from the Swedish International Development Agency (SIDA), are beginning to study the role of women in agriculture, and particularly in market-oriented agriculture, so as to better understand how to assist them improve their productivity and income. This effort, which was recently kicked off with a workshop in which several GRZ agencies participated, will consist of a countrywide survey and analysis, the final results of which should be available sometime next year. It is being coordinating with the nationwide Agricultural Survey supported by ZATPID I.

4. Social Feasibility

In view of the success of ZATPID I in helping the GRZ to do policy related studies and to make courageous decisions regarding difficult policy reforms, there are no outstanding social feasibility issues on the Zambian side related to the success of the project itself that need to be addressed in implementing ZATPID II. Nevertheless, the project will include assistance for improving administration and management, for seminars and workshops, and for the dissemination of statistical and analytical publications, in order to improve intra- and inter-agency communication and coordination and make them as effective as possible.

There is also an issue of social adaptability and effectiveness on the American side. Based on ZATPID I experience, this follow-on project will establish recruitment criteria that will maximize the number of advisors with extensive African experience, demonstrated sensitivity to national problems and temperament, and an ability to be effective in eliciting cooperation and change. Careful review and approval of candidates by

USAID/Zambia and the GRZ will be one of the conditions to be met by the contractor.

As mentioned above, the social and political feasibility issues of various policy reform proposals can be very serious and difficult to deal with. The project will continue to help the GRZ analyze and deal with these problems and design its policy reform program accordingly.

5. Impact

As indicated in the section on beneficiaries above, policy changes affect different groups in sometimes quite different ways, and the short run impact on each group can also be different than in the longer run. Knowing how particular policy alternatives will affect each group is the obvious first step in being able to avoid or at least alleviate serious adverse consequences on low income or politically articulate groups, in order to progress toward the long-run goals that will benefit the population as a whole. Toward this end, the project is designed to help the GRZ analyze the socio-cultural and economic impact of policy alternatives on different population groups before and during their implementation.

As described above, a long term technical advisor will be provided to the Project Analysis and Implementation Section of MAWD/PD specifically to help establish an overall system of monitoring and evaluation for all agricultural projects, regardless of which donor might be supporting them, and staff training will be directed toward building an in-house capability to carry such an effort forward. The activities of this section will include studies of policy impact in target groups, both urban and rural, and participation in planning, with MAWD/PD and other institutions, of future policy adjustments using the increased knowledge base.

In fact, this process is presently getting started under ZATFID I, as MAWD/PD is planning to conduct a special survey this year to provide baseline data and some initial analysis on the impacts of selected GRZ policies on different socio-economic groups. The resultant studies, and follow-up workshops, will also consider alternative ways to mitigate identifiable cases of unacceptable hardship that might be caused by policy reforms, particular those reforms that result in substantial increases in the prices of basic commodities like maize.

More broadly, ZATFID II assistance to MAWD/PD, particularly to its Production and Marketing Section and Project Analysis and Implementation Section, will assist MAWD to obtain data on economic and production constraints and potentials at the level of the household, and to consider such constraints as part of the national policy formulation process. Another responsibility of the long term advisor in the FAI section of MAWD/PD will be to institutionalize the capacity within MAWD for social analysis of all agriculture sector projects. The aim will be to incorporate social analysis into the development and approval of all sector projects (and scrutinizing of donor proposals), as part of the establishment of more rational project review, monitoring and evaluation procedures. In-country training in social analysis of projects will be provided to MAWD social scientists.

E. Environmental

As a project intended to develop the capability of the recipient country to engage in development planning, no significant environmental consequences are anticipated as a result of its implementation. A categorical exclusion for this activity was submitted and approved with the PID and signed September 11, 1985. (See Annex M and State 101399).

VIII. EVALUATION ARRANGEMENTS

Evaluation, both formal and informal, will be important to the success of the project. Since much of the project's direction in terms of participant selection, analysis, and in-country training will be determined during the course of implementation, as it has been in ZATPID I, annual reviews of the project's course are essential, and are to be conducted by USAID/Zambia in consultation with the FEC, the project's resident advisors, and a representative from REDSO/ESA or AID/Washington. The annual internal reviews should examine timeliness of inputs and any implementation or management problems, and also examine the appropriateness of ongoing or planned activities given the constantly changing policy and socioeconomic environment.

These in-house reviews should be held each year during the October-November period, so that the results will be available to inform the FEC as it prepares the annual workplan for the following year. Results of the internal reviews will also guide AID as it participates, as a member of the FEC, in the development of that workplan.

In addition to the annual internal reviews, the ZATPID II project budget includes funds for two formal external evaluations during the life of the project. A mid-term evaluation should take place during the third year of ZATPID II, in order to guide the final three years of implementation. This evaluation will focus in particular on whether the expected inputs have been deployed as planned and whether the expected outputs have been achieved, and on the apparent progress toward achievement of the project purpose and the expected end-of-project status. It will evaluate 1) the extent to which the activities supported and personnel trained under the project have had a positive impact on agriculturally-related policies, 2) the effectiveness of project management by USAID, the contractor, and the GRZ, and 3) the general direction of the project as compared to its original design; and it will recommend ways to improve any of the above.

A formal end-of-project evaluation will be conducted to assess the overall success or failure of the project to achieve the project purpose and the expected end-of-project status.

It should also be noted that a formal end-of-project evaluation is to be carried out at the end of the ZATPID I Project in 1987. Many of the implementation details at the beginning of the follow-on ZATPID II Project should benefit from this evaluation.

IX. CONDITIONS AND COVENANTS

The standard conditions precedent prior to disbursement will apply. In addition, a condition precedent is to be included in the Project Agreement requiring a study prior to any disbursement of funds for a minicomputer at CSO. This study, to be undertaken by technical assistants with appropriate skills in computer systems and data analysis, will determine computer needs and specifications for such a minicomputer for CSO.

The GRZ will covenant to prepare and submit for USAID approval an annual workplan for activities to be funded under ZATPID II. The workplan will include studies proposed for funding. The GRZ will also covenant that the studies to be undertaken in the Project will be in accord with the illustrative list set forth in Annex I of the Project Paper.

4 BELOW), RECOMMEND CRITERIA FOR THE SELECTION OF STUDIES AND ADDRESS RECURRENT COST CONCERNS WITHIN THE CONTEXT OF THE PP DESIGN EFFORT. PLEASE NOTE THAT WE WOULD APPRECIATE CONFIRMATION OF TIMING OF THE PP DESIGN EFFORT AS EARLY AS POSSIBLE IN ORDER TO ASSURE AID/W PARTICIPATION. WE ALSO WILL BE HAPPY TO HELP USAID DEVELOP A SCOPE OF WORK FOR THIS ASSESSMENT WHICH INCORPORATES OUR CONCERNS AND INFORMATION NEEDS. BOTH THIS ASSESSMENT AND THE INSTITUTIONAL ANALYSIS SHOULD TAKE A CLOSE LOOK AT THE LINKAGE BETWEEN PROJECT OUTPUTS (BETTER INFORMATION, BETTER TRAINED ANALYSTS, AND BETTER ANALYSES) AND THE PROJECT PURPOSE. THE NEED FOR DATA AND QUALIFIED STAFF IS NOT IN QUESTION, BUT THE DESIRE TO WHICH THE PROCESS IS REALLY ADDRESSING IN ZAMBIA TO PROMOTE POLICY REFORM IS UNCLEAR.

2. INSTITUTIONAL ANALYSIS: THE SCOPE OF THE FOLLOW-ON, PHASE II EFFORT, PARTICULARLY THE SIZEABLE NUMBER OF INSTITUTIONS WHICH THE PID PROPOSES TO INCLUDE, WAS DISCUSSED AT LENGTH IN BOTH THE ISSUES AND SCOPE MEETINGS. THE FOUR MAJOR CONCERNS WERE:

(1) THE POTENTIAL MANAGEMENT DIFFICULTIES IN DEALING WITH MULTIPLE INSTITUTIONS;

(2) THE LACK OF A CLEAR DEFINITION OF THE ROLES AND INTERRELATIONSHIPS AMONG THE INSTITUTIONS INVOLVED IN POLICY ANALYSIS AND POLICY-MAKING (ESPECIALLY POLICIES RELATED TO THE AGRICULTURAL SECTOR);

(3) THE FACT THAT PROJECT RESOURCES MAY BE SPREAD TOO THINLY TO IMPROVE EFFECTIVELY THE CAPABILITIES OF MULTIPLE INSTITUTIONS; AND

(4) THE POTENTIAL FOR INCREASING THE RECURRENT COST BURDEN ON THE GOVERNANCE SUCH A BROAD APPROACH TO INSTITUTION-BUILDING.

TO ENSURE THAT THE PROJECT DESIGN ADDRESSES THESE CONCERNS, THE MISSION SHOULD CARRY OUT THE FOLLOWING IN PREPARING THE PP:

(A) BECAUSE THE PID INCLUDES ONLY A GENERAL DESCRIPTION OF THE ROLES THAT THE VARIOUS INSTITUTIONS PLAY IN THE POLICY ANALYSIS AND DECISION-MAKING PROCESS, THE EOPR REQUESTS THAT A THOROUGH INSTITUTIONAL ANALYSIS BE UNDERTAKEN AS A BASIC DECISION TOOL IN THE DESIGN OF THE PROJECT (AND ATTACHED AS AN ANNEX TO THE PP). THE ANALYSIS SHOULD INCLUDE:

—A DISCUSSION OF THE ORGANIZATIONAL STRUCTURE OF EACH INSTITUTION AS IT RELATES TO POLICY ANALYSIS AND DECISION-MAKING;

— A DISCUSSION OF THE CURRENT POLICY-MAKING INSTITUTIONS IDENTIFYING THE KEY INSTITUTIONS AND EXPLAINING HOW THEY RELATE TO AND AFFECT POLICY DECISIONS; AND

— IDENTIFICATION OF THE CRITICAL NEEDS AND RESOURCE GAPS (IN STAFF, EQUIPMENT, ETC.) IN EACH INSTITUTION WHICH SHOULD BE MET IN ORDER TO STRENGTHEN ITS POLICY-MAKING CAPABILITY.

(B) IN ADDITION, BOTH THE PROJECT IMPACT ASSESSMENT AND THE INSTITUTIONAL ANALYSIS SHOULD ADDRESS PAST PERFORMANCE IN INSTITUTION-BUILDING UNDER ZATPID I COVERING, AT A MINIMUM, THE FOLLOWING QUESTIONS:

— ARE THE DATA GENERATED BY PROJECT STUDIES/ACTIVITIES RELEVANT AND USABLE AND, IF SO, BY WHOM AND FOR WHAT PURPOSE;

-- IS THE INFORMATION/DATA ACTIVELY SOUGHT BY GRZ DECISION-MAKERS (I.E., ARE THE STUDIES DEMAND-DRIVEN);

— HAS STAFF ANALYTICAL CAPABILITY IMPROVED SO THAT THE INFORMATION/DATA CAN BE ACTED UPON IN A TIMELY MANNER;

— ARE ZAMBIANS WHO HAVE BEEN TRAINED UNDER THE PROJECT FILLING POSITIONS FROM WHICH THEY CAN AFFECT POLICY;

— WHAT IS THE EVIDENCE THAT THE POLICY-MAKING PROCESS IS IMPROVING (PURPOSE OF THE PROJECT) BASED ON ANALYSES AND RECOMMENDATIONS EMANATING FROM PROJECT ACTIVITIES;

— HOW IS U.S. TECHNICAL ASSISTANCE HELPING TO BUILD INSTITUTIONAL CAPACITIES;

-- HAS SHORT- AND LONG-TERM TA BEEN PROVIDED IN AN APPROPRIATE MIX TO EFFECT INSTITUTIONAL IMPROVEMENTS;

— WHAT ARE THE CONSTRAINTS, IF ANY, TO IMPROVED DATA GENERATION, ANALYSIS AND DECISION-MAKING WITH RESPECT TO AGRICULTURAL POLICY, AND HOW CAN A FOLLOW-ON PROJECT ADDRESS THESE CONSTRAINTS MOST EFFECTIVELY; AND

— WHAT ARE THE RECURRENT BUDGET IMPLICATIONS OF THE INSTITUTIONAL DEVELOPMENT WHICH HAS OCCURRED UNDER THE PROJECT, AND CAN ADDITIONAL COSTS BE COVERED BY THE GRZ BY THE TIME PHASE II ENDS?

THE INTENT OF THIS ANALYSIS WILL BE TO DISCUSS AND UNDERSTAND (A) THE PROCESS BY WHICH ZAMBIAN AGRICULTURAL POLICIES ARE MADE AT THE NATIONAL LEVEL AND (B) THE EFFECT THAT ZATPID I HAS HAD ON THE PROCESS. THE ANALYSIS WILL THEN BE USED AS A DECISION TOOL IN DETERMINING THE MOST APPROPRIATE ZATPID II PROJECT DESIGN TO ADVANCE EVEN FURTHER THE INDIGENOUS POLICY-MAKING PROCESS, RELYING ON REALISTIC DATA AND ANALYSIS. THIS MAY INVOLVE SELECTION OF A SMALLER NUMBER OF INSTITUTIONS IN WHICH TO FOCUS ASSISTANCE AND/OR ASSISTANCE TO

INSTITUTIONS ON AN AS-AVAILABLE BASIS. (SUCH AS STUDIES AND TRAINING) WILL BE THE BUILDING BLOCKS OF THE MORE INTANGIBLE (LONGER TERM) INSTITUTION-BUILDING EFFORT. INFORMATION COLLECTED FOR THE ANALYSIS WILL ALSO SERVE AS A BASELINE FOR FUTURE EVALUATIONS OF ZAFID II.

5. PROJECT-FUNDED STUDIES: IT WILL BE IMPORTANT FOR THE PP DESIGN TEAM TO DEVELOP CRITERIA FOR SELECTING THE ANALYTICAL STUDIES TO BE CONDUCTED UNDER ZAFID II. THE ECPR FEELS THAT THE ILLUSTRATIVE LIST IN THE PID DOES NOT CONVEY A SENSE OF PRIORITY AND THAT THE CASE IS NOT MADE THAT THESE STUDIES ARE ALL NECESSARY TO HELP SOLVE THE CRITICAL PROBLEMS FACING ZAMBIA'S AGRICULTURAL SECTOR. THIS IS NOT TO SAY THAT THE STUDIES LISTED IN THE PID ARE NOT IMPORTANT, BUT THE RATIONALE FOR THEIR SELECTION IS UNCLEAR. AS DISCUSSED IN PARA. 2. ABOVE, THE PP SHOULD IDENTIFY THE AGRICULTURAL POLICIES FOR WHICH REFORMS AND/OR BETTER ANALYSIS ARE REQUIRED TO ADVANCE ZAMBIAN AGRICULTURAL SECTOR DEVELOPMENT AND THEN DEVELOP CRITERIA FOR SELECTING STUDIES WHICH ADDRESS POLICY ISSUES.

6. PRIVATE SECTOR INVOLVEMENT: THE PP DESIGN SHOULD SEEK TO STRENGTHEN THE LINKS BETWEEN PROJECT ACTIVITIES AND THE ZAMBIAN PRIVATE SECTOR. THE ECPR OFFERS THE FOLLOWING GUIDANCE IN THIS REGARD:

—INCLUDE AN ASSESSMENT OF ZAMBIA'S AGRIBUSINESS CLIMATE AND OPPORTUNITIES AS ONE OF THE ILLUSTRATIVE STUDIES TO BE CONSIDERED BY THE PEC FOR PROJECT FUNDING;

—STRENGTHEN COMMUNICATIONS BETWEEN PROJECT-ASSISTED INSTITUTIONS AND THE PRIVATE SECTOR. THE INTERESTS/PRIORITIES OF THE PRIVATE SECTOR VIS A VIS AGRICULTURAL POLICY SHOULD BE REPRESENTED IN SELECTING

STUDIES AND DISSEMINATING STUDY RESULTS.

~~IN-FOURTH TRAINING PROGRAMS AND SEMINARS SHOULD~~
 INCLUDE PARTICIPANTS FROM THE PRIVATE SECTOR. THE
 PRIVATE SECTOR COULD BE A VALUABLE RESOURCE FOR
 SPEAKERS/INSTRUCTORS WHO HAVE SOME UNIQUE INSIGHTS INTO
 THE OPPORTUNITIES FOR, AND CONSTRAINTS TO, INCREASED
 PRODUCTION AND BUSINESS ACTIVITY.

7. DONOR COORDINATION: THE PID DISCUSSED OTHER DONOR
 INTERVENTIONS IN POLICY ANALYSIS. THEIR CONTINUING
 REPORTS SHOULD BE FACTORED INTO THE PP DESIGN IN ORDER TO
 AVOID DUPLICATION AND TO PROVIDE FOR THE MAXIMUM AMOUNT
 OF REINFORCEMENT AMONG VARIOUS GRZ AND DONOR PROGRAMS.

8. CONTRACTING: THE ECPR REVIEWED THE PID PROPOSAL THAT A
 CONTRACT RATHER THAN A COOPERATIVE AGREEMENT BE USED TO
 IMPLEMENT THE PROJECT AND THAT UNIVERSITIES BE EXCLUDED
 FROM SUBMITTING PROPOSALS AS THE LEAD CONTRACTOR. THE
 COMMITTEE EMBRACES THE IDEA OF A CONTRACT BUT INSISTS
 THAT IT BE OPEN TO ALL POTENTIAL PROPOSERS. WHILE WE
 AGREE THAT U.S. UNIVERSITIES HAVE NO UNIQUE EXPERTISE IN
 THIS TYPE OF ANALYSIS AND INSTITUTION-BUILDING PROJECT,
 WE DO NOT THINK THAT THE CASE CAN BE MADE THE OTHER WAY
 EITHER. IF THE INSTITUTIONAL ANALYSIS CONCLUDES THAT
 UNZA SHOULD RECEIVE PROJECT ASSISTANCE, THE PP SHOULD (A)
 IDENTIFY THE TYPES OF ASSISTANCE REQUIRED AND (B)
 DETERMINE THE TYPES OF ENTITIES WHICH CAN PROVIDE THIS
 ASSISTANCE (FOR EXAMPLE, WHETHER OR NOT REQUIRED
 ASSISTANCE CAN BE PROVIDED ONLY BY A U.S. EDUCATIONAL
 INSTITUTION). THE RFP SHOULD CONTAIN SELECTION CRITERIA
 WHICH WILL RESULT IN SELECTION OF THE REQUIRED TYPE OF
 SUBCONTRACTOR FOR THAT COMPONENT OF THE PROJECT.

TO SUPPORT THE CENTRAL STATISTICAL OFFICE THROUGH A PASA
 WITH THE BUREAU OF CENSUS (BUCEN), THE PP MUST CONTAIN A
 JUSTIFICATION FOR USING A USF ENTITY. FACTS SUPPORTING
 THE CASE SHOULD BE IN CONFORMANCE WITH HANDBOOK 12, CH.
 1B2. EB 12 REQUIRES A DETERMINATION THAT (1) TA IS
 REQUIRED, (2) BUCEN'S FACILITIES ARE PARTICULARLY OR
 UNIQUELY SUITABLE FOR THE TECHNICAL ASSISTANCE, (3) BUCEN
 IS NOT IN COMPETITION WITH THE PRIVATE SECTOR FOR THE
 PROVISION OF THE TECHNICAL SERVICES, AND (4) BUCEN'S
 SERVICES AND FACILITIES CAN BE MADE AVAILABLE WITHOUT
 UNDULY INTERFERING WITH ITS DOMESTIC PROGRAMS.

THE ECPR ALSO DISCUSSED THE PARTICIPATION OF SMALL
 AMENDMENT ENTITIES IN THE IMPLEMENTATION OF THE PROJECT
 THROUGH JOINT VENTURES OR SUBCONTRACTS WITH LARGER FIRMS
 AND/OR INSTITUTIONS. ECPR CONCLUDED THAT THE C&D NOTICE
 AND RFP FOR THIS ACTIVITY MUST CONTAIN THE FOLLOWING
 STATEMENT: QUOTE. AID ENCOURAGES THE PARTICIPATION TO
 THE MAXIMUM EXTENT POSSIBLE OF SMALL BUSINESS CONCERNS,
 SMALL DISADVANTAGED BUSINESS CONCERNS, AND WOMEN-OWNED
 SMALL BUSINESS CONCERNS IN THIS ACTIVITY AS PRIME
 CONTRACTORS OR SUBCONTRACTORS IN ACCORDANCE WITH PART 19
 OF THE FEDERAL ACQUISITION REGULATION. IN THIS RESPECT,
 IT IS ANTICIPATED THAT AID WILL MAKE EVERY REASONABLE

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EFFORT TO IDENTIFY AND MAKE MAXIMUM PRACTICABLE USE OF SUCH CONCERNS. ALL SELECTION/EVALUATION CRITERIA BEING FOUND EQUAL, THE PARTICIPATION OF SUCH CONCERNS MAY BECOME A DETERMINING FACTOR FOR SELECTION. UNQUOTE.

9. PROJECT FUNDING LEVEL AND LIFE-OF-PROJECT PERIOD: FOLLOWING THE SCPE, ADVISABILITY OF REDUCING BOTH LOP FUNDING LEVEL AND PERIOD WAS DISCUSSED WITH PATTERSON. ASSUME THAT A CLOSER LOOK AT THE LOP FUNDING LEVEL WITH AN EYE TO REDUCING IT WILL BE INTEGRAL TO THE PP DESIGN EFFORT. ~~A DECREASE IN THE NUMBER OF YEARS OF THE PROJECT LIFE, NOT PROPOSED AS SEVEN IN THE PID, IS ADVISABLE IN LIGHT OF THE REQUIREMENT TO PREPARE THE NEXT EDSS IN MID-LATE FY 1987.~~

10. PP DESIGN TEAM: THE PID PROPOSES THAT THE ECONOMIST ON THE PP DESIGN TEAM BE DRAWN FROM REDSO/ESA. IF AN ECONOMIST FROM AFE/DP CAN PARTICIPATE, HOWEVER, WE SUGGEST THAT, INSTEAD, A SOCIAL SCIENTIST FROM REDSO/ESA BE INCLUDED ON THE TEAM TO PREPARE THE SOCIAL SOUNDNESS ANALYSIS FOR THE PP. ASSUME THAT THIS CAN BE DISCUSSED AT THE REDSO/ESA SCHEDULING WORKSHOP NEXT MONTH. SEULTZ
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ANNEX B
PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

ZATFID II (611-0207)

NARRATIVE SUMMARY

Goal

To increase Zambia's total and per capita food production, and small farmer income.

Purpose

To improve GRZ agricultural policy formulation, sectoral planning, and management in key policymaking institutions.

OBJECTIVELY VERIFIABLE INDICATORS

Increase in agricultural commodity exports or decrease in imports.
Food production increasing more rapidly than population.
Increases in small farmer production and net income per hectare.

End of Project Status

- (1) Improved planning and management in MAWD/PO, NCDP, CSO and other relevant institutions.
- (2) Increase in availability and effective utilization of information and analysis for policy decisions.
- (3) Improved communication and coordination among GRZ institutions.
- (4) Improved and more effective allocation of GRZ and donor resources and investment in the agricultural sector.
- (5) Improved design and execution of agricultural projects.

MEANS OF VERIFICATION

Import and export statistics.
Agricultural production statistics.
Household surveys.
Demographic data.

GRZ using studies and analyses in policymaking process.

GRZ reports,
Project status reports,
Project evaluations.

ASSUMPTIONS

Inappropriate policies a sectoral constraint.

Continuing GOZ commitment to agriculture as the primary growth sector.

Selected institutions remain central to policymaking process.
Trained personnel retained.

Outputs

Collaborative policy studies.

Better collection, processing and analysis of appropriate data for formulating and implementing policy.

Studies and plans for improved management systems and procedures and institutional coordination.

Trained personnel in key analysis, management and decision making positions.

10 studies.
Degree of Zambia participation.

GRZ reports.
Agricultural census.
Computer capacity.
Timeliness of reports.

10 studies and plans.

Trained personnel by position.

Published GRZ documents.

Project evaluations.

Observation.

Appropriate GRZ entity and staff will collaborate with AID on each study.

Training records

Qualified trainees made available.

Inputs

A.I.D.

Technical assistance

Training

Commodities

27 PY resident advisory services.
85 PH short term services.

67 PY long term graduate study.
150 PH short term (U.S. and 3rd country)
On-the-job
Participation in local short courses.
Workshops and seminars.

Data processing equipment.
Vehicles.
Operating costs.
Data processing equipment.
Office equipment and supplies
Library/training materials.

Controller's records.

GRZ counterpart available.

GRZ (Counterpart and I/C)

Personnel costs
In-country training costs
Construction
Other costs (equipment, supplies, operating expenses, etc.)

ACTION: AID-4 INFO: SCOM - 5

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FOR REDSO/LSA - ROSALE FANALE

SUBJECT: ZAMBIA AGRICULTURAL TRAINING, PLANNING AND INSTITUTIONAL DEVELOPMENT (ZATPID II) (611-1207) - GRZ REQUEST

USAID/ZAMBIA RECEIVED FOLLOWING LETTER DATED 31 MARCH, 1996 FROM MINISTRY OF FINANCE.

QUOTE

MR. LESLIE A. DEAN
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
P.O. BOX 32421
LOS ANGELES

DEAR MR. DEAN,

ZAMBIA AGRICULTURAL TRAINING, PLANNING AND INSTITUTIONAL DEVELOPMENT PROJECT (ZATPID) PHASE 2

- ZAMBIA HAS EMBARKED ON A COMPREHENSIVE PROGRAM OF ECONOMIC POLICY REFORM DESIGNED TO RESTRUCTURE ITS ECONOMY TOWARD STRONGER RELIANCE ON THE AGRICULTURAL SECTOR. THE SUCCESSFUL PURSUIT OF THIS GOAL WILL REQUIRE FURTHER IMPROVEMENTS IN OUR ABILITY TO FORMULATE SOUND ECONOMIC POLICIES ON A CONTINUING BASIS, BASED ON PROFESSIONAL ANALYSES OF RELIABLE AND TIMELY DATA CONCERNING KEY ECONOMIC PROBLEM AREAS AND THEIR POSSIBLE SOLUTIONS. IN THIS REGARD, THE GOVERNMENT APPRECIATES THE ASSISTANCE BEING PROVIDED BY USAID UNDER THE PROJECT REFERENCED ABOVE, ALSO KNOWN AS THE ZATPID PROJECT, TO IMPROVE OUR INSTITUTIONAL CAPABILITIES TO ANALYZE, PLAN AND MANAGE THE AGRICULTURAL SECTOR.

- THE PURPOSE OF THIS LETTER IS TO REQUEST THE UNITED STATES GOVERNMENT TO CONTINUE ITS SUPPORT OF THIS PROJECT FOR ANOTHER SIX YEARS. OUR OFFICIALS HAVE BEEN WORKING CLOSELY WITH REPRESENTATIVES OF USAID/ZAMBIA ON THE DESIGN OF A SECOND PHASE OF THIS PROJECT, OR ZATPID II, WHICH IS INTENDED TO PROVIDE TECHNICAL ASSISTANCE FOR SOME OF OUR PROFESSIONAL PERSONNEL, AND SOME COMPUTER AND OTHER SUPPORTING COMMODITIES OF MAWD-PO, MCDP CSO, AND MOF, WITH SMALLER AMOUNTS OF ASSISTANCE TO A FEW OTHER

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AGENCIES ALSO INVOLVED IN MAKING AGRICULTURAL POLICIES
AND MANAGING THE AGRICULTURAL SECTOR. GRANT ASSISTANCE
IN THE AMOUNT OF US\$11.2 MILLION WOULD GREATLY ENHANCE
THE EXECUTION OF THE ACTIVITIES PLANNED UNDER THE SECOND
PHASE OF THIS PROJECT.

- I HOPE THIS REQUEST WILL MEET WITH FAVOURABLE
CONSIDERATION, AND WE LOOK FORWARD TO OUR CONTINUING
WARM AND PRODUCTIVE RELATIONSHIPS DURING THE
IMPLEMENTATION OF ZATPID II.

- YOURS SINCERELY,

- E.S.S. NEEWE
- PERMANENT SECRETARY
- MINISTRY OF FINANCE

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ANNEX D

BUDGET BACKUP
(for Table 1)

A. Foreign Exchange (AID Input)

1. Technical Assistance -- Long Term: \$190,000 per person year (inclusive of salary, benefits, travel, shipping and storage, R&R, educational allowance, housing, overhead and miscellaneous costs). One CSO advisor under PASA, \$150,000 per year.

Total: 27 person years, 6 persons, \$5,010,000.

2. Technical Assistance -- Short Term: \$15,000 per person month (inclusive of fee, airfare, per diem, overhead, insurance and miscellaneous costs).

Total: 85 person months, \$1,275,000.

3. Training -- Long Term: \$25,000 per person year (including placement costs), average duration 3 years.

Total: 19 persons, 57 person years, \$1,425,000.

4. Training -- Short Term: Includes holding USDA Agricultural Planning and Analysis course in-country for 35 persons at \$20,000. Short term training outside Zambia, average \$15,500 per person (average duration, 2.5 months, with month 1 at \$8000, month 2 and thereafter, \$5000 per month.) 60 persons, \$945,000.

Total: 150 person months, \$965,000.

5. Commodities: To include computer equipment, vehicles, equipment for MAWD conference facility/library, library and training materials, and miscellaneous office operating items. Estimates inclusive of freight and insurance at 40 percent. Subtotal for commodities: \$615,000. With 10 percent fee, total for commodities is: \$675,000.

a. Vehicles: Total of 9. Four 8-passenger station wagons @ \$12,500 (1 for MAWD/PD; 1 for CSO; 1 for MOF; and 1 for the PSU, to be made available to the administrative assistant to the chief of party). Five four-wheel-drive vehicles @ \$16,000. (2 for MAWD/PD; 1 for CSO; 1 for NCDP; and 1 for RDSB).

Total for vehicles: \$130,000.

b. Computer Equipment: Minicomputer for CSO at \$200,000. Microcomputers for MAWD/PD (3), NCDP (2), MOF (2), RDSB (1), NAMBoard (1) and MOC (2) at \$10,000 each. Upgrading existing systems and hardware, total of \$ 65,000.

Total for computer equipment: \$390,000.

c. MAWD Conference Facility and Library:

--Slide Projector Unit. Equal to Carousel - S-AV-2010 Projector, 110/220v, 50-60 cycles. Cost: \$620.
 --Sound Projector Unit. 16 mm, equal to Bell and Howell, 220v. Cost: \$1400.
 --Projection Screen. Tripod screen, 160cmx160cm. Cost: \$250.
 --Photocopiers(2). Medium-high volume. Cost per unit, \$3500. Total, \$7,000.
 --Public Address System: Complete set with microphone, mixer, amplifier, and speakers (Japan or Europe). Cost: \$1,500.
 --Video Equipment. (Japan) (1) Multi-system VCR. Cost, \$1,000. (2) Multi-system Television. Cost, \$1,200. Movie system (Camera). VHS movie system, with accessories including extra batteries, remote control, carry case, tripod. Cost, \$1,900.
 --Miscellaneous: extra bulbs, toners, paper, film, vassettes, carousels, other equipment and supplies. Cost, \$2,500.

(Books and learning materials and other office supplies for MAWD facility are included in estimates in d. and e. below).

| | |
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| Total Cost of Items: | \$17,370 |
| Freight and Insurance: | 6,948 |
| <u>Total for Facility (CIF)</u> : | \$24,318, rounded to \$25,000. |

d. Training Materials: Books, periodicals and training aids (e.g. pamphlets, cassettes).

Number of books: 400. Estimated cost per book, \$35. Total of \$14,000.

Number of one year periodical subscriptions, 150. Cost per subscription, \$60. Total of \$9000.

Other materials: \$5,000.

| | |
|---|--------------------------------|
| Total cost of items: | \$28,000. |
| Freight and insurance: | 11,200 |
| <u>Total for training materials (CIF)</u> : | \$39,200, rounded to \$40,000. |

e. Office Equipment and Supplies: to include general supplies; photocopiers (2); calculators; cassette recorders. Total (CIF): \$45,000.

6. Project Administration and Evaluation: Evaluations (\$90,000) (Vehicle included in commodities, above.)

Contingency: 7 percent.

Inflation: 5 percent.

B. Counterpart Funds (in U.S. \$ equivalent):

1. Training: Costs of in-country training including per diem, facility rental, transport, lodging, and materials. Based on 20 persons per course, 5 days per course, cost per course \$10,000. Total of \$635,000.

2. Construction: Conference Facility (MAWD), \$400,000. (Based on architect's estimate).

3. Other Costs:

(a). Studies (includes contracting to RDSB or private sector): For enumerators, supervisors, travel and per diem, drivers, supplies, printing. Costs per study range from \$10,000 - \$150,000, based on ZATPID I experience. Total of \$500,000.

(b). Technical Assistance Support: Includes utilities, housing repair and maintenance, security, drivers, in-country travel, office supplies and furnishings, shipping. Estimates based on ZATPID I experience. \$10,000 per person year, 27 person years, for a total of \$270,000.

(c). Project Vehicle Support: Includes regular maintenance, repairs, and fuel. Based on ZATPID I experience. \$4,500 per vehicle per year, 10 vehicles at 5 years each, total of \$225,000.

(d). Other Project Support: Includes printing of studies; participant trainee research support in Zambia; and extra vehicle operating and maintenance costs, per diem, overtime and office supplies to permit participating institutions, with their existing pool of staff, to work effectively with project technical assistance. Total of \$95,000.

4. Project Administration and Evaluation: Salary for administrative assistant; local discretionary fund under control of chief of party and administrative assistant. Total of \$125,000.

Contingency at 7 percent.

Inflation at 10 percent.

C. Host Country (Regular Budget):

Includes annual contributions by institution from budgeted salaries for trainees, office space and administrative support, existing per diem, travel and vehicle support, and other items provided to project activities as part of already-budgeted operating costs.

Total: \$2,520,000.

Plus contingency at 7 percent and inflation at 10 percent.

5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

Zambia-FY 1987

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481(h)(1); FY 1986 Continuing Resolution Sec. 527. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?
2. FAA Sec. 481(h)(4). Has the President determined that the recipient country has not taken adequate steps to prevent (a) the processing, in whole or in part, in such country of narcotic and psychotropic drugs or other controlled substances, (b) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and (c) the use of such country as a refuge for illegal drug traffickers?

NO

NO

3. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? NO
4. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? NO
5. FAA Sec. 620(a), 620(f), 620D; FY 1986 Continuing Resolution Sec. 512. Is recipient country a Communist country? If so, has the President determined that assistance to the country is important to the national interests of the United States? Will assistance be provided to Angola, Cambodia, Cuba, Iraq, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan without a certification? No to all parts
6. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property? NO

- 7. FAA Sec. 620(1). Has the country failed to enter into an agreement with OPIC?
- 8. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters?
 (b) If so, has any deduction required by the Fishermen's Protective Act been made?
- 9. FAA Sec. 620(q); FY 1986 Continuing Resolution Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds?
- 10. FAA SEC. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

NO

NO

As of October 31, 1986
Zambia is not in default,
since a rescheduling agreement
through December 1986 is in effect.

Yes, taken into account at time
of approval of Agency CYB.

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? NO
12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) As of September 30, 1985 Zambia was not in arrears.
13. FAA Sec. 620A. Has the government of the recipient country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? NO
14. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? NO

15. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? NO
16. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) NO
17. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported illegally (or attempted to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device? NO

18. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)

While Zambia was represented and failed to disassociate itself from the communique, this was taken into consideration by the Administrator at the time of approval of the Agency OYB.

19. FY 1986 Continuing Resolution Sec. 541.

NO

Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

NO

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

NO

20. FY 1986 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined as supporting or participating in the management of a program of coercive abortion on involuntary sterilization? NO

If assistance is from the population functional account, are any of the funds to be made available to family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services? N/A

21. FY 1986 Continuing Resolution Sec. 529. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States? NO

22. FY 1986 Continuing Resolution Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? NO

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria NO

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

2. Economic Support Fund
Country Criteria

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

N/A

Cleared:

State/AF/S: _____

AID/AFR/SA: Delompa

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only:
B.1. applies to all projects funded with Development Assistance loans, and
B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

YES

YES

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

CN was submitted on November 7, 1986 and the 15 day waiting period expired on November 21, 1986 without objection.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

YES

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

None required

4. FAA Sec. 611(b); FY 1986. Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. NO
7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. All project activities, including policy studies, training and seminars, are directed toward improvement in Zambia's economic and agricultural policies, and as such will support Zambia's efforts to increase the flow of international trade and foster private initiative and investment as applied to agriculture. As Zambia's management of its agriculture improves, so should the technical efficiency of agricultural operations. The project directly supports efforts by the Ministries of Agriculture and of Cooperatives to encourage the use of and increase the efficiency of cooperatives.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Technical assistance financed by the project will be furnished by a U.S. firm or university as based upon competitive submissions. Improvements in the policy climate which result from the project should encourage U.S. investment in Zambia's agricultural sector.
9. FAA Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. Country has agreed to contribute local currencies toward all planned local costs of project implementation. These local currencies include: (a) the equivalent of \$2.86 million to be made available from counterpart funds generated under the Program Assistance components of USAID/Zambia's portfolio; (b) the equivalent of \$3.46 million to be contributed from already budgeted operating costs.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? NO
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? YES
12. FY 1986 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N/A

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests?

YES

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A

15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

NO

16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

No set-aside for 8a firms is anticipated. However, they will be free to bid on the technical assistance contract, which will be openly advertised.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance
Project Criteria

- a. FAA Sec. 102(a), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status, (e) utilize and encourage regional cooperation by developing countries?

The project provides mainly for technical assistance to host government agencies and for long-term training. However, the studies component will allow for agriculture-oriented research which potentially will involve items a - d. Item e is not applicable.

- b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? YES
- c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? In the studies component, this focus will be emphasized.
- d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed country)? YES
- e. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? YES

f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

YES

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

A major component of the project is long-term training, which responds to all these concerns.

2. Development Assistance Project
Criteria (Loans Only)

- a. FAA Sec. 122(b). Information an conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N/A
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? N/A

3. Economic Support Fund Project
Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA? N/A
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N/A
- c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified N/A

that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?

- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

ANNEX G

IMPACT ASSESSMENT AND INSTITUTIONAL ANALYSIS

ZAMBIA AGRICULTURAL TRAINING, PLANNING
AND INSTITUTIONAL DEVELOPMENT
PROJECT (611-0075)

U.S. Agency for International Development
March 1986

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EXECUTIVE SUMMARY

ZATPID IMPACT ASSESSMENT AND INSTITUTIONAL ANALYSIS

This report details the findings of a four-week assessment of the impact of the Zambia Agricultural Training, Planning and Institutional Development Project (ZATPID I, 611-0075) and an institutional analysis of Zambian policymaking for the agriculture sector. It provides a series of recommendations for the remainder of the life of the ZATPID I project and design guidance for a proposed second phase of the project (ZATPID II).

The assessment and analysis were carried out by a two-person team comprised of an agricultural economist and an anthropologist. The team followed the scope of work jointly prepared by USAID/Lusaka and AID/Washington. The team reviewed background documents and project outputs and held discussions with a number of persons associated with ZATPID I specifically and with donor assistance to Zambia more generally. Working from the scope of work, the team devised a questionnaire that was used to guide its discussions with key informants in Lusaka, both Zambian and expatriate.

The current ZATPID project was authorized in September 1980 for an initial three-year life at \$4.8 million. The project paper stipulated that an evaluation was to be undertaken at the end of the second year of the project to determine whether the project should be continued for an additional two years. A period of difficult relations between the U.S. and Zambian governments almost immediately followed project authorization, so that most implementation activities did not begin until 1982, and some, such as the placement of a technical advisor in NCDP, never occurred. The evaluation was thus undertaken two years into actual project implementation, in March, 1984, although the project was in its fourth year of life at the time. The evaluation was positive overall, and recommended extension of the life of the project for an additional two years, or until 1987. The project has been extended, and the completion date is now September 1987.

Overall, the team finds the concept of assisting the GRZ to strengthen indigenous policy formulation and planning processes to be a sound use of AID resources, and a necessary complement to the substantial amount of non-project assistance being provided, in order to ensure that the latter resources are well-utilized. The impact of ZATPID I has been on the whole positive and consistent with the project purpose as articulated

in the project paper. The impact is believed to justify proceeding to a follow-on project.

ZATPID I

The assessment team believes that the ZATPID I project has begun to have an impact on agricultural policies and the policy process in Zambia. This has occurred both in relation to specific policy changes, and in relation to longer-term institution-building activities that will assist in making the Zambian policy process analytically stronger and more empirically based. There have, however, been a number of implementation and management problems in the project, and there are examples of project activities that were not designed and carried out in such a way as to maximize their impact on policies or the policy process.

Evidence of positive project impact includes several studies and follow-up activities that formed the basis of specific recommendations for change in agricultural policies. Some recommendations were accepted by the GRZ and resulted in significant policy changes. Others were rejected for non-economic reasons, but nonetheless contributed to an active policy debate that is still continuing in some instances.

Longer-term activities contributing to institutional strengthening have also scored several successes, although there are areas of concern. The record so far on participant training has been outstanding, with ten out of ten returned long-term trainees filling positions from which they have the potential to affect the policy process. Other examples of successful institution-building activities include: the enhancement of an effective data processing center in the Central Statistics Office (CSO) and a computer center in the Ministry of Agriculture Planning Division (MAWD/PD); the establishment of a functioning library in MAWD; and important work in management training and information dissemination. An unanticipated side benefit of the project is the promotion of coordination among Zambian institutions. This has led to such activities as the joint undertaking of a crop forecasting survey by MAWD and CSO, whereas in the past both institutions carried out similar activities simultaneously.

In contrast to these activities, others have not had a positive impact to date. These include complex econometric model building and other work, often directed or carried out from the Iowa State University campus, that was not sufficiently integrated into the Zambian context. Model building in

particular was undertaken without sufficient involvement of
Zambian institutions, or sufficient thought regarding the
precise use and sustainability of the exercises.

Regarding institution-building, the primary area of concern has
been the weakness of counterpart relationships between
expatriate technical assistance and Zambian staff at the
working level. The problem has several causes, most notably an
insufficient number of Zambian professional staff, their heavy
involvement in "firefighting" activities (although this also
has a positive side in that the Minister of Agriculture depends
heavily on the project-supported Planning Division), the lack
of formal counterpart arrangements, and insufficient emphasis
on counterpart relations on the part of some, though by no
means all, of the expatriate technicians.

An assessment of recurrent cost issues concluded that some of
the institutions supported by the project do have serious
recurrent cost problems, which are likely to become worse in
future years. However, it should also be noted that project-
initiated activities, including policy reforms such as subsidy
reductions, have the potential to generate considerable cost
savings (and eventually revenue) for the government. Although
Zambia's recurrent cost problems are undeniably serious, they
probably are no more severe than are those of many other
African countries; nonetheless, it is important that ZATPID II
be designed in such a way as to minimize recurrent cost
implications.

The assessment of ZATPID I closes with specific recommendations
for the remainder of the first phase of the project. The
recommendations concentrate on two areas: management and
communications, and institution-building issues. Lessons
learned from the assessment have also contributed to the
formulation of design recommendations for ZATPID II.

ZATPID II

The project identification document for ZATPID II was written
in June 1985 and approved in AID/Washington in August 1985. In
its approval cable, Washington requested that the assessment
summarized above, and an institutional analysis, be undertaken
prior to the project paper design for ZATPID II. The purpose
of the institutional analysis was to "discuss and understand
(a) the process by which Zambian agricultural policies are made
at the national level and (b) the effect that ZATPID I has had
on the process." It was intended that the analysis would

be used as a decision tool to determine the most appropriate ZATPID II project design for advancing the indigenous policymaking process even farther, having it increasingly rely on realistic data and analysis.

The second half of the report responds to these requirements by first detailing a distinction between policy formulation and policy implementation; to be used as a means of conceptualizing the purpose and parameters of ZATPID II. Policy formulation entails data collection, analysis, making recommendations, decisionmaking and monitoring the impacts for feedback. In contrast, policy implementation generally means translating decisions into practices that lead to systemic, institutionalized change. Planning for development is viewed as a forum for bringing together different government agencies and segments of society to think about national development, to help politicians mobilize public support for development programs, and to make decisions about resource allocation. As such, it is also considered an important function for ZATPID to assist.

The policy environment in Zambia was found to be relatively open and flexible, especially in comparison with other African countries. In particular, Zambia has benefitted from twenty years of political stability, which have allowed the development of some institutionalized means of discussion and dissent. However, the team noted that many policy changes that differentially affect various parts of the society have occurred with great speed in recent years. This means that many of the necessary macroeconomic reforms have been set in motion, and the government may now enter a period of consolidation and assessment of impact with regard to future reforms. Thus, the pace of policy change will likely slow down, allowing the ZATPID II project to emphasize the establishment of sustainable institutions for policy formulation and planning.

There is a basic policymaking process, with some variations on the theme. Policy issues may emanate from a number of sources, including politicians, private citizens or groups or technical ministry staff. The stages of the policy formulation process generally include long- or short-term analyses of an issue, the formation of recommendations, the vetting of the recommendations first through the civil service system and then through the political system (Cabinet, the UNIP Central Committee and the President), and finally a decision by actors within the political structure. The team found that the system may be short-circuited in several ways, but also found that

senior civil servants and politicians are coming to rely increasingly on an empirically-based process, and to generate some demand for data collection and analysis to underpin decisions. The team found a number of constraints encumbering the policymaking process. These included

- intra- and inter-organizational coordination;
- management of investment, including donor resources in the agriculture sector;
- overall resource allocation, and allocation within the agriculture sector;
- capacity for data collection and analysis
- structures, functions and procedures of specific organizations; and
- the political dimension.

In order to address as many of the constraints as are amenable to donor assistance, the team has recommended that technical assistance, training and a limited amount of commodity support be provided to the following key policy formulation organizations:

1. Ministry of Agriculture and Water Development/Planning Division
2. Ministry of Finance
3. National Commission for Development Planning
4. Central Statistics Office

It further recommended that computer hardware, software and training be provided to the Rural Development Studies Bureau. The University of Zambia's training functions have not been recommended for support at this time (outside of the provision of advanced degree training for faculty), due to its inability to assure that the assistance provided will result in sustainable institutional development.

A series of additional recommendations, which crosscut the policy formulation organizations, and which derive, in part, from applying the lessons learned from ZATPID I, were also made. These recommendations pertain to

- institutional coordination
- monitoring and evaluation
- balancing quantitative and qualitative analysis
- the role of the private sector
- professionalism among returned trainees
- training
- in-country technical supervision of studies/anal,...

- in-country thesis research
- computerization needs.

The team found several lessons from ZATPID I that should be applied to the design of ZATPID II. The emphasis to date in ZATPID I had been on short-term analysis leading to specific policy reforms, although it also noted that considerable institutional development had taken place, particularly in the first two years of the provision of technical assistance. The team concurred with the finding of the 1984 evaluation that production of analyses and studies are one means of achieving longer-term institutional objectives. However, they are only one means, and have perhaps been relied on too heavily to reach the institution-building goal. The production of the analyses has also been less collaborative than envisioned in the original project. The team believes that these findings, coupled with the likelihood that the pace of policy reform will slow down somewhat over the next few years, lead to the conclusion that the emphasis in ZATPID II should be on establishing sustainable institutions for policy formulation and planning. Although some resources should be devoted to continued production of studies and analyses, more attention should be paid to developing management systems and procedures, to training - both long- and short-term - and to institutional coordination.

ACRONYMS

| | |
|-----------|--|
| AFC | Agricultural Finance Corporation |
| ASS | Agricultural Statistics Section (of MAWD/PD) |
| BAS | Budget Analysis Section (of MAWD/PD) |
| BUCEN | U.S. Bureau of Census |
| CC | Central Committee |
| CFB | Commercial Farmers' Bureau |
| CIDA | Canadian International Development Agency |
| CSO | Central Statistics Office |
| DP | Director of Planning, MAWD/Planning Division |
| DPB | Dairy Produce Board |
| DPREE | Department of Rural Economy and Extension Education, University of Zambia |
| GDP | Gross Domestic Product |
| GRZ | Government of the Republic of Zambia |
| HIRD | Human and Institutional Resource Development Project |
| IBM | International Business Machines |
| IMF | International Monetary Fund |
| IRDP | Integrated Rural Development Programme |
| ISU | Iowa State University |
| LDCs | Less Developed Countries |
| LINTCO | Lint Company of Zambia |
| MAWD/PD | Ministry of Agriculture and Water Development/Planning Division |
| MCI | Ministry of Commerce and Industry |
| MOC | Ministry of Cooperatives |
| MOD | Ministry of Decentralisation |
| MOF | Ministry of Finance |
| M/SER/IRM | Office of Information Resources Management, Directorate for Program and Management Services, Management Bureau, AID/Washington |
| NAMBoard | National Agricultural Marketing Board |
| NCDP | National Commission for Development Planning |
| OPEX | Operational Expert |
| P&M | Production and Marketing Section (of MAWD/PD) |
| PAI | Project Analysis and Implementation Section (of MAWD/PD) |
| PD | Planning Division (of Ministry of Agriculture and Water Development) |
| PEC | Project Executive Committee |
| PID | Project Identification Document |
| PP | Project Paper |
| PPU | Provincial Planning Units |
| PS | Permanent Secretary |
| RDSB | Rural Development Studies Bureau |
| SPA | Sectoral Policy Analysis Section (of MAWD/PD) |
| TA | Technical Assistance Section (of MAWD/PD) |

TBZ Tobacco Board of Zambia
UNIP United National Independence Party
UNZA University of Zambia
USAID United States Agency for International Development
ZADB Zambian Agricultural Development Bank
ZAMARE Zambia Agricultural Development, Research and
Extension Project
ZAMCAM Zambia Multi-Channel Agricultural Marketing Program
ZATPID Zambia Agricultural Training, Planning and
Institutional Development Project
ZCF Zambian Co-operative Federation

ZATPID IMPACT ASSESSMENT AND INSTITUTIONAL ANALYSIS

I. INTRODUCTION

This report details the findings of a four-week assessment of the impact of the Zambia Agricultural Training, Planning and Institutional Development Project (ZATPID I, 611-0075) and an institutional analysis of Zambian policymaking for the agriculture sector. It provides a series of recommendations for the remainder of the life of the ZATPID I project and design guidance for ZATPID II.

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The current project was authorized in September 1980 for an initial three-year life at \$4.8 million. The project paper stipulated that an evaluation was to be undertaken at the end of the second year of the project to determine whether the project should be continued for an additional two years. A period of difficult relations between the U.S. and Zambian governments almost immediately followed project authorization, so that most implementation activities did not begin until 1982, and some, such as the placement of a technical advisor in NCDP, never occurred. The evaluation was thus undertaken two years into actual project implementation, in March, 1984, although the project was in its fourth year of life at the time. The evaluation was positive overall, and recommended extension of the life of the project for an additional two years, or until 1987. The project has been extended, and the completion date is now September 1987.

II. ZATPID I

This part of the report looks at the first phase of the ZATPID project. Divided into three sections, it first assesses the impact that the project has had on agricultural policies and the policymaking process in Zambia, then presents some additional findings and conclusions, and finally makes recommendations for the remainder of ZATPID I.

A. IMPACT ASSESSMENT

This first section is a broadly-based assessment of the impact that ZATPID I has had to date, both in terms of direct influence on agricultural policies and the policy process in Zambia, and in terms of laying the groundwork for the future through institution-building. It responds directly to items A through K on the scope of work (Annex 1). In agreement with USAID/Lusaka, these items have been regrouped under three major headings: (1) Direct Impact on the Policy Process, covering items A, B, C, G, and J; (2) Institutional and Human Resource Development, covering items D, E, F, H, and I; and (3) Recurrent Costs, covering item K.

1. DIRECT IMPACT ON POLICIES AND THE POLICY PROCESS

The questions that this section addresses are the following: Are the data, studies, and analyses generated by the project relevant, usable, and consistent with Zambia's needs? Are they actively sought by GRZ decisionmakers? How have they influenced policies and the policymaking process? What are the constraints to improvements in these areas?

The assessment team believes that the ZATPID project has begun to have a significant impact on the agricultural policy formulation process in Zambia. There are numerous examples of project outputs in the form of studies or other activities that have been used by GRZ decisionmakers, and that have influenced policies and/or the policy process. There are other examples, however, of outputs that have not been perceived by key Zambians as relevant to their needs, have not been used to date, and probably will not be used. While the record overall is more positive than negative, examples of the latter situation are quite striking, and suggest a change of emphasis for future project activities.

The activities of ZATPID I considered most useful by key Zambians and expatriates interviewed, as well as by the assessment team itself, tend to fall into two groups. The first is specific studies initiated in response to concerns from Zambians outside the MAWD Planning Division, and the second is "process oriented" institution-building activities

such as management training and coordination efforts, development of a data processing center and library, etc. (the second set of activities are discussed in Section II.A.2:).

Those efforts judged least useful to date have been the more quantitative economic exercises (e.g. complex model building), which tend to have been carried out without full commitment from (and occasionally in the face of active opposition by) key Zambians. There may, however, be some trade-off here between long- and short-term time frames - for a fuller discussion of this point, see Section II.B.3. and Recommendation 19.

On the positive side of the equation, previous documentation has established (Lusaka cable 0035 of 1985; project quarterly reports), and the evaluation team was able to confirm, that specific studies were in fact used by GRZ decisionmakers in the policy process. Prime examples are the groundnut study, the agricultural finance markets study, the tractor hire study, and the study of integrated rural development programs (see Annex 3 for a list of ZATPID-sponsored studies reviewed). These project outputs (and follow-up activities such as Cabinet Memoranda) formed the basis of specific policy recommendations, often presented by the Minister of Agriculture to his colleagues in the Cabinet or to the Central Committee. In another example, RDSB carried out a brief study on the small farm sector under ZATPID financing. This resulted in a member of the Cabinet sending an investigation team to the Copperbelt to look into allegations of land grabbing uncovered by the study.

Some of the above examples have resulted in specific policy changes that are widely believed to have had a favorable economic impact. In other cases, policy recommendations of the studies, after due consideration, were rejected for political, social, or other reasons. The important point, however, is that the studies did contribute to active debate on significant policy issues, debate which is still continuing in some cases.

On the negative side, some specific activities have not had an impact to date, and do not appear to have been designed and carried out in such a way as to improve the likelihood of their being well used. More specifically, insufficient attention was paid to one or more of the following questions: How would the activity be used in the Zambian context? Who (i.e., what institution or individual) would use it, and how would they be involved in the process of developing the activity? Who would translate the analyses into intelligible policy recommendations? Who would sustain the activity after the departure of the expatriate? While some thought and effort was undoubtedly given to these areas, it was and is clearly inadequate in certain cases.

The most notable example concerns the activity that has now come to be called the transport model. Prior to the recently announced liberalization of maize marketing, the logical end user of this complex econometric model was NAMBoard. NAMBoard had little or no involvement in the activity, however, and hence had no input into its development or likely uses. Furthermore, the model, which was completed on the ISU campus at Ames, Iowa was too big to run on the microcomputers at MAWD/PD, was probably too complex, and had questionable support from Zambian authorities. The Zambian technician trained in its use at Ames, although interested in the model, has not been officially assigned to work on it, and finds little time after his other duties. Work is now being undertaken to modify the model so that it will run on MAWD/PD micros, but it is still not at all clear exactly who will use the model (especially given NAMBoard's recent loss of the marketing monopoly), for what purposes, or how it will be sustained after the expatriates' departure. (See Section II.B.3. and Recommendation 18.)

Another example of a project activity that was insufficiently integrated into the Zambian context (and is therefore unlikely to have significant impact) concerns the questionnaire design for the rural household survey begun in the Fall of 1985. The basic questionnaire was designed on campus at Ames, at the request of the Chief of Party, as he felt that the necessary expertise did not exist in country at the time (most of the current ISU team was not then in place). The draft questionnaire was then presented at a workshop in Zambia, in order to elicit in-country (both Zambian and expatriate) participation. Following this, the questionnaire was put into supposedly final form in country, but the ISU team continued to receive untimely instructions from campus to add additional elements to the questionnaire. In some if not most cases, the additional parts of the questionnaire did not respond to any felt need in Zambia, and the ISU team in-country could only speculate as to why they had been instructed to add the items. The additions appear to be more in response to felt data needs on campus at Ames than to perceived data needs in country. Given that it is not even known in Zambia who will analyze the additional data or why the instructions were received to add it, it is unlikely that this part of the survey will have an impact on Zambian policies and/or the policy process.

It should be reaffirmed, however, that such examples appear to be the minority of cases to date. As is stated above, the assessment team believes the project has begun to make a significant impact on the agricultural policy process (taking into account both the limited time that it has been operating and the fact that it operates in conjunction with other donor efforts). Evidence for this assessment comes not only from the

examples of project outputs cited previously, but also from the impressions of a number of long-term observers (both Zambian and expatriate) of the policymaking process in Zambia.

The project appears to have had an additional positive impact on the agricultural policy process that is less tangible, but no less important. This is the promotion of coordination among Zambian institutions, and could be considered an unanticipated benefit of the project. Perhaps the most striking example of this is the collaboration between CSO and MAWD/PD on an agricultural survey now being undertaken, whereas in the past both organizations were independently collecting similar data. Additionally, key individuals from several ministries and institutions have been brought together regularly in Project Executive Committee (PEC) meetings in the past, which may provide one of the few opportunities for regular dialogue among them. While a great deal more needs to be done under the heading of institutional coordination (see Section III.F.1.), project progress in this direction is encouraging.

The degree to which the studies and activities have been demand-driven (i.e., initiated in response to a specific concern by GRZ policymakers) has varied, and as indicated above, has been a major factor in determining the extent to which the activity is judged to be useful and relevant. In the case of the groundnut and tractor hire studies, for example, the activity was initiated at the request of high level GRZ officials who were themselves responding to concerns that had been raised by various political constituencies.

In other cases, activities were initiated primarily within the Planning Division, in response to a perceived need by the staff and/or expatriate advisors. The assessment team believes that it is appropriate to have some mix in the sources from which project activities originate, as long as the undertaking of a particular activity is able to generate genuine support from key Zambians. In such cases, there is reason to hope that supply will create demand, and that GRZ policy makers will develop greater appreciation of empirically-based decisionmaking. However, if supply is to help create demand, then it is important that the studies and their policy implications receive wide distribution. It is not clear that MAWD/PD studies are being widely circulated outside the Planning Division at the present time. (See Recommendation 6.)

There are, of course, a number of constraints to more empirically-based policies, and more specifically to further improvements in data generation, analysis, and decisionmaking with respect to agricultural policy. These are only briefly

dealt with here, as a number of them are more fully explored in Section III.F. and in other sections.

One obvious constraint is that the policymaking process in any country is highly political, and there are limits to the degree to which policies will be based upon empirical evidence. Furthermore, USAID's policy agenda worldwide tends to be defined in macroeconomic terms, but there are legitimate social and other concerns which may in some cases outweigh macroeconomics (and Zambia may be more concerned with such factors than certain other countries).

In broad terms, another constraint flows from the greatly increased emphasis that has recently been placed upon the agriculture sector in Zambia. Within the last two or three years, as pressure for policy change in agriculture has mounted, there has been greatly increased demand for policy analysis. The limited structure that was previously in place has simply been unable to keep up with this new demand.

In more specific terms, this inability to keep up with new demand is manifested in such things as insufficient numbers of qualified staff, data collection constraints, data processing bottlenecks, and recurrent cost problems. Within MAWD/PD, for example, there is clearly a shortage of well qualified staff to interpret data and generally address policy analysis questions. Among the qualified staff that does exist, there are problems with job morale, and also a lack of agricultural content in their formal education and background. Quality and insufficiency of data are something of a constraint, although insufficiency of data alone is not adequate justification to mount new, large-scale collection efforts (see Tilney and Riordan, 1985; and the discussion of recurrent costs in Section II.A.3.8.) Data processing has been a major problem in some institutions, although great progress has been made in this area, particularly in CSO. Lack of coordination among Zambian institutions (and donors who continue to provide conflicting policy advice), among other problems, also remains a constraint, especially in the area of data sharing.

2. INSTITUTIONAL AND HUMAN RESOURCE DEVELOPMENT

Training and technical assistance questions are addressed in this section. More specifically, the following contains an examination of the appropriateness of the training; the retention of returned trainees in their home institutions and their ability to use their training in their present jobs, the improvements in overall analytical capability; the appropriateness of the technical assistance; and, perhaps most

important, the ways in which the technical assistance is helping to build Zambian institutional capacities.

a. Training

Training consists of formal participant training outside of Zambia, formal in-service training such as workshops and seminars, and daily on-the-job training through counterpart relationships.

Regarding formal participant training outside of Zambia, it was agreed with USAID/Lusaka that the assessment would be limited primarily to training that was at least one year in length. There was in addition a considerable amount of very short-term, very specific training undertaken, with individuals participating from a variety of Zambian institutions. This type of training appears generally to have been useful and appropriate, and the subject matter was relevant to Zambia's needs.

There are currently ten individuals who have returned from long-term training overseas (a few individuals whose training was only partially financed under ZATPID and who are not considered central to ZATPID activities have been excluded from the assessment). Annex 4 presents a list of these individuals, along with their institutions and current positions, while Annex 5 gives a complete picture of all training done under the project. Nine of the ten returned long-term participants are still with the institution from which they departed for training, and all nine of these appear to occupy positions from which they have the potential to affect one or more of the many elements of the policy process. The sole returned trainee no longer with his home institution currently works as a lecturer at the University of Zambia. This is an impressive record for participant training in African countries.

In MAWD/PD, for example, both returnees serve in the Sectoral Policy Analysis Section. While one has just returned, the other is Acting Section Head, serves as a close advisor to the Minister, and is clearly a very productive and influential staff member and policy analyst. To cite other examples, the two returned trainees at NCDP both hold the rank of Senior Economist in the Department of Sectoral Planning, while another at CSO serves as Senior Statistician in the National Accounts Section.

Regarding the subject matter of the training and its appropriateness, the bulk of long-term overseas training (both continuing and completed) is in Economics and Agricultural Economics. Eight people have or are receiving training in Agricultural Economics, six in Economics, two in Statistics,

and one each in Survey Methods, International Development Studies, Rural Sociology, Public Policy, and Regional Planning. This mix is appropriate for the purposes of the project (as defined in the Project Paper), although there was one important omission. This is the project output regarding improved procedures and management in Zambian institutions. Some participant training in fields such as public administration would have been helpful for a fuller accomplishment of this aspect of the project purpose. (See Recommendation 8.)

Within the Economics and Agricultural Economics training, there has been some difficulty with the Zambian students' ability to maintain the required grade point averages. This has not resulted in an excessive number of terminations to date, but may be cause for concern in the future. There is some feeling that the required course load in these disciplines may be too heavily tilted toward quantitative methods, and that this is causing unnecessary difficulty for the students, who tend to have weak math backgrounds. Given the lack of positive impact to date of heavily quantitative economic approaches, the assessment team feels that this issue should be examined in depth by USAID/Lusaka and the PEC before additional participants are sent for long-term Economics or Agricultural Economics training. (See Recommendation 8.)

Training selection criteria are judged to be appropriate. These include the following: fixed period of service in home institution before departure for training, work in a discipline that addresses agricultural constraints identified in the project paper, a certain level of academic achievement, and meeting the specific criteria of individual institutions.

Although individual institutions such as MAWD/PD and CSO have taken steps to develop written training plans, institutions included in ZATPID that have no such plans should be encouraged to prepare them. Also, while the criteria that were apparently used in the past were appropriate, the assessment team nonetheless believes that the PEC should put its own criteria in writing, with copies distributed to all members. This would assist to prevent possible unfairness (either real or perceived) in the allocation of training slots, and firmly establish that the training was merit-based. The assessment team does not have reason to believe that this has been a problem in the past, but nonetheless feels that it would be helpful for future selection of individuals for training.

A final point concerning long-term participant training is the degree to which returned trainees are able to apply their new skills upon returning to their home institutions. Although the

positions filled by the individuals are appropriate to permit application of their skills, the structure and size of their workload often allows little opportunity for engaging in medium- to longer-term analysis work. This is particularly a problem in MAWD/PD, where the best trained technicians are almost totally taken up by a barrage of daily "firefighting" activities, not the least of which is responding to requests by the Minister and Permanent Secretary. More is said on this problem in later sections.

The second major aspect of training is formal in-service training such as workshops and seminars. These activities have been an important part of the project, are considered to be a very effective institution-building tool by a number of Zambian and expatriate observers, and need to be continued. The workshops impart knowledge on specific subjects, allow for feedback and participation in policy and program/project activities, give Zambians at different levels the opportunity to interact, and serve as a motivator for staff who are often suffering from low job morale for other reasons. There appears to be less emphasis on seminars and workshops by the current technical assistance team than there was earlier in project implementation. The assessment team believes that this trend should be reversed, and greater emphasis should be given to this area. (See Recommendation 15.)

The third aspect of training concerns day-to-day activities on the job, in which Zambians have the opportunity to work closely with expatriate advisors. There have been some difficulties in this area, which is discussed in the next section under counterpart relations.

b. Technical Assistance

Insofar as they are judged against the position descriptions in the November 1984 Program of Work, the current technical assistance team appears to have appropriate credentials. A minor exception to this assessment is that some team members lack previous long-term overseas experience, and particularly experience in Africa. This is not an unusual situation for this type of project, and is somewhat offset by the fact that other team members do have strong overseas experience.

In light of the discussion in other sections, however, the evaluation team believes that the position descriptions themselves give excessive weight to quantitative economic approaches that, in most instances, have yet to demonstrate their usefulness and sustainability. Two of the four positions assigned to MAWD/PD give primary emphasis to model building. Given the assessment that the institution-building activities that have had the greatest impact have been in the areas of

management, organization, and systems and procedures that help Zambian institutions do their jobs more effectively, the assessment team believes that the project's objectives would have been better served by a technical assistance mix that placed more emphasis on these areas. (See also discussion in Section II.B.3.)

There has been a considerable amount of short-term technical assistance provided under the project. Most of this has been in the form of specific, task-oriented consultancies, such as BUCEN trips to develop the methodology for the crop forecasting survey, and ISU trips to install computer software or present the questionnaire for the rural household survey. This assistance appears to have been effective.

Short-term assistance that may have been less effective, however, is that which was provided to conduct specific studies. The former Director of MAWD/PD believes that studies that were carried out mainly by short-term expatriates had less impact, because of a lack of understanding of the Zambian context into which the policy recommendations must fit. This impression is consistent with evidence from other countries (Fortmann, 1984), which indicates that to be effective, "policy option" studies require a great deal of follow up, which can best be done by nationals or long-term expatriates.

The question of how U.S. technical assistance is helping to build institutional capacities is now examined. There are a number of clear examples of positive impacts that the project has had under this heading, as well as one major area of concern.

The creation of a functioning library for MAWD is an example of an activity that appears to have had a significant institution-building impact on the Ministry and its ability to function effectively in many areas, including policy analysis. The assistance supplied by the project in helping to establish the MAWD/PD computer center is another case of a very positive impact. This computer center is being well used by both Zambian technicians and expatriate advisors. The data processing center in CSO, established with some assistance from ZATPID, is an impressive example of what can be done with the right mix of high-quality technical assistance, financial support and host country commitment. Other examples include the computerization of the methodology for recommending agricultural prices, the creation of a very informative Agricultural Planning Newsletter, and management training seminars.

The major area of concern under the heading of institution-building is the question of counterpart on-the-job training. It goes without saying that institution and human resource

building by a technical assistance team cannot occur without effective counterpart associations on a daily basis. This has been a problem in ZATPID I for a variety of reasons, with the most serious manifestation of the problem seen in MAWD/PD.

In the first place, there are simply an insufficient number of Zambian technicians. According to the head count of the CIDA team leader, there are 23 Zambian staff members at the headquarters of MAWD/PD, and 17 expatriate advisors. While not all the advisors are in job situations that necessitate counterparts, the ratio of expatriates to Zambians is nonetheless far from encouraging. It is hoped that this situation will improve as more Zambians return from long-term training.

A closely related problem is the "firefighting" issue that was raised earlier in the report. Those staff members that are most productive and highly trained, and therefore have the most to gain from working closely with expatriate advisors, are generally the same people who spend nearly all their time responding to immediate requests from the Minister or PS, attending meetings, writing speeches, and taking trips. The positive side of this should not be discounted. It is clear that decisionmakers in the Ministry of Agriculture depend heavily upon the Planning Division, including its professionals trained under the project, and this should be considered a positive project impact on the policy process. It is a serious problem for counterpart relations, however.

A partial solution to the counterpart problem is to wait for the arrival of additional returned trainees. In the meantime, a more careful structuring of the workload of the Division, approved at higher levels in the Ministry, would also be helpful. The new Director of the Division has already requested that overall work plans be drawn up, and has indicated that he wants PD to be less reactive and more forward-looking in setting its own agenda for agricultural planning and policy analysis.

The establishment of more formal counterpart relations could also be a partial solution to the overall problem. (See Recommendation 14.) At the present time, U.S. expatriates work with Zambian staff only on an ad hoc basis, based upon the interests of both parties and current work assignments. It may be advisable to look into establishing formal counterpart relations on a task basis, rather than on the basis on a fixed, long-term, one-to-one relationship between expatriates and nationals. Among other advantages, this will allow nationals to work with several different technical advisors.

Finally, there is considerable variability in the emphasis that the members of the technical assistance team place upon counterpart relations. While some members have tried to seek out and work closely with Zambian staff, others have not. Greater emphasis needs to be given to assuring that all members of the team will have left behind specific skills when they depart from Zambia.

3. Recurrent Costs

It was agreed with USAID/Lusaka upon arrival in Zambia that the recurrent cost assessment would be qualitative rather than quantitative. The justification for this includes: the fact that it is not possible to fully assess the recurrent cost implications of ZATPID II before the design is carried out; anticipated difficulties in acquiring data; and the time required to acquire data and do a quantitative analysis vis a vis the other items in the scope of work.

Nonetheless, an attempt was made to acquire the necessary data to at least assess the degree to which USAID is presently meeting the recurrent costs of the institutions it is supporting under ZATPID I. This attempt was unsuccessful, as the USAID accounting system contains only global data on the overall amount of counterpart funds given to ZATPID-supported institutions (some 3 million Kwacha in 1983 and 1984), without any breakdown as to whether they were spent for capital or recurrent items. The majority of the counterpart funds, however, did not go for usual recurrent cost items like salaries or salary supplements, fuel, office supplies etc. Neither were ZATPID I project funds used to meet the recurrent costs of the institutions, at least in so far as the assessment team was able to determine.

In broad terms, the assessment of recurrent cost problems came to the following conclusions:

1. The recurrent cost problem is most severe at UNZA, where the departments often are forced to attempt to function without basics such as paper and chalk, let alone such luxuries as textbooks. In the Department of Rural Economy and Extension Education, for example, the budget for recurrent expenditures has remained constant in nominal terms for the past three years, which has meant very large cuts in real terms. Furthermore, "stationery" items previously supplied from outside the budget now must be acquired with the increasingly meager department funds.

2. MAWD also has recurrent cost problems, although data were not available for a careful assessment of the severity of the

problem. There are periodic shortages of office supplies, and in at least one case there were insufficient funds to pay extension agents per diem for a training seminar for a project-sponsored data collection activity. The Peat, Marwick et. al. study (1985:8) points out that 80% of MAWD's recurrent budget goes to pay salaries, leaving only 20% for other operating costs, and recommends that this situation be redressed. Nonetheless, the Ministry appears to be able to pay salaries in full and on time in most cases.

3. The Director of CSO does not believe that the organization has serious recurrent cost problems. However, it is noted that USAID is paying the salaries of a number of contract employees. CSO's recurrent budget has increased about 11% annually in nominal terms in the last five years, which has meant a decrease in real terms.

4. RDSB does not have particular recurrent cost problems, since most of its activities are self-financing, with overhead costs built in.

5. Almost everyone interviewed believed that recurrent cost difficulties were likely to get worse in future years.

6. Project-initiated activities have the potential to generate considerable cost savings for the government, and have already done so in at least one case. Largely as a result of project efforts, CSO and MAWD/PD are now doing a joint crop forecasting survey rather than separate ones, which entails considerable savings. To cite another example, recently announced subsidy reductions on maize and fertilizer mean savings for the government in excess of 300 million kwacha in 1986, according to Ministry of Finance estimates (unpublished). The project-supported MAWD Planning Division had a hand in this decision to reduce subsidies. There is no assurance, however, that a portion of these savings will be passed back to project-supported institutions. In fact, this seems quite unlikely in the near term.

7. In the longer term, one can suppose that better management of the agricultural sector will mean higher production and therefore higher government revenues.

8. Current and future project activities most likely to have negative implications for recurrent costs are large-scale data collection activities. Such activities beyond those already planned should be approached with great caution. (See also section II.A.1..)

In conclusion, the recurrent cost problem in Zambia is probably no worse than it is for Africa as a whole, and may even be less

serious than it is for some of Zambia's neighbors (e.g., Zaire and Tanzania). Nonetheless, it is serious, and ZATPID II must be designed in such a way as to minimize recurrent cost implications.

B. OTHER FINDINGS AND CONCLUSIONS

This section discusses some items that were not specifically in the scope of work, but which have come to the attention of the assessment team, and which are considered important. In some cases items discussed here were mentioned previously, but are raised again for fuller discussion.

1. Small Farm Survey

This study is a key activity of the current technical assistance team, both in its own right and because a number of the other activities on the workplan depend upon its completion. Its undertaking has raised a number of issues, including the questionnaire design point raised in Section II.A.1. An additional and very serious problem has been funding for the survey. As of the time of the writing of this report, funding to continue the data collection, which is being undertaken by RDSB, was more than one and one-half months late in arriving from Iowa State University. This has caused considerable difficulty, as enumerators are currently in the field without financial support, and another group of enumerators has been delayed from going to the field in spite of a rapidly advancing agricultural calendar. RDSB has been forced to borrow from other accounts, the Director has gone so far as to borrow from his personal pocket in order to meet enumerators living expenses, and is now at wit's end. The situation raises management questions as well as questions of responsiveness on the part of Iowa State. (See Recommendations 1 and 2.)

An additional problem concerns data entry for the survey, which has now grown to be considerably larger than originally anticipated. Only one microcomputer is available at RDSB for processing and analyzing the data. According to estimates by the project's data processing expert, up to two and one-half years of data entry time may be required to process the questionnaires using only one keyboard. Although these estimates may be on the high side, the situation nonetheless calls for a quick resolution if a major bottleneck is to be avoided. Using computers at CSO during off hours may be a feasible solution, and if so, an agreement to do this needs to be formalized. (See Recommendation 12.) If the data are not processed in a timely fashion, there is a real danger that expensive expatriate technicians will be unable to complete their workplans (and perhaps even depart the country at the end

of their tours without ever having the data to analyze). It has been a common problem of agricultural planning and policy projects worldwide to get bogged down in such large data collection and processing efforts (Tilney & Riordan 1985:13).

2. Data Processing Technician at CSO

The assessment team would like to draw attention to the outstanding work being carried out by this individual. The CSO data processing center, largely the creation of this technician, is efficient, effective, well organized, and now staffed by well-trained Zambians. The only cause for concern is the fact that many of the staff are contract employees. To ensure the continuation of this valuable contribution to Zambia, USAID and ISU should give high priority to finding a way to make these employees permanent GRZ staff.

3. Quantitative and Qualitative Approaches to Analysis

Quantitative methods are valid and necessary tools in economic policy analysis. The degree to which they are appropriate in the African setting, however, varies from country to country and situation to situation. Complex econometric models in particular have specific limitations, and needed to be complemented with other types of analysis.

Zambia, like many other African countries, has a considerable history of complex economic models built by well-meaning expatriates that were never used after the departure of the expatriate technician. (See, for example, ZATPID Quarterly Implementation Report of April - June, 1983, submitted by Lee Fletcher of ISU, page 14.) The assessment team is concerned that some aspects of the ZATPID I project may be perpetuating this phenomenon.

This is not to say that all attempts by ISU to introduce more rigorous methods into economic policy analysis in Zambia should be abandoned. The computerization by spreadsheet model of the methodology for recommending agricultural prices, for example, appears to have been useful in raising the efficiency of operations at MAWD/PD (although this is probably an example of computerization of an inappropriate methodology). Over the longer term, as data quality improves and as the policy process becomes more empirically-based, some increased reliance on quantitative methods will occur.

To date, however, there has been insufficient planning regarding the use for and sustainability of modeling exercises. It is not enough for the expatriate technician to see the need in broad terms for a particular modeling exercise. Rather, careful thinking must be done beforehand

regarding exactly how the model will be operationalized by the end user, and how it will be sustained after the departure of the expatriate. Additionally, there must be a clear commitment of human and other resources to it by Zambians at the proper level. In the absence of these preconditions, the modeling exercise should not be undertaken. (See Recommendation 17.)

C. RECOMMENDATIONS FOR THE REMAINDER OF ZATPID I

Specific recommendations that can be implemented during the remainder of the ZATPID I project are presented here. They are grouped under two headings, management and communications issues, and institution-building issues.

MANAGEMENT AND COMMUNICATIONS ISSUES:

1. Recommendation: Regular monthly ISU team meetings, recently begun, should be continued. The USAID project manager should meet with the full team at least once every two months.

There have been a number of communications problems between USAID and the ISU team, and some within the team. There is also a perception by some team members of lack of support from USAID. Regular meetings with the full team can help to improve communications. This is particularly important given that the team is spread out over three different institutions, which exacerbates management and communication problems.

2. Recommendation: If further in-country surveys or other activities are funded from ISU/Ames, then a system should be set up to pre-position funds in Zambia before the activity begins.

This is a simple method that has been used in other countries to avoid the problems mentioned in Section II.B.1. Funds can be pre-positioned in installments if this is considered necessary.

3. Recommendation: A qualified administrative assistant should be hired for the Chief of Party. Alternatively, the Chief of Party should not be held responsible for substantive elements of the workplan if an administrative assistant is not hired.

This recommendation flows from the recognition that the ISU Chief of Party, like team leaders in other projects and countries, is overburdened by administrative responsibilities.

4. Recommendation: At the present time, the Chief of Party needs to take a stronger advocacy role vis a vis USAID and ISU in assuring that the team has the resources necessary to function effectively.

The Chief of Party has taken a deliberately low-key approach in guiding the ISU team through a period of transition, and in smoothing over troubled waters resulting from earlier periods of unhappy relations between AID and ISU. Now that this has been done to some extent, and given that there is a large new team in country embarking upon new activities, it is time to play a stronger advocacy role.

5. Recommendation: The ISU team should be encouraged to travel to the field whenever possible.

Travel to the field is an important part of conducting studies and analysis. Failure to do so increases the likelihood of missing gross data errors and misinterpreting of data results. This is particularly the case for quantitative analyses, which should not be conducted without a strong intuitive sense of the situation being analyzed.

6. Recommendation: The Chief of Party, the AID Project Manager, and the Director of MAWD/PD should review the distribution methods for Planning Division documents, and take appropriate action to ensure that they receive as wide a distribution as possible.

The assessment team received indications that key documents, some of which are ZATPID I project outputs (such as the Agricultural Planning Newsletter and the Special Studies Series), are not receiving wide distribution outside MAWD/PD. USAID should be prepared to make funding available to address this problem if necessary.

7. Recommendation: The Project Executive Committee should establish its own written training criteria before additional participants are sent for long-term training.

See the discussion in Section II.A.2.a. for the justification for this recommendation.

8. Recommendation: The selection of U.S. universities for further participant training under ZATPID I should be reviewed relative to: 1. the disciplinary mix needed to enable returned participants to have the greatest impact, and 2. the

quantitative aspects of students' courseloads in Economics and Agricultural Economics.

Given the concern that has been expressed about this (see Section II.A.2.a.), a review seems to be in order. Among other factors, the review should take into account the necessity of heavily quantitative methods in carrying out the work of the participants upon their return to Zambia.

9. Recommendation: A technical subcommittee of the PEC should be established to provide greater technical guidance to activities undertaken by the technical assistance team.

It is the impression of the assessment team that the PEC as a whole has not played a strong role in setting the substantive agenda of the workplan, and probably does not have the technical expertise to do so. A technical subcommittee could be made up of the following: the USAID agricultural economist, a Zambian professional from the SPA Section of MAWD/PD, the Zambian Senior Economist for agriculture in the Sectoral Planning Section of NCDP, the Chief or Principal Economist from the Budget Office of MOF and a social science researcher from RDSB.

10. Recommendation: USAID, the ISU Chief of Party and the long-term BUCEN technician should meet to clarify relations and supervisory arrangements as soon after the latter's arrival as possible.

It is unclear what the relationship will be between all parties regarding this long-term technical assistance, and this needs to be clarified.

11. USAID should fund a short TDY to Malawi for the data processing technician at CSO.

Computers at the CSO data processing center that were supplied with United Nations funding are not compatible with USAID-supplied IBM machines. The assessment team was told that data processors in Malawi have written a program to make the same machines compatible. This should be verified, and if found to be true, the ISU data processing technician should be funded to visit Malawi to determine how to replicate the technology in CSO/Zambia.

12. Recommendation: The use of CSO computer facilities for the data entry of the Small Farm Survey needs to be formally agreed upon as soon as possible.

See the discussion in Section II.B.1. for the justification of this recommendation.

13. Recommendation: USAID/Lusaka needs to clarify the level of support to be provided to UNZA for the remainder of ZATPID I.

The 1984 evaluation recommended against further support to UNZA under ZATPID I. In an August 1985 document written by the Mission detailing the status of the evaluation recommendations, it is stated that the recommendation was considered and rejected in favor of continued support, and a long-term advisor was placed at the University. Given the severe recurrent cost problems at UNZA, USAID will need to make a modest amount of recurrent cost support available, in order to ensure that the technical advisor has the resources necessary to work effectively. This has not been done consistently to date, and the assessment team received indications that there was less than a consensus within USAID/Lusaka regarding continuing support to UNZA. This needs to be clarified, and a USAID/Lusaka policy set with regard to UNZA for the remainder of the project that is clearly understood by all parties.

INSTITUTION-BUILDING ISSUES

14. Recommendation: Steps should now be taken by the Director of PD and the Chief of Party to more formally structure counterpart relationships.

This recommendation follows the discussion in Section I.A.2.b.

15. Recommendation: Renewed emphasis should be given to workshops and other in-service training devices.

These activities are important to the process of institution-building (see discussion in Section II.A.2.b). The assessment team is concerned that these activities are receiving less emphasis in the current work plan, and feels that this trend should be reversed.

16. Recommendation: Renewed emphasis should be given to activities related to management, organization, and systems and procedures.

These are the types of activities that have had the greatest impact on institution-building to date. They are currently receiving far less emphasis than they were in the past, and this trend should be reversed. The return of the former Chief of Party to conduct management seminars for the IRDPS is a specific activity that could be conducted under this heading.

17. Recommendation: Further work on a standardized project cycle, (i.e., MAWD/PD's role in project identification, design, monitoring and evaluation), should be encouraged by USAID and the technical assistance team.

Accomplishment of this activity would be an important contribution toward a fuller accomplishment of the project purpose (see logical framework in the original PP). It is currently de-emphasized in the workplan. Short-term technical assistance may be appropriate to address the issue, and it will be necessary to interact with the CIDA team which has also done some work on this.

18. Recommendation: A technical meeting should be convened to determine whether the ISU transport model warrants continued project effort. The Chief of Party should carefully specify in writing before the meeting exactly how the model will be utilized and sustained, if he believes that continuation is warranted.

This recommendation is justified by the discussion in Section II.A.1.

19. Recommendation: Because of lack of impact to date, future econometric modeling exercises should be preceded by an approved, written specification regarding their use, as detailed below.

The proposal should clearly spell out who will use the model, for what purposes, how end users outside MAWD/PD will be brought into the process of developing and using the model, and how the model will be sustained after departure of the expatriate advisor. The Director of the PD needs to make a clear commitment of human and other resources to any such exercises.

III. ZATPID II

A. INTRODUCTION

The purpose of ZATPID I was "to improve the GRZ's performance and strengthen its capacity for the analysis, planning and management in the agricultural sector to contribute to an increase in Zambia's per capita food production and the incomes of small farmers (ZATPID PP 1980:3)." Five aspects of GRZ socioeconomic performance were identified in the project paper as indicators of the achievement of the project purpose. These were:

- increased investment of resources in the agricultural sector;
- a more coherent and effective agricultural strategy;
- an increase in the availability and utilization of information needed for managing the agricultural sector;
- improved design and execution of agricultural projects in small farmer areas; and
- improved procedures in analysis, planning, and management in NCDP, MAWD, and other appropriate institutions.

The purpose of ZATPID II is "to help establish an effective GRZ policymaking and implementation process in the agricultural sector (ZATPID II PID 1985:5)." The purpose is to be achieved by a continuation of the ZATPID I approach of improving current policy and management while contributing to the institution building needed for improved policymaking and implementation procedures over the longer run. Although the approach remains the same, the ZATPID II PID proposes to extend the project scope to the area of policy implementation, encompassing a new and different set of organizations and activities in addition to those assisted under ZATPID I.

The assessment of ZATPID I has shown that although progress has been made on all five aspects, only two - increased availability and utilization of information and improved procedures in analysis, planning and management - have made significant progress that is directly attributable to the project. The team notes, however, that other USAID efforts, particularly the policy dialogue, has had considerable impact on all five targeted areas

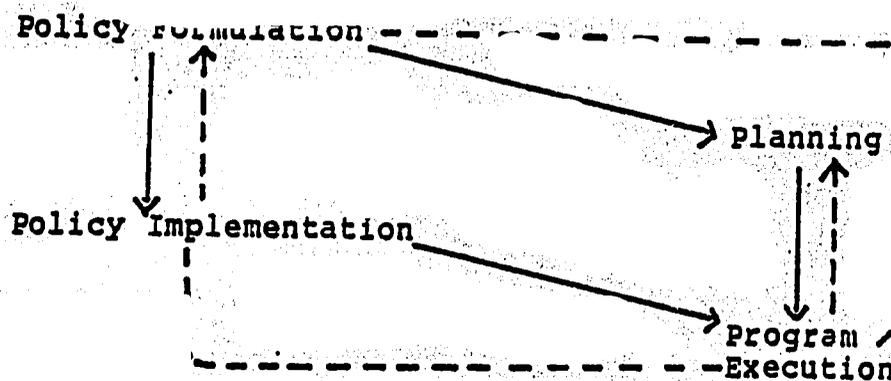
Some of the reasons for the project's more limited impact are historical, and need not be dwelt on here, but the result was less direct effect of the project on all relevant policymaking organizations than originally envisioned in ZATPID I. This limited achievement of the objectives in ZATPID I poses a question for the designers of ZATPID II. To what extent should the follow-on project emphasize a continuation and more thorough achievement of the purpose of strengthening the policy formulation process, versus broadening its scope to include policy implementation as proposed in the PID?

In an effort to respond to that question, and to provide recommendations for the follow-on project design, an analysis of the policymaking process and an assessment of the institutional requirements to achieve the ZATPID objectives have been undertaken. The following sections provide a suggested conceptualization of the policy arena; discuss the dynamics of the process and the current policymaking environment, including the constraints to empirically-based decisionmaking; and identify the needs and resource gaps that should be filled to achieve the project purposes outlined above. Recommendations for project design are then made, drawing upon the material in Sections II and III of the report, so that the lessons learned from ZATPID I will be applied to the conceptualization and information provided in preparation for ZATPID II. Annex 7 describes the relevant organizations and their roles.

B. CONCEPTUAL FRAMEWORK

The ZATPID project concept is premised on the belief that government is responsible for setting a sound macroeconomic policy environment so that economic forces can function efficiently. Further, on a sectoral level, government should be managing an economic incentive system rather than directly intervening in investment, production and consumption (World Bank 1983:64). The establishment of the environment for growth, then, involves policy formulation and planning for the agriculture sector, which is embedded in the macroeconomy. Articulated policy and plans are insufficient to achieve growth, however; policy must be implemented and plans executed, and the results fed back to affect new policy formulation in an

iterative manner. The process might be represented schematically as follows:



_____ direct effects

----- feedback

The policy formulation process entails at least five functions:

- data collection and processing
- analysis on the basis of best available information
- formulation of recommendations
- decisionmaking
- monitoring the impacts of decisions to provide better information for future analysis and decisionmaking.

In contrast, policy implementation generally means translating decisions into practices, usually leading to systemic, institutionalized change, rather than one-time exceptions to previous practices. Although there are daily choices to be made in policy implementation, the magnitude and impact of these decisions is less dramatic than in policy formulation.

According to the 1983 World Bank Development Report, planning for development in less developed countries should provide a forum for bringing together different government agencies and different sections of society to think about national development, and to help politicians mobilize public support for development programs. In addition, it should allow a strong capacity to be built for appraising public investment programs and to aggregate all such programs to assess their net financial impact in the short to medium term. Program

execution should reflect the impacts of the prior three processes, with a firm linkage between theoretical plans and budgetary realities. It is distinguished from policy implementation because its purpose is accomplishment of a specific "task," rather than institutionalizing a change in the procedure that governs the task. Program execution provides important feedback information regarding the impacts of policy formulation, planning and policy implementation (World Bank 1983:68-70).

In other words, policy formulation may be said to be devising the "rules of the game;" policy implementation is putting those rules in place; planning is forward thinking about the activity at hand within the rules of the game, and program execution is actually playing the game. However, in playing the game, it may become apparent that the rules need to be modified, because they do not lead to the desired outcome, or because circumstances have changed since they were established. For this reason, policy formulation must consciously include a monitoring and evaluation aspect. (The World Bank report notes that maintaining flexibility is a major challenge to the policy formulation process.)

The PID for ZATPID II implied an understanding of the distinction between policy formulation and policy implementation. It noted that ZATPID I had concentrated exclusively on the former, and made the deliberate choice to expand the project into the policy implementation activity. This significantly increases the proposed span of management under ZATPID II, as the agencies involved in agricultural policy implementation are not the same as those which formulate policy, particularly with respect to input supply, marketing and infrastructure development. The team recommends that ZATPID II continue the course begun under ZATPID I and stay focused on policy formulation and planning, in light of the work remaining to be done on the five original aspects, and of the span-of-management concern.

C. THE POLICY ENVIRONMENT

Beginning in 1975, Zambia's economy has experienced a significant downturn. At the same time, political events in the region, notably in Angola, Zaire and Zimbabwe increased Zambia's need for defense expenditures, disrupted access routes to the sea and the pattern and cost of importing and exporting. Copper prices and output have continued to fluctuate, and the supply of copper will decline significantly during the remainder of the century. Since the mid-1970's government's share of resource consumption grew, so that it was calculated in 1980 to be 40 percent of GDP. Inflation, fueled

by government borrowing from the banking system, has increased dramatically over the past ten years. Un- and underemployment have also grown. (World Bank 1981:i; U.S.A.I.D. 1985:3).

In 1981, the World Bank country economic memorandum (1981:ii) pointed out that "[p]erformance in key sectors was also affected by the economic and financial crisis, but a severe drought in 1979 [and subsequent years] and several persistent longer run problems have also been significant." Transport was not only affected by political instability, but by "shortages in Government revenues and foreign exchange earnings, and weaknesses in the management and coordination of transport facilities." The memorandum also noted that "[i]n the agricultural sector, producer prices still appear to be too low and not regionally differentiated. Additional problems leading to production shortfalls are the drought, inadequate flows of government resources to the sector, and recently, shortages of credit allocations for agricultural production. Manufacturing activity is most significantly affected by shortages of foreign exchange....In the longer term, however, prospects for greater production, employment and efficiency in the manufacturing sector will improve if the incentive framework is altered."

The economic memorandum concluded that in order for Zambia to regain its economic health and political stability, it would have to:

- continue pursuing macroeconomic stabilization policies;
- achieve an upsurge of growth in the medium term via increased longer-term external borrowing;
- reallocate government and parastatal resources to establish the basis for more efficient resource utilization and sustained growth and diversification in the long run.

In the agriculture sector, the report specifically recommended increases in producer prices to reflect international prices, increasing government resource allocation to the sector and encouraging greater flows of credit to agriculture by removing interest rate ceilings on loans to farmers, in addition to increasing the efficiency of agricultural parastatals (World Bank 1981:ii-iii). These recommendations accorded with those put forward by U.S.A.I.D. as early as 1979.

These recommendations represented a sizeable shift in course from the policies that had been pursued since independence in the mid-1960s. It was clear to Zambian decisionmakers, notably President Kaunda, the Central Committee and Cabinet, that dependence on copper revenues was no longer a feasible course

of action, and that economic reform would have to be taken, mitigated somewhat by a number of agreements with the IMF. Still, the initial set of reforms could be seen as donor-driven, with USAID, the World Bank and IMF playing a particularly active role. Many of the recommended macroeconomic reforms were accepted; these are discussed in ZAMCAM and other USAID/Lusaka documents.

The shift from donor-driven reform to Zambian-driven is occurring, as indicated by a number of factors, including those cited in the ZATPID I impact assessment. With respect to the agriculture sector, a 1984 World Bank report on policies and strategies for growth in that sector is an example of this shift. It was coauthored by Zambians, widely circulated, and appears to have been generally accepted, although it leveled a number of very harsh criticisms on the course of development of Zambia's agriculture since independence. These criticisms have become so widely accepted that respondents interviewed for this report cited them.

The team noted that in addition to a Zambian sense of "ownership of the process," there is also a willingness to discuss policy formulation and the environment in which it is embedded. There is, in general, an atmosphere of relatively open debate, with political imperatives clearly being weighed against economic ones. Parliamentary speeches, formal interviews and casual conversations all reflect this. The local press regularly identifies decisionmakers, analyzes decisions in commentary and covers criticisms of those decisions.

The alacrity with which major changes have occurred over the past four or five years also bespeaks a political stability that is comparatively rare in African countries. However, the reforms taken to date, and those contemplated, have their costs as well as benefits, and both technical- and political-level decisionmakers must weigh carefully the limits of tolerance, both in terms of the pace and of the magnitude of change. Some segments of the society stand to lose, at least in the near term, as the reform program continues. As the paper prepared for the Zambia Multi-Channel Agricultural Marketing (ZAMCAM) Program notes,

Certain elements of these reforms are proving difficult to implement, due, in part, to the political opposition of adversely affected interest groups. Taken on a one-by-one basis, it is hard to demonstrate that the benefits will soon outweigh the costs, particularly for particular groups. Nevertheless, with declining copper revenues and the labor force continuing to grow at its current rate, Zambia has no choice but to restructure its

economy to diversify exports, replace imports and to generate productive employment opportunities as fast as possible. (1985:5)

However,

Among the major groups of households in Zambia, it is clear that the urban informal sector workers and the unemployed will be the most adversely affected, in the short run, by the reform program, since the cost of maize meal (which must rise) is thought to comprise a significant portion of their household budgets. (1985:6)

The urban poor have, in fact, recently responded to sharp increases in public transportation fares with minor incidents of protest.

The team believes that these warnings should be viewed as a signal that the pace of progress both in macroeconomic and sectoral reform must, perforce, slow as political costs rise to meet or exceed immediately perceived economic benefits. The next few years may well be a period of consolidation in which the policy changes made to date are fully absorbed by Zambian society. It is a good juncture at which to turn the ZATPID activity more firmly in the direction of long-term institutional strengthening to balance with the short-term production of studies emphasized in the first phase of the project.

D. THE POLICYMAKING PROCESS

The previous section described the general environment in which Zambian agricultural policy has been formulated over the past few years. Notwithstanding the caveats noted above, the policy environment in Zambia can be generally characterized as comparatively open and flexible. By comparison with its African neighbors, Zambia has benefitted from a stable and democratic political structure of some twenty years' duration, which is relatively rare in less developed countries.

This section will provide a composite, generalized description of the agricultural policymaking processes and the organizations (see also Annex 7) and individuals involved. There are actually two or three parallel channels for policy decisionmaking, and the various tracks converge and separate at different points in the processes. The different channels will be described separately, but cases in which steps are identical will be referenced rather than fully repeated.

The impetus for policy formulation and decisionmaking can come from three different sources: 1) internal political forces, 2)

professional technical assessments, and 3) external political forces (e.g., donor analyses and subsequent negotiation). Once a need for policy codification or change has been identified, it can be articulated by several means. A Cabinet officer or member of the Central Committee may request the study of an issue, or a professional staff member (Zambian or expatriate technical assistance) of a ministry may make a proposal, either through his annual workplan or on an ad hoc basis, for a study.

In the case of agricultural policy, MAWD will usually be the responsible ministry. A request generated from whatever source external to MAWD flows directly from the Minister or Permanent Secretary (PS). Alternatively, a proposal may be generated by Planning Division personnel. In about half the cases, requests for policy formulation coming from the Minister flow through the hierarchy to the PS to the Director of Planning (DP) to a staff officer for assignment. In the other half of the cases, the request flows directly from the Minister to an individual staff member. Most of the instances of bottom-up issue identification have been by expatriate technical assistance within MAWD/PD; these proposals for analyses are vetted with the DP without much involvement by Zambian staff, and are often pursued somewhat in isolation. (See Section II.A. for comments on utilization.)

The longer-term studies or analyses are synopsized for presentation to the Minister, and almost all flow back through the hierarchy from professional staff to the DP to the PS and then to the Minister, regardless of the source of the request. Shorter-term responses to ministerial or PS requests may bypass the bureaucratic layers and be returned directly by the PD staff member to the source of the request. Reports may take the form of executive summaries of longer studies highlighted for ease of reviewing, or special short papers or memoranda, accompanied in each case by recommended courses of action. The Minister may act on the analysis and recommendation immediately, or he may call a meeting of the PS, DP, Minister for State and other relevant parties within MAWD to discuss the matter and alternative courses of action. He may decide to take no action, or decide not to decide, in which case the matter rests. The fertilizer study carried out under ZATPID I is probably a good example of the latter.

If the Minister decides to pursue the matter, he has two courses of action open to him. The first is to take a unilateral decision, if the matter lies within his statutory authority, and proceed directly to implementation. This was the case with the reorganization of the Land Development Services and the raising of the tractor hire rates. In such cases, the Minister may choose to write an information memorandum to the Cabinet, informing his colleagues of his

decision. No ratification of that decision is required, however. The second course of action is to direct the DP to have his division prepare a Cabinet Memorandum.

A Cabinet Memorandum is generally prepared by the same individual who performed the initial analysis. An exception to this may be the expatriate technical assistance, who must have accrued substantial credibility before they are asked to write such memoranda. The groundnut study in Eastern Province is a good example of the phenomenon of an expatriate advisor writing the study and then being asked to write the memorandum. The policy memorandum from PS/MAWD to PS/NCDP and PS/Decentralisation concerning the restructuring of all IRDPs is another instance. The Cabinet Memorandum proceeds from the author through the DP to the PS and Minister, with internal MAWD comments being incorporated along the way. The extent to which other departments within MAWD, or other interested parties (e.g., the Eastern Cooperatives Union in the case of the groundnut study) have an opportunity to comment at this point is unclear, and may vary from case to case.

After the Minister's approval of the Cabinet Memorandum, it is circulated under the Minister's signature to other relevant GRZ ministers and agency heads. For the agriculture sector, reviewing entities are likely to include NCDP, MOF, NAMBoard, MOD, Ministry of Lands and Natural Resources, MOC, ZCF, ZADB and AFC, although not all would be involved in every issue. The receiving parties direct their respective professional staffs to review and comment on the memorandum. The comments are written up, and sent back to MAWD under signature of the minister or agency head. The author of the cabinet memorandum is then asked by the Minister of MAWD and the DP to revise in light of comments received.

After incorporating the comments of the professional civil service, the Minister formally presents the memorandum to his colleagues in the Cabinet and argues his position. Much of the outcome is said to be dependent on the persuasiveness of a given minister, and his/her stature among colleagues.

It is a rare occasion when Cabinet acts on a major policy issue without concurrence of the Central Committee, but on more minor policy establishment or changes, Cabinet may ratify the change. In most cases, however, the Cabinet Memorandum is submitted to the Cabinet and the Central Committee simultaneously, or nearly so. According to the Constitution, the Central Committee is to devise policy and the Cabinet to carry it out (Kaplan 1979:137).

The Central Committee has several possible options for action at this point. It may consider the proposed policy forthwith and accept it. Or it may deliberate and reject the proposal. The CC is more likely, however, to forward the proposal to the appropriate subcommittee, which in the case of agriculture is the Rural

Committee usually accepts. The Subcommittee may recommend acceptance, rejection or returning to the originating ministry for revision. A policy that is accepted by the Central Committee is then passed on to Cabinet for implementation.

Although the above describes the basic process, there are a number of variations on the theme. If a policy issue is identified via the internal political route, it may be acted upon by a Cabinet officer or member of the Central Committee through the UNIP structure rather than through the ministerial structure. The request for study may go to the UNIP Research Bureau, or a special commission of inquiry may be established. An example of this is the Commission of Inquiry into Land Matters in Southern Province, which grew out of a Cabinet officer's concern. The same data collection and analysis process as with a line ministry ensues; however, there is a considerably foreshortened bureaucracy through which the request and the completed study move. The analysis is then passed to the CC, which may take a decision that is passed to Cabinet in the same manner as described above, or it may be turned over to the relevant Cabinet minister for further analysis and action by his or her ministry. In the latter case, the full process outlined above, of analysis by the civil servants, vetting with other ministries and presentation before Cabinet and the CC may take place. Several sources noted that the Research Bureau does not have the full range of technical capacity available to a ministry; in contrast, commissions of inquiry are often made up of technical experts, so that policy recommendations made by such a body may be immediately actionable by the Central Committee. Not all such analyses lead to action; in some instances the study provides adequate information to determine that no action need be taken (as opposed to letting a study languish without any action).

After a policy has been formulated and recommended to Cabinet and the Central Committee, the President may also become involved in the decision. As a member of the Central Committee, he does, of course, enter into the process as described above, but he may also wear his hat as head of the executive branch of government. In this capacity, he is served by his economic advisors at State House. Decisions that are extremely politically sensitive appear to have the President's personal imprimatur. He may also intervene after a decision has been made by Cabinet and the CC, as in the 1985 announcement of maize prices. After a price of K45 per bag had been announced, the Commercial Farmers' Bureau sought an audience with the President, to present the case that the price did not provide adequate incentive to maize producers. It urged a price of K60. The President reopened the question with the CC and Cabinet, and the price was raised to K55. Thus, the President may support or overturn a policy decision made at any level.

E. THE BUDGET PROCESS

There is another, subtler policy process that goes on in government. This is resource allocation through the budgeting process. In accordance with the emphasis placed by the President and Central Committee on agricultural development, a larger share of the shrinking pie has been devoted to investment in agriculture over the past few years. However, priorities within the agriculture sector are determined by budget as well as by sectoral analysis. Hence, it is important to have an overview of the budgeting process.

The cycle starts with the Ministry of Finance and NCDP issuing budget guidelines, which include ceilings for expenditure by each ministry. Although NCDP was subsumed under the Ministry of Finance in 1985, budget guidelines and responsibilities are still drawn along the old lines - NCDP is responsible for planning for the capital budget and Ministry of Finance for the recurrent. The submission to Parliament is one document, however, as the capital and recurrent budgets were amalgamated into one common planning system as of 1983.

The sectoral ministries prepare their budget submissions according to the budget guidelines, which ideally are issued in July or August of each year. Within MAWD, the Budget Analysis Section (BAS) of the Planning Division has the responsibility to meld the submissions of each department into a ministry-wide budget. The BAS has the only trained budget analysis capability in the ministry - most other departments do not have a designated financial officer. The budget submission is then made to NCDP and MOF Budget Division during September/October if the process is on track. The Sectoral Planning Unit of NCDP reviews the capital submission, while the MOF/Budget Division reviews the recurrent. At the start of the cycle, Sectoral Planning and Budget do meet together to discuss submissions, but as the time grows shorter, each works without benefit of coordination with the other. Passbacks are made to the sectoral ministries, which then submit reclaims. The Sectoral Planning and Budget Divisions negotiate as necessary with the ministers of the sectoral ministries. The individual minister's stature and persuasiveness enters into the decisionmaking at this point. Ultimately, however, the Minister of Finance has the final word on any differences that may have arisen between the sectoral ministries and his own staff (both NCDP and Budget Division).

The completed budget for the current fiscal year is submitted to Cabinet on the 31st of January of that year. A "continuing resolution" is required each year to allow Parliament to debate the budget; this has a statutory limitation of three months. The net result, however, is that current expenditure, particularly on the capital side, is restrained for the first three months of each

fiscal year. The budget process is characterized by problems with timeliness, accuracy and lack of detail in information required, and by a cumbersome partnership between NCDP and MOF in national budget preparation.

F. INSTITUTIONAL CONSTRAINTS TO EMPIRICALLY-BASED DECISIONMAKING

The above discussions of the policymaking and budgeting processes are essentially descriptive, although some of the flows of power and incentives for different actors in the system are revealed. In intensive interviews with many of the Zambians involved in the policymaking and budgeting activities, and with a few expatriate observers, a series of weaknesses in the system came to light. All of these will be discussed below, although only some of them are amenable to donor assistance.

Constraints to more empirically-based decisionmaking occur in the following areas:

- intra- and inter-organizational coordination;
- management of investment, including donor resources, in the agriculture sector;
- overall resource allocation, and allocation within the agriculture sector;
- capacity for data collection and analysis
- structures, functions and procedures of specific organizations; and
- the political dimension.

1. Organizational Coordination

The need for improved coordination among departments in MAWD, and among the range of GRZ actors in rural development, was cited repeatedly as a constraint to improving the policymaking process. Although agriculture has been given priority in GRZ development efforts, a strategy for achieving the desired end requires the concurrence of a number of actors in the rural scene. There is a need for a means of prioritizing problems and establishing a common agenda across government at the senior technical level, to avoid duplicative data gathering and analysis efforts and waste of scarce human resources. At the same time, there are defunct committees and coordinating bodies littering the governmental landscape, including the Small Farm Sector Studies Committee and the National Policy Steering Committee for Rural Development Support Programs (Warren 1985:6) begun under ZATPED I. It would appear that more

than goodwill is required to ensure that everyone is pulling in the same direction.

Before meeting at an interagency level, each organization must get its own house in order. At a minimum, an internal point for coordination of all data collection efforts and studies using primary or secondary data should be established in each organization. For example, the team found that the Planning Division and Agricultural Research Division (Department of Agriculture) within MAWD are only now establishing linkages to avoid duplicative data collection exercises, and that the two divisions do not really have good access to each others' completed research results. This is being partially addressed by the establishment of the agricultural data bank in PD. It would be useful to organize documents and create computerized data banks so that reports can be easily shared across governmental organizations. A model that might be examined for intrainstitutional coordination is the University of Zambia's research committee that considers proposals for research funded in-house to ensure that duplication does not occur.

2. Management of Investment in the Agriculture Sector

The lack of ability to properly plan and manage for investment in the agriculture sector is best characterized by the criticism of the July 1985 investment plan in the recent evaluation of MAWD by Peat, Marwick et. al. (1985:15).

The Investment Programme contains serious deficiencies. In particular, it fails to:

- reflect adequately the quality and volume of the underlying sub-sector analyses or to integrate them effectively into a sectoral program;
- present a clear view of priorities;
- adopt consistent methodologies for economic analysis and investment criteria;
- clearly identify overall objectives and a resource allocation programme.

At present and for the foreseeable future, capital resources for GRZ agricultural development are and will be supplied largely by donors. Not only does the GRZ need to manage better the donor resource flows it now receives, but it needs to establish sustainable systems for planning and implementing realistic development plans for the agriculture sector. With assistance from the World Bank, the GRZ is instituting a financial management system that is specifically designed to track the 30-odd streams of donor funds that flow into Zambia. The next step will be to organize the planning of donor expenditures according to Zambia's priorities and perceived needs, rather than according to the

donors' interests or mandates. Once such a system is in place, the transition from donor resource flows to Zambian resources should be a relatively easy one.

The tools for accomplishing improved investment planning are not simply computer hardware and software. As noted in the Peat, Marwick et. al. report, the ability to analyze and to learn from experience and to blend competing demands on scarce resources is required.

3. Resource Allocation

Agriculture is only one of several sectors that require infusions of government support to achieve development objectives. The 1981 World Bank country memorandum and subsequent U.S.A.I.D. documents identify transport, manufacturing and employment as areas in which the GRZ will have a financial role in the near to medium term. How is agriculture to continue to be accorded the priority it should have in order to contribute to Zambia's growth? Several aspects need attention: analytical skills development, computerization of planning models and resource flows, interorganizational coordination and better control over counterpart funds and staff demanded by each donor.

Further, as agriculture begins to generate revenues for the economy, some of these streams should be redirected to additional agricultural development. This can only happen if some institutional memory is established, time series can be constructed and trend analyses carried out to convince decisionmakers that they must stay the course and refuel the agriculture sector rather than continue to drain resources from it.

Although recognized to some extent in the section on managing investment, it should be emphasized that there is an intrasectoral element to resource allocation as well. Choosing from among alternative investment opportunities to achieve broadly-based economic growth requires development plans to be considered in conjunction with realistic assessments of available revenues. As decentralization proceeds in Zambia, this ability will have to pervade the system from the district level to the center. Such bottom-up planning should help avoid the pitfalls of an overly-planned, overly-centralized economy.

4. Data Collection and Analysis

As was pointed out on more than one occasion during interviews for this report, the GRZ emphasis on agricultural development is a fairly recent occurrence. Consequently, the available data and analyses were relatively weak and not adequate to meet the greatly increased demand caused by the need to make major decisions on agriculture sector policy. Considerable progress has been made

under ZATPID I in strengthening the CSO, MAWD/PD, and to some extent RDSB capacity to handle data collection and analytical tasks. However, the saturation point has yet to be reached. The MAWD/PD is fully staffed, but still very short on human resources with advanced training (MAWD:1984). The CSO will need to institutionalize the upcoming agricultural survey so that it can be repeated every three to five years, and will need to begin preparing for the 1990 census. The overall budget process could be greatly improved in terms of timeliness and accuracy if the analysis and liaison with sectoral ministries were computer-assisted. The Ministry of Finance mainframe cannot provide the necessary quick turnaround time, nor can data be easily shared with the sectoral ministries under the current system. Therefore, microcomputers are recommended for the MOF Budget Office. The staff there will require training to manage its move into microcomputers for budget analysis. Similar examples exist in all organizations with a role in the policy formulation process.

Two particular weaknesses emerged in the analysis of the agricultural policymaking process. The first is the shortage of policy analysts capable of taking thorough analyses and "translating" them into actionable recommendations for decisionmakers. The second is in management - of time, of financial resources, of personnel, or of programs.

5. Structures, Functions and Procedures

The dearth of management capacity noted above has often led to weaknesses in organizational structure, functions and procedures. The Peat, Marwick et. al. draft evaluation of MAWD points out that "[t]he Ministry has responsibility for organisations and functions which are not appropriate to MAWD's role of developing and managing the agricultural sector, and senior officers' time is being dissipated on activities of marginal relevance (1985:13)." Although NCDP is in a state of structural transition, it seems also to be reassessing its role in national planning. Many of the sub-units of the policy formulation process suffer in microcosm from the same problem. MAWD/PD has had no annual workplans, had not set long-range objectives and did not go through any regular exercise to systematically identify policy issues. Sustained institutional development requires that good management systems be in place, that organizational functions be clearly delineated and that procedures for accomplishing the work be in place in order for the technical assistance, training and commodities to have an impact beyond the project completion date.

6. The Political Dimension

Viewed from the widest possible optic, the entire system of policy formulation might be seen as an institution. In that case, one dimension that is a constraint to a rigorously empirical approach

to decisionmaking is the political. Although there is clear evidence that politicians in Zambia have increasing confidence in the analysis based on empirical information, and that demand for such analysis has increased since the inception of ZATPID I, it is well to keep in mind that the influence of data and analysis has its limitations. Zambia is more fortunate than many LDCs in that its political stability has allowed decisionmakers to take a longer view than those whose daily survival depends upon appeasing strong political forces. The resistance to regional pricing for agricultural commodities is a good example, however, of the fact that politicians have their own cost/benefit calculus.

G. ORGANIZATIONS RECOMMENDED FOR ASSISTANCE UNDER ZATPID II

The previous sections have presented a framework for selecting appropriate points for assistance to the policy formulation process in Zambia. First, conceptual distinctions were drawn among policy formulation, policy implementation, planning and program execution. Then the policy environment and the formulation process in Zambia were described and their weaknesses analyzed to illuminate the interrelationships among organizations involved in agricultural policy formulation, planning and implementation. The organizations themselves are described in Annex 7. Combining these sections has led to a specific set of organizations and suggested types of assistance to them.

Before turning to the specific organizations, the application of the distinction between policy formulation and policy implementation should be explained. The ZATPID II PID recommended seven organizations for approximately equal amounts of assistance (and one additional organization for a smaller amount) over a seven-year project life. Two serious feasibility considerations are raised by this recommendation: 1) span of management and 2) anticipated impact. The results of the ZATPID I assessment indicate that as the project broadened to include organizations beyond the MAWD/PD the management burden for both USAID/Lusaka and the Chief of Party grew concomitantly. The results also indicate that if the right person is put in exactly the right place at the right time, a single individual could perhaps have the desired institutional impact. However, this is a rare and serendipitous event. Other diffused inputs are equally likely to have diminished impact. Hence, some attempt to limit the number of organizations to receive assistance under ZATPID II was felt to be prudent, and the policy formulation/policy implementation dichotomy was thought to provide useful guidance for focusing the project and selecting organizations to be assisted.

The PP for ZATPID I, quoted in Section III.A., gave an excellent rationale for AID's involvement in strengthening a Zambian policy formulation and planning process. This job is not yet completed. The recommendation is, therefore, to stay the course in policy

formulation and planning and not to expand to policy implementation and program execution under the aegis of ZATPID II. Annex 7 identifies the following as policy formulation and planning agencies in the GRZ: MAWD (particularly the Planning Division), MOF/Budget and Economic Affairs Department, NCDP and CSO (both parts of the MOF as well), the Rural Development Studies Bureau at UNZA, UNZA Departments of Economics and Rural Economy and Extension Education, UNIP's Central Committee and Research Bureau, the Cabinet, the Commercial Farmers' Bureau, and the President and his State House advisors. Policy implementation organizations are considered to be the MOC, the agricultural parastatals, the Ministry of Lands and Natural Resources, the Ministry of Decentralisation and the Ministry of Commerce and Industry.

Applying two criteria, that the organization be involved in policy formulation or planning, and that the level and types of assistance be feasible in terms of management and impact, has resulted in the selection of five key organizations for assistance. The organizations and proposed assistance are suggested below.

1. Ministry of Agriculture and Water Development/Planning Division

The program of technical assistance and training should be continued. A limited number of commodities, mainly computer hardware and software, should be considered. The team recommends three long-term technical assistance personnel, one in agricultural economics, one in public administration and one in a social science discipline with emphasis on organization management. The latter person could be drawn from one of several disciplinary backgrounds, as employment experience is more important than academic training. His/her responsibilities would include monitoring and evaluation of policy impacts, rationalizing and institutionalizing an approach to managing the project cycle and working on some of the non-financial aspects of investment planning for the agriculture sector (e.g., equity effects, geographical distribution, etc.). The agricultural economist should be located in the Sectoral Planning Division, the public administration specialist in the Budget Analysis Section and the organization management specialist in the Project Analysis and Implementation Section. The provision of the organization/management specialist should be conditioned on the establishment of a formal mandate and identification of a responsible Zambian for substantive monitoring and evaluation within the PAI Section. The training should proceed according to the plan established in Planning Division Human Resources Development and Training Plan, Planning Division Special Studies No. 11. A fund should be provided under joint MAWD/PD and USAID/Lusaka control to allow studies and analyses to be contracted to private consulting firms or other, non-profit entities to enhance the analysts' capacity to manage both the studies and the Division's own scarce time. The personnel mix and training respond

to the analytical capacity, resource allocation, organizational coordination, management of investment, and the structure/function, procedure constraints noted in Section III.

2. Ministry of Finance

Assistance in the form of sufficient microcomputer equipment, and a long-term technician in the area of budget analysis, should be provided to the Budget Division of the Ministry of Finance. Some training, particularly in public administration may be provided. (The team was informed that currently all officers in the Budget Division are trained to the masters' level.) The budget analyst who serves as technical advisor to the Division should also be responsible for devising a system for closer liaison between the Budget Division and the Sectoral Planning and Investment Policy Departments of NCDP. The proposed assistance responds to the organizational coordination, analytical capacity, resource allocation, structure/function/procedure and management of investment constraints.

3. National Commission for Development Planning

The provision of training is recommended for NCDP Sectoral Planning, Regional Planning and Investment Policy staff (CSO is considered separately), but carefully selected to have the maximum impact on the agriculture policy and planning process. This should be conditioned on the development of a training plan for NCDP similar to the plans drawn up by MAWD/PD and CSO. Long-term technical assistance could be provided in the abovementioned departments, particularly to augment staff while participant trainees are away, but with some overlap on their return. Suggested mix of skills for this technical assistance would include public administration/public policy, regional planning/human geography or other social science and agricultural economics and general economics. The exact mix and specifications would depend on a more thorough needs assessment by NCDP than has been done to date.

The team believes that NCDP is the logical entity to provide interagency coordination for activities and investments for agriculture and rural development. (See also Section III.H.1. of the report.) As the national planning entity, NCDP has the mandate for such coordination, and the status required to make such a body effective. The preference is, therefore, to place a long-term technician in NCDP, most likely attached to a Zambian who reports directly to the PS or Minister to serve as the secretariat to a senior technical level committee on rural development. An OPEX position might be considered, as the role the person would play would be strategic to the agriculture sector, and as such the GRZ may wish to have a greater degree of autonomy in direction of that individual. The proposed assistance will address constraints of

organizational coordination; management of investment; analytical capacity and structures, functions and procedures

4. Central Statistics Office

A mixture of training, technical assistance and commodities similar to the package provided under ZATPID I is recommended to continue to respond to data, analytical and structural, functional and procedural constraints.

5. Rural Development Studies Bureau

Additional microcomputing equipment and training on the equipment for all staff should be provided. Provision of advanced degree training should also be considered. RDSB will presumably continue to benefit from contractual relationships with MAWD/PD, especially if the studies fund is established. This proposal responds to the data and analysis constraint.

6. University of Zambia

The lack of movement to date on an agricultural economics concentration within the Agriculture B.Sc., the large size of the assistance package that would be needed to add a M.Sc. program in agricultural economics, and the bleak recurrent cost picture have led the team to recommend that technical assistance not be provided to UNZA under ZATPID II. A major criterion in this recommendation was the sustainability of the institutional strengthening provided through project assistance, and it was felt that UNZA lacks the means to assure this. This judgment is consistent with the 1984 ZATPID evaluation report's recommendation regarding UNZA. The project could continue to train eligible candidates from the university, or could cede the support for training to USAID/Lusaka's HIRD Project.

H. ADDITIONAL RECOMMENDATIONS FOR ZATPID II

The assistance recommended above is couched in terms of organizations and resource gaps to be filled, in fulfillment of the scope of work for this report. However, there are a number of recommendations that have emanated either from the assessment of ZATPID I or the investigations for ZATPID II that do not fit neatly into an organizational frame of reference. Therefore, additional recommendations for the design and implementation of ZATPID II are outlined in this section.

1. Institutional Coordination

Although coordination among organizations is a major theme of the constraints section, making each organization responsible for coordination internally and with other agencies does not

necessarily result in a system-wide sense of coordination. Therefore, the following steps are suggested to lead to sustainable, systemic coordination for rural development:

a. Under ZATPID I; commission

an inventory of all existing coordinating bodies (i.e., committees, commissions, etc.);

a determination as to which of these bodies is actually functioning;

a calculation of the cost to the GRZ of the continued lack of coordination.

b. Under ZATPID I or II, depending on funds availability,

send several key Zambian senior civil servants on a study tour of other African countries that have coordinating mechanisms such as the Rural Development Secretariat in Botswana.

c. Fund under ZATPID II a secretariat mechanism, ideally within NCDP, but located elsewhere if necessary (a second-best alternative would be MAWD), to coordinate among institutions concerned with agricultural development at the senior technical level. Likely representation on such a body includes MAWD, MOF (including NCDP and CSO), Ministry of Lands and Natural Resources, Ministry of Decentralisation, Ministry of Cooperatives, UNIP Research Bureau, RDSB, Zambian Cooperative Federation and ZADB/AFC. Although the U.S. can provide technical assistance to ensure smooth mechanical operation of such a body, coordination must be a perceived need on the part of the GRZ, and spearheaded by Zambian leadership. A senior Zambian, perhaps at the PS level, should be named to chair the coordinating body as his/her primary responsibility before the U.S. commits to long-term assistance to the coordination task.

2. Monitoring and Evaluation

There is an urgent need for increased monitoring and evaluation of the socioeconomic and political impacts of the recent spate of policy changes in Zambia. The team notes that a one-time assessment is planned under ZATPID I, but there is no clear intention to institutionalize this. Monitoring and evaluation are in the mandate of the PAI Section as conceived in the 1982 World Bank report on MAWD/PD (1982:31-32), but have not really been operationalized by assignment of staff or development of an agenda

of work. The cost of continuing to implement policy changes without assessing impact could be quite high in terms of political stability (witness Liberia, Sudan and other African countries in the past few years) and accelerated socioeconomic differentiation. Thus, attention under ZATPID II should be given to ensuring that monitoring and evaluation are understood to be a necessity, not a luxury, and implemented in a systematic, iterative manner. This will require somewhat of a reordering of priorities on the parts of both USAID and the GRZ.

3. Matching of Quantitative and Qualitative Analysis

The implementation of ZATPID I has varied in terms of the relative emphasis placed on qualitative versus quantitative analysis. The first TA team probably had a better balance between quantitative and qualitative approaches than the second TA team. The latter and ISU at Ames have placed more weight on the quantitative because both are stronger in this area. A more balanced approach should be sought under ZATPID II, with quantitative and qualitative work carefully matched. For example, the current plan is to analyze the household and benchmark survey data to assess the social impact of agricultural policy changes. This will likely reveal economic conditions at the time of the survey, and may provide some insights into emerging class differences based on differential capital accumulation. However, it is unlikely to reveal various strains in the social fabric such as the increases in violence and witchcraft accusations reported by Scudder (1983:16-19) and by a field researcher under the ZAMARE project (Cook, personal communication).

It is recommended that funds be provided to carry out in-depth anthropological fieldwork in conjunction with survey work done under ZATPID II. The most likely source of expertise in this area is the Rural Development Studies Bureau, either using its own research fellows, or supervising advanced degree candidates from the School of Humanities and Social Sciences at UNZA. In either case, adequate Zambian expertise is available in anthropology and rural sociology, so this recommendation should not be interpreted as an opening for U.S. technical assistance or graduate training. However, short-term U.S. technical assistance to MAWD in devising scopes of work and providing qualitative input into overall study design should be considered.

There is also a considerable amount of qualitative secondary data available that could inform some of the more quantitative exercises being carried out under ZATPID I and proposed for ZATPID II. For example, the assumptions used to calculate even simple production functions should be checked against qualitative descriptions of agricultural practices. This has not been done sufficiently to date, and should be a definite requirement for ZATPID II. (See Section II.B.3. discussion of quantitative analysis as well.)

4. The Role of the Private Sector in Policy

The assessment of ZATPID I showed that some of the studies had had a positive impact on the private sector by encouraging the withdrawal of government from activities such as marketing that are more appropriately handled privately. The liberalization of the pricing and marketing of groundnuts in Eastern Province is a good example of this kind of impact. The team believes that the ZATPID intervention can be most effective in encouraging the private sector by continuing to examine critically the role of government and to rationalize the retrenchment of government from functions that overburden it and impede economic growth. As indicated in Section III.B., national policymaking and planning are legitimate public sector functions, and need not have direct involvement of any interest groups, including private sector entities.

As part of its analysis of the policymaking process, the team looked at opportunities for the private sector to have an influence. It found that commercial farmers and agribusiness were well represented by the Commercial Farmers' Bureau, which has access to the highest levels of GRZ decisionmaking. Moreover, much of the data collection and analysis that has been carried out under ZATPID I has been at the level of the small-scale farm, which has provided a channel through which the effects of policy on smallholders can be determined. (As noted in Section III.H.2. above, however, that material has been underutilized in monitoring and evaluation to date.) With the lifting of the NAMBoard marketing monopoly, there will be another group - small-scale entrepreneurs - whose input should be sought in the policy formulation and planning processes. The team therefore has recommended in the illustrative list of studies that several assess this segment of the private sector and determine how best to create a channel through which their needs, opinions, etc. can be regularly monitored.

5. Professionalism Among Returned Trainees

The issues of staff retention and job satisfaction have been touched on briefly in Section II. The team believes that these are likely to become more problematic during the project life of ZATPID II. Thus, we recommend for consideration in the design of the follow-on project funding for the establishment of an association of returned trainees, probably by discipline (i.e., an association of agricultural economists), but possibly across more than one discipline (i.e., rural development specialists). This would include funding of monthly meetings, annual conferences with papers presented, occasional seminars featuring special lecturers (taking advantage of the many technical experts who visit Zambia), publication of conference proceedings, etc. The logical home for such an association would appear to be UNZA. Most of the activities could be funded from local currency. However, some

foreign exchange should be allowed for travel to international meetings such as the International Association of Agricultural Economists or the International Union of Anthropological and Ethnological Sciences.

6. Training

Another avenue for professional recognition and upgrading is in-service training and in-country short courses. All staff of institutions involved in the policy formulation process should be offered opportunities for in-service training as a non-monetary benefit of employment. In addition, returned participant trainees might be asked to conduct various training and workshop activities to enhance their standing as professionals. As stated in Section I, workshops and training related to management skills and to microcomputers were mentioned repeatedly as particularly useful activities under ZATPID I.

Regarding long-term training, a greater diversity of disciplines is recommended for ZATPID II. Under ZATPID I, most participant trainees received advanced training in agricultural economics. Although this discipline remains important, especially for MAWD/PD staff, other disciplines would appear to be necessary as well. The team recommends that participants also be sent to programs in public administration, public policy, regional planning and sociology/anthropology, depending upon the institution and position for which the individuals are designated on their return.

7. In-Country Technical Supervision of Studies/Analyses

The assessment of ZATPID I has found considerable variability in the relevance and utilization of studies and analyses carried out under the project. To address this concern in ZATPID II, the team recommends that more in-country technical supervision be planned under ZATPID II. In addition to having technical input into annual workplans for project technical assistance, the technical oversight group should review and comment on the proposed methodology and plan of work for each study. This might preclude the problems of overambitious data collection efforts as well as those cited in Section II with regard to model building. (See Recommendations 9 and 15, Section II.)

8. In-Country Thesis Research

Under ZATPID I, a number of masters' candidates either went through non-thesis degree programs, or were encouraged to complete their entire graduate studies in the United States. The team feels that it is important for participant trainees to have the opportunity to return to Zambia for thesis research. This has several potential advantages, e.g., (1) the research will contribute to the body of empirical knowledge on Zambia; (2) the students themselves will

gain familiarity with their own country, especially the agricultural sector, which is particularly important given the high rate of urbanization in Zambia (meaning many post-secondary students may not have rural backgrounds); and (3) the students will be required to conduct their research under conditions similar to those under which they will soon be working, thus easing their transition from life as a student in the U.S. to that of a bureaucrat in Zambia.

To work effectively, however, in-country thesis research must be properly structured to have the desired impact. First, the administrative arrangements (e.g., salary, allowances transportation for fieldwork, etc.) must be in place, and small grants should be provided under the project as necessary. Secondly, a thesis research supervisor should be placed in-country, either on a long-term basis or for several extended TDYs. This model was used successfully in the Zaire Agricultural Sector Studies Project.

9. Assessment of Computerization Needs

The philosophy of the ZATPID II PID appears to have been "when in doubt, computerize." However, the team finds that there is a danger of simply codifying bad management systems by this approach, and would urge considerably more caution. On the other hand, the team has found an instance in which needed computer hardware was withheld under ZATPID I in what we believe to have been false economy. As neither mission personnel nor the incoming PP team are experts in computer needs assessment and systems analysis, we recommend that before the PP is authorized, such an expert be brought in from AID/W/M/SER/IRM or elsewhere to give an independent assessment of the real needs under ZATPID II.

IV. CONCLUSION

The overall purpose of the ZATPID projects is to assist the development of an indigenous policy formulation and planning processes for the agriculture sector in Zambia. The team found that although some progress toward sustained, institutionalized and localized processes has been made during the implementation of ZATPID I, the purpose of the project has not been fully realized. The team believes the concept to be basically sound, and a necessary complement to the larger program assistance package. It thus recommended continuation of the approach under ZATPID II. In the second section of the report, the team presented its conceptualization of the policymaking process, identified systemic weaknesses - institutional coordination, management of investment, resource allocation, data collection and analysis, structures/functions/procedures - and made recommendations for addressing them in the follow-on project. Lastly, the team applied lessons learned from ZATPID I to create specific recommendations for ZATPID II, which we hope will provide useful guidance for project preparation.

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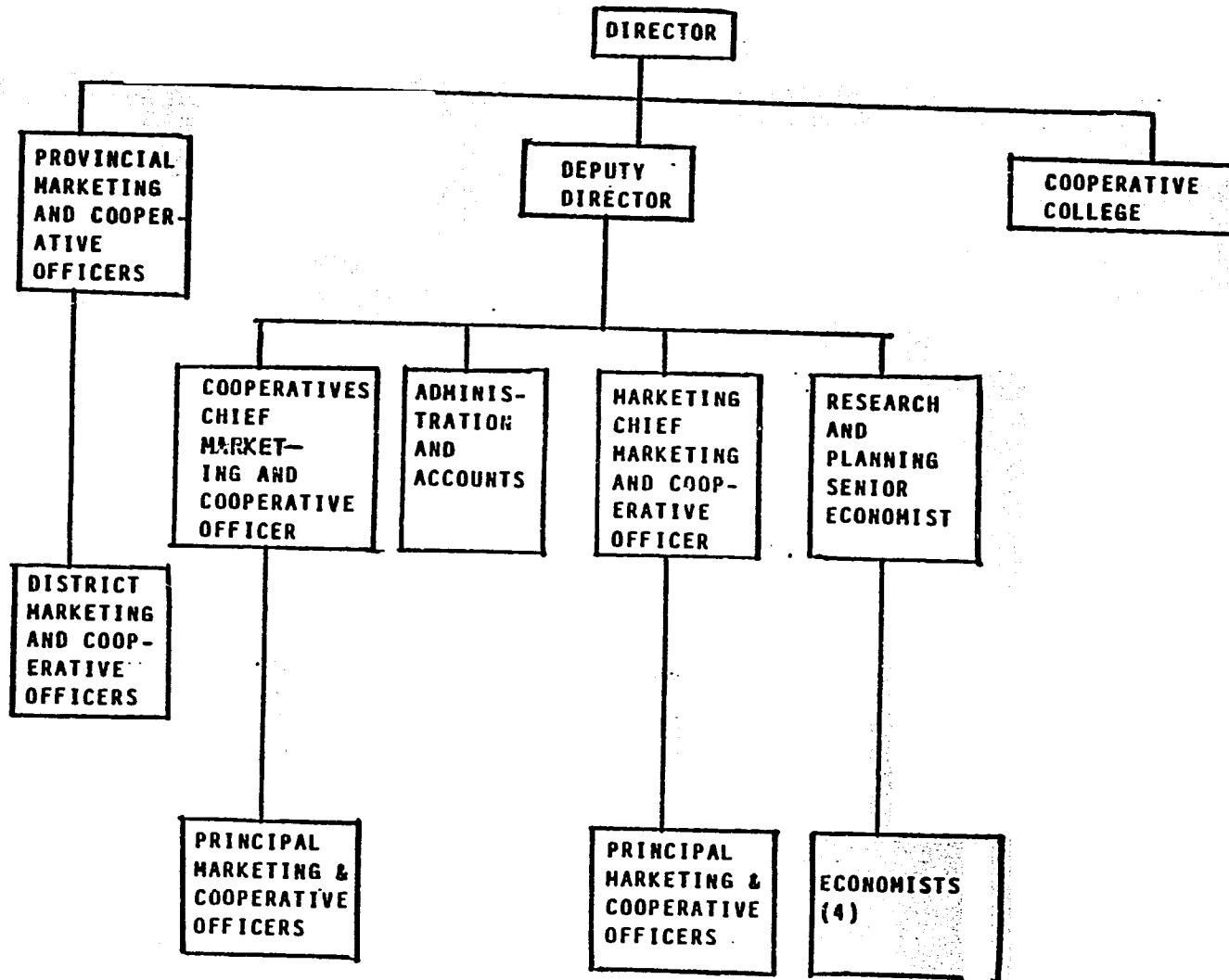
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Figure 11

DEPARTMENT OF MARKETING AND COOPERATIVES



142X

The Agricultural Parastatals

NAMBoard, until January 1986, was responsible for the marketing of maize; for transportation, storage, collection handling and distribution of maize; and for the sale and distribution of fertilizer, seeds and implements. It has now been designated as the buyer of last resort for a variety of agricultural commodities, and as the manager of a strategic grain reserve. It will still be a major supplier of fertilizer, and though the price of fertilizer was raised in January 1986, fertilizer costs remain subsidized by the GRZ. Thus, NAMBoard's budget will continue to be a drain on the overall resources available to the GRZ to devote to agriculture, although it is anticipated that the subsidy will be considerably less than the K135 (Peat, Marwick et. al. 1985:8) million expended in 1985. NAMBoard's role is that of implementor of the policy decision to diversify marketing channels for maize and to establish a national grain reserve. Analyses and formulation of these policy changes were carried out within the Planning Division of MAWD and in the Ministry of Finance, rather than directly by NAMBoard staff.

Dairy Produce Board is responsible for the importation of dairy commodities and their resale as milk by-products and groceries; and for the purchase of fresh milk from farmers for processing, treatment and sale from its own depots and retail outlets.

LINTCC is responsible for increasing cotton production to the level of self-sufficiency and for creating an export market. LINTCO has also recently become responsible for similar objectives in relation to coffee and soybeans. LINTCO has its own extension staff seconded from MAWD.

Tobacco Board of Zambia was formed to develop tobacco production. In 1985 it was reformulated into a board, which would handle marketing and sales and a company responsible for production, extension and input supply. Its mandate is to support small farmer tobacco production via extension, provision of inputs, grading and managing a packing plant and auction floors.

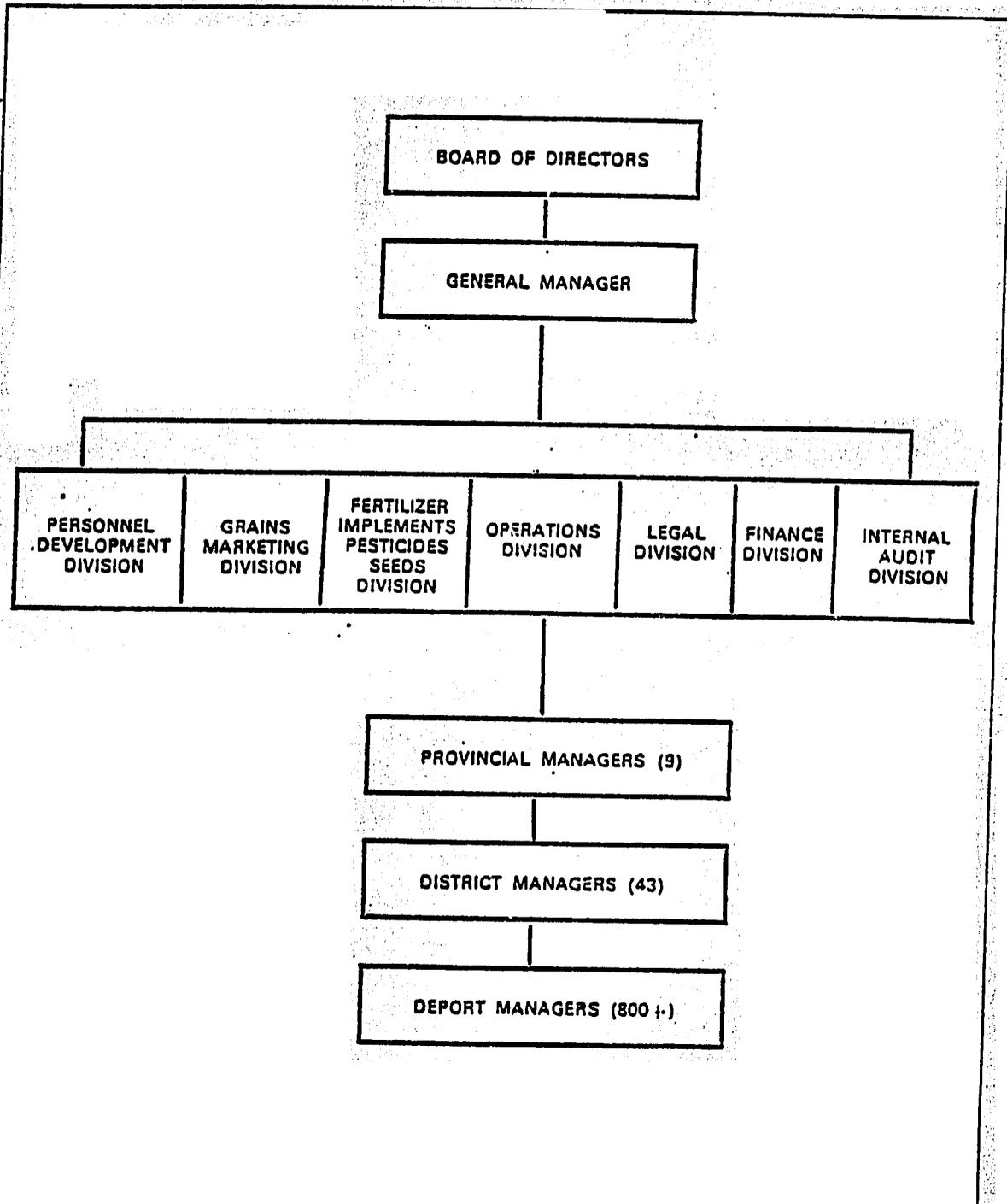
The Ministry of Lands and Natural Resources

This ministry is responsible for overseeing and formalizing all forms of tenure on agricultural land, for land titling, surveying, cadastre and so forth. It also manages the national forest resources.

Figure 12



National Agricultural Marketing Board of Zambia ESTABLISHMENT CHART



144x

The Ministry of Decentralisation

This ministry is responsible for implementing the 1980 Local Administration Act. It has a Rural Development Section, and supports the District Councils in their development initiatives. The linkage between MAWD's coordination of the integrated rural development and area development programs, which are now standardized on a model of devolving authority to the District Councils, should imply closer working relationships over time among MAWD, the Regional Planning Section of NCDP and MOD. At the moment, policy decisions with respect to the IRDP programs have been made in MAWD, so that MOD is considered for this study to be a policy implementor rather than formulator.

The Ministry of Commerce and Industry

The MCI must ensure that the availability of processing facilities for agricultural commodities is adequate to meet the demand, it has a consultative role in the setting of agricultural prices and subsidies and has partial responsibility for the establishment of rural industries, many of which are agriculturally-based (Peat, Marwick et. al. 1985:8-11).

UNITED STATES GOVERNMENT

memorandum

DATE: February 5, 1986
 REPLY TO: Mike Applegate *MAA*
 ATTN OF:
 SUBJECT: ZATPID Impact Assessment and Institutional Analysis
 TO: See distribution

After reading the draft of the impact assessment I would like to make the following comments:

1. The impact assessment and recommendations reflect a bias against quantitative analysis. While some statements have been added which are intended to provide balance, the overall tone is clear. That is, that quantitative analytical analysis is not particularly useful and does not contribute to the achievement of Project objectives. To date there has been only one quantitative economic exercise which has been completed. (i.e. the transport model which was developed by LeAnn McGranahan). Because of the special circumstances surrounding that activity it is unfair to judge the "usefulness" and "sustainability" of future modeling exercises on the basis of this activity.

The assessment correctly points out that greater focus on quantitative analysis has been given to the project for the last phase. This has been deliberate and the position descriptions and work plan for phase II reflect this. Since the new team has been in place only seven months and the modeling exercises have not been completed, their impact will be determined at a later date and should not be prejudged in a negative way at this point.

Finally, very rigorous tests of usefulness and sustainability are correctly applied to quantitative analysis. However I don't see the same criterion applied to management workshops, anthropological field work, etc.

- 2 -

2. The Project is entering a phase where technical assistance in quantitative policy analysis can bear the greatest fruits due to the following:
- (a) Increased analytical capability provided by the computer center. This is the purpose of project support for this center which has been correctly judged to be very useful. The emphasis of quantitative analysis would cause the computer center to become simply a "high tech" typing pool.
 - (b) Long term trainees with analytical skills are now beginning to return. There will in the future be more Zambians with the required analytical skills to collaborate with longterm technical advisors. This will especially be true for ZATPID II. This collaboration will be important for our trainees to make the transition from an academic environment to an applied policy environment.
 - (c) In the past quantitative analysis has been greatly hampered by lack of data. This is being overcome largely by project efforts.

In sum I feel strongly that it is wrong to switch the focus of ZATPID I or II away from policy analysis. The project is just coming to the point when this activity can really bear fruit in terms of better policy.

3. On page 7 the assessment says that long term participant training may be too heavily tilted toward quantitative methods. The problem never has been with quantitative methods. Rather the first group of students had difficulty with the mathematics contained in the beginning theory courses which is an entirely different matter. These problems have already been addressed with better section criteria and placement.

Distribution:

Joan Atherton
 Curt Reinstsma
 Fred Perry
 John Patterson
 Jim Snell

ANNEX 9

SUGGESTED CRITERIA TO DETERMINE STUDY AREAS UNDER ZATPID II

Areas of study should meet all the following criteria:

1. Address the project goals and purposes, and more specifically the identified constraints to the achievement of project goals and purposes.
2. Conform to the Zambian agricultural strategy, as identified by the five year plan, annual plans, and other key documents.
3. Be of demonstrated interest to Zambian policymakers or key Zambians who feed information and analysis to policymakers. Zambian interest should be demonstrated by commitment of Zambian resources, above all else human resources (i.e., Zambian technicians committed to active participation in the study). Financial resources need not be committed in all cases.
4. Ensure that there is no duplication with similar activities being undertaken by other donors or other Zambian institutions.
5. Be preconditioned upon a thorough review of existing work in the same area before the study is agreed to, in order to ensure that previous studies and recommendations have been taken into consideration in assessing the necessity for and design of the new studies.

NB: While the above criteria provide a general framework to guide the choice and development of studies to be undertaken during ZATPID II, they do not provide for a way to prioritize among many possible study areas. Such prioritization must of necessity flow from the documentation related to points one and two above, i.e., the specific project goals and purposes, and specific documents that define the priorities of the Zambian agricultural strategy. An additional way to prioritize among potential study areas would be to categorize studies along the lines of the policy formulation policy implementation dichotomy developed in Section III of this report.

ANNEX 10

ILLUSTRATIVE LIST OF STUDY AREAS FOR ZATPID II

The following is a list of possible study areas under ZATPID II. The recommended areas are not in any order of priority.

1. Policy Impact Monitoring. Monitoring the socio-economic impact of policy changes is important to assure that recent policy changes are having their desired effects, and that disproportionate benefit or cost does not accrue to any individuals or groups within the society. It allows for informed midcourse correction in policy implementation and programming. Longitudinal quantitative and qualitative data should be collected and analyzed to provide an accurate assessment of the policy impact.
2. Land Tenure Issues. The World Bank's 1984 agricultural strategies paper and other documents emphasize the importance of land tenure as an agricultural policy issue in Zambia. This is because security of tenure is rapidly becoming recognized as a second-generation policy constraint to agricultural growth. Specific areas of study could include: the relation between land tenure, incentives for investment and agricultural productivity; land valuation, land markets, and revenue generation potential; and peri-urban land tenure issues.
3. Cross-border Trade. As in many other African countries, it is becoming increasingly apparent that it is economically dangerous to develop agricultural policies in Zambia in isolation from issues of cross-border trade and policies in neighboring countries. This is particularly true in relation to pricing and subsidy policies, which are key issues in Zambia at the present time.
4. Agricultural Resources and their Allocation. Agriculture is expected to become the major contributor to the Zambian GDP. Potential sources of growth in the agriculture sector, anticipated revenues and the means to capture these, and the allocation process should be examined regularly.
5. Private Sector in Agriculture Issues. Study areas under this heading should include such questions as: the ability of the private sector to meet agricultural marketing needs, and what can be done to assist it to do so; the potentials and constraints to agribusiness development; and issues related to small scale enterprise/informal sector and off-farm employment generation.

6. Agricultural Pricing and Marketing Issues not listed above. For example, such questions as regionally differentiated prices, floor and ceiling prices, and NAMBoard's role as buyer of last resort, need further study.
7. Agricultural Credit and Rural Finance. A study of this topic was undertaken under ZATPID I. Some of the major recommendations of the study were not adopted by the GRZ. Although further study in this area may be warranted, it should be preconditioned on demonstrated interest by the GRZ.
8. Fertilizer Supply, Demand and Subsidy Issues. While further study in this area is recommended by the study done under ZATPID I auspices, any action should await the outcome of the World Bank proposal for a comprehensive fertilizer study.
9. Commodity, Subsector, and Regional Comparative Advantages. As the GRZ continues to promote economic diversification, emphasize agriculture, and experience foreign exchange problems, studies of relative comparative advantages in a dynamic setting will become increasingly important (e.g., livestock vs. crop production, export vs. food crops, and relative advantages and disadvantages of various food crops).
10. Intra- and Inter-Institutional Coordination. GRZ institutions with mandates for rural sector development need closer coordination. Discussion and recommendations regarding approaches to this issue appear in Section II of the report. Studies should also extend to structures and procedures of agencies dealing with agriculture and potential for improvement, examination of organizational mandates and the ways their objectives are fulfilled to avoid duplication and improve coordination, headquarters-field relations, etc. (also see item 18 below).
11. Donor Coordination. Donors sometimes have competing objectives, only some of which conform to GRZ objectives, and they often draw heavily on limited Zambian resources, competing with each other in order to fulfill their own mandates. Studies that will improve strategies for use of donor resources in the agriculture sector and that will maximize the use of Zambian resources at the same time are required.
12. Strategic Grain Reserve. There are many conceptual and managerial issues that need study before a strategic grain reserve can be operationalized.
13. Storage of Agricultural Commodities. With the recently announced and anticipated changes in agricultural marketing and

pricing and the concern with strategic grain reserves, questions of storage will become increasingly important. Studies need to be done on storage at all levels, i.e., on-farm, village level, regional level, and national level.

14. Role for Cooperatives. The appropriate role for cooperatives in agricultural input and product marketing, storage and credit, and what impediments exist to fulfilling these roles should be investigated. Studies should include assessments of economic viability as well as organizational and management aspects.

15. Program Structures and Management in the Agriculture Sector. Less direct government involvement in agricultural development generally requires a more participatory approach with greater mobilization of local resources. Areas to be considered in this restructuring of the role of government include:

- Decentralization of decisionmaking and program implementation;
- Decentralization of revenue generation and expenditure;
- Potential for self-help activities;
- Agricultural research and extension services;
- Land and water development;
- Forestry and environmental conservation.

16. Labor Shifts Related to Economic Diversification and Recent Policy Changes. As the economy shifts from its heavy dependency on mining, there is an assumption that labor will also shift from mining into various parts of the agriculture sector. This assumption should be tested. Examples of study topics include an examination of the absorptive capacity of the agriculture sector (especially vis a vis the mining sector); employment expectations of school-leavers and skills training or retraining required.

17. Staff Motivation. Staff motivation in MAWD/PD and other institutions receiving substantial assistance from ZATPID II should be examined. Staff retention was identified as an emerging problem for government service in the report. Recommended study areas include career development potentials, private sector opportunities, demand and supply of trained personnel and incentives (monetary and nonmonetary) for retention.

18. Other Organization and Management Issues. These issues need to be examined within MAWD and other key institutions engaged in policy formulation for the agriculture sector. The Peat, Marwick et. al. study of November 1985 recommended changes in structures and objectives for certain parts of MAWD. NCDP's merger with MOF will likely necessitate some changes in both organizations. Assistance should be supplied as needed in examining options and making recommendations re: organizational objectives and concomitant structure required. Other possible studies can be similar to those undertaken under ZATPID I for management of the MAWD/PD computer center and organization of the library.

19. Investments in Water Management. Water management will likely be required to enhance growth in the agriculture sector. Studies could include economic and social analyses of alternatives in irrigation, marsh drainage, water storage, and stock watering, for example.

ANTHROPOLOGY AND AGRICULTURAL PLANNING IN ZAMBIA

**Dennis M. Warren
Iowa State University**

**For the Panel on
Applied Anthropology and Development Projects
December 6, 1985**

**Annual Meetings of the
American Anthropological Association
Washington, D.C.
December 4-8, 1985**

ANTHROPOLOGY AND AGRICULTURAL PLANNING IN ZAMBIA
by D. H. Warren, Iowa State University

The Zambia Agricultural Training, Planning and Institutional Development Project (ZATPID) was initiated in January 1982 by Iowa State University based on a five-year Cooperative Agreement with USAID and the Government of the Republic of Zambia (GRZ). In spring 1981, I was a member of the Iowa State University proposal preparation team and during the summer of 1981 I participated in project negotiations with USAID and GRZ officials in Lusaka. From January 1982 - August 1984, I served as leader of the long-term implementation team in Zambia, comprised of myself, an agricultural economist and an agricultural extension specialist. Numerous short-term personnel spent from several weeks to six months each in Zambia fulfilling various project assignments in the areas of computer science, agricultural finance, agricultural statistics, regional planning, development economics, and technical agriculture. From August 1984 - August 1985, I remained in Zambia as a Senior Social Policy Analyst during a transition year when a new team leader and other replacement personnel arrived to take over from the original team for the second half of the project period.

The Project was designed to facilitate and improve the capacity of GRZ institutions and personnel in the agricultural and rural development planning and policy-making process. The primary target group was the government bureaucracy, particularly the Planning Division of the Ministry of Agriculture and Water Development (where the Project was formally located), as well as the Ministry of Finance, the National Commission for Development Planning, the Ministry of Decentralisation, the Central Statistical Office, and the University of Zambia. The ultimate target group were the 600,000 small-scale subsistence farm households.

In addition to the normal administrative duties incurred while serving as team leader, most of my other formal project work activities drew upon my experience and skills as a development anthropologist, using methodologies from anthropology as well as management science, development planning and development economics. In general, my attentions were focused on analyzing, understanding, and improving GRZ systems for decision-making, communicating, collaborating, and institution building. My formal work activities included evaluating the impact of the Integrated Rural Development Programs being supported by bilateral and multilateral development agencies such as IBRD, SIDA, GTZ, ODA, FINNIDA, DANIDA and NORAD; designing human resources development and training programs; designing information and data collection, analysis, storage, retrieval, and dissemination systems; improving the management procedures and organizational effectiveness of public sector institutions as decision-making systems; and analyzing the impact of agricultural policies on the productivity of the small-scale farming community.

Other activities were to conduct workshops to introduce methodologies for the formalization of Zambia indigenous agricultural knowledge systems; social impact analyses of Agricultural Farming Systems Adaptive Research Planning Teams' efforts to increase agricultural productivity of small-scale farm producers (SSPs); and workshops designed to enhance cross-

disciplinary and cross-cultural donor agency/GRZ development team efforts in order to increase local participation in the development planning process.

This paper briefly describes a range of these activities with which I was involved during the 1981-85 period. The typical procedure which I was asked to follow was to analyze a situation or institution in terms of constraints to effective operations, and then to recommend actions which could alter the situation in positive ways. An example of a problem situation was the inadequate information and data base upon which agricultural planning decisions were made. Data were found to be insufficient in terms of cross-seasonal and cross-provincial variation and in many instances unreliable. Data tabulations and analyses were available too late to be used in the annual agricultural planning cycle of events. Information storage and retrieval systems were inadequate resulting in ineffective use of donor resources. Some agricultural studies were found to have been repeated by several different donors over a period of years, each donor unaware of earlier similar studies. Data analysis skills were inadequate for many of the agricultural planners in the Ministry.

A series of actions were outlined and initiated to improve the information and data constraints. The first action was to conduct a thorough inventory and assessment of all recurrent and occasional outputs expected of personnel in the six administrative sections of the Planning Division, Ministry of Agriculture and Water Development. The second action involved the design of a human resources development and five-year training plan for the Planning Division personnel in order to improve skills which were inadequate to perform tasks required of them. Thirdly short-term in-service training courses were designed and offered on topics such as mathematics for economists, microcomputers in agricultural planning, and basic management and development planning. Long-range activities included the design and initiation of new degree programs in agricultural economics and agricultural statistics at the University of Zambia. The Planning Division output assessment and the human resources development and training plan were published and used as models by a number of other government ministries and agencies.

Because there was no mechanism to store and retrieve the numerous reports and studies produced in the Ministry of Agriculture and Water Development, a Ministry library was begun with the help of Zambian library science faculty and students. A trained library science graduate was hired as librarian in 1985 and the library has now been designated a national repository for all reports and studies concerning agriculture and rural development in Zambia. Currently more than 6,000 volumes have been accessed and many donor agencies have begun contributing resources.

It was found that numerous agricultural and rural development surveys were being conducted by institutions such as the Rural Development Studies Bureau of the University of Zambia. Because Bureau staff had no direct access to computers, the information collected would be tabulated and analyzed by hand. Because of time constraints, a vast amount of the information collected was never tabulated and analyzed, and that which was eventually published in report-form tended to be of more use as a historical document rather than something useful for immediate agricultural

planning and policy-making efforts. Similar problems were evident at the Planning Division of the Ministry of Agriculture and Water Development and at the Central Statistical Office. To improve this situation a Computer Center was opened at the Planning Division with two IBM PCs, two IBM XTs, and an APPLE IIe. All professional and clerical staff have been trained in the use of these microcomputers and the results have been nothing short of revolutionary in terms of the quality, quantity and timeliness of a wide variety of outputs, as well as in terms of motivation of staff and enhanced self-image for many of them. The Planning Division economist with the strongest quantitative skills was sent to Iowa State University for individualized training in microcomputers for agricultural planning; he returned to the Division as the in-house trainer and consultant for the rest of the staff. Working with the U.S. Bureau of the Census, similar efforts on a larger scale were initiated for the Central Statistical Office. Microcomputers are also being provided the Rural Development Studies Bureau and the Department of Mathematics at the University of Zambia to support the rural survey capabilities of the Bureau and the new Agricultural Statistics Program initiated in the Department of Mathematics.

To strengthen the human resource base in order to institutionalize the changes being made in data collection and analyses, more than 20 Zambians from the University of Zambia's Rural Development Studies Bureau and new program in Agricultural Economics, the Central Statistical Office, Planning Division, the Ministry of Finance, and the National Commission for Development Planning have been sent to the USA or third countries for degrees in agricultural economics, rural sociology, international development studies, agricultural statistics, and regional planning at the bachelor's, master's, and doctoral levels.

Major strides have been taken in information dissemination. The Planning Division initiated a Special Studies Report Series which now numbers 19 reports. These reports are composed at the Computer Center, printed by the Government Printer, and distributed to hundreds of government officials and donor agencies on a computerized mailing list. A quarterly Agricultural Planning Newsletter was started in January 1985 which has proved to be very popular. In addition to a wide variety of news and notes regarding agricultural and rural development efforts in Zambia, each issue has profiles of a donor agency active in Zambia, Ministry programs, agricultural and rural development projects, and administrative divisions within the Ministry. Each issue also highlights resource materials available for agricultural planning, workshops which have been conducted and are being planned, as well as development planning and management skills and techniques. The Newsletter is sent to nearly a thousand individuals on the computerized mailing list, including the Ministry officials in all 9 provinces and 68 districts. In the past the Annual Agricultural Statistics Bulletin was typed on stencils and consisted of endless tables of undigested data issued too late for the annual agricultural planning cycle. All of the data are now stored on the microcomputers and a Quarterly Agricultural Statistics Bulletin is now being issued with tables translated into graphs and charts which are easier for farmers and planners to use. An agricultural extension newsletter (LIHA Newsletter) and a Soyabean Newsletter are also being composed and distributed through the Computer Center.

Since Zambian agricultural policy focuses on improving productivity of the small-farm sector, considerable efforts have been made to introduce farming systems teams (Adaptive Research Planning Teams) in each of the 9 provinces. The majority of the members of these teams had never been exposed to methodologies designed to formalize indigenous agricultural knowledge systems. I was asked to represent the Ministry at a Workshop sponsored by CIMMYT on the role of sociology and anthropology in farming systems research, and to conduct a session on such methodologies. In 1985 I conducted a training workshop for all of the Adaptive Research Planning Teams in Zambia on these methodologies.

An important project activity was to identify information and data gaps which, if filled, would facilitate the agricultural planning process. A number of technical agricultural economics studies, coordinated through the project, were conducted on topics dealing with agricultural credit and finance, fertilizer supply and distribution, groundnut production and marketing, tractor hire services, tobacco schemes, and the LIMA crop extension program. These studies have all been published and distributed as reports in the Planning Division Special Studies Report Series.

Another major constraint to effective agricultural planning in Zambia was the lack of collaboration across institutional boundaries in the decision-making process. Considerable efforts have now been made to improve upon this situation. The first effort was the organization of a Small Farm Sector Studies Committee co chaired by the Director of the Rural Development Studies Bureau at the University of Zambia and the Director of the Project Implementation Section of the Planning Division, Ministry of Agriculture and Water Development. The Committee, with membership from many institutions with interests in agricultural and rural development, conducted a survey of agricultural planners and policy makers to determine which data were particularly needed, surveyed existing data sets which had not been completely analyzed, and recommended several new studies which are currently being carried out on agricultural input utilization by small-scale producers and on spatial variations in rural inequality.

A survey was conducted of all institutions collecting various types of data on the rural sub-sector. Besides the Planning Division and the Central Statistical Office, it was found that the National Commission for Development Planning, the Ministry of Finance, the Bank of Zambia, the Zambia Agricultural Development Bank, and the Agricultural Finance Corporation were all collecting data without any formal mechanism to assure coordination and cooperation across institutional boundaries. A National Agricultural Statistics Committee was organized in 1985 with representatives from all known institutions collecting and/or utilizing agricultural data.

To assure more effective management of resources and improved planning capabilities, a management/development planning workshop was organized for all of the staff of the Planning Division. Six teams of participants representing the six administrative sections (Budget Analysis, Technical Assistance, Sectoral Policy Analysis, Project Analysis and Implementation, Production and Marketing, and Agricultural Statistics) learned and experienced a variety of team building, management, and planning techniques. These were used to identify and prioritize Zambia's primary

agricultural problems, to delineate and prioritize the goals and objectives of the Ministry of Agriculture and Water Development and the Planning Division within it, and to design annual workplans for each of the sections and the individual staff within each of them. Since participants included 25 Zambians, 3 Americans, 3 Canadians, 1 Briton, 1 Indian, 1 Swede, 1 Ghanaian, and 1 Dutch, material was presented to facilitate cross-cultural interactions in the planning process.

In an important move to improve interaction across government institutional boundaries, the Planning Division joined with the National Commission for Development Planning to organize a National Agricultural Planning Seminar for senior officials of the government ministries and parastatals involved in agriculture and rural development, as well as those from the University of Zambia, the Bank of Zambia, and the various commercial banks. The bases for the discussion groups were the numerous Planning Division Special Studies Reports as well as published reports from the National Commission. Participants identified constraints in implementing agricultural and rural development policy alternatives, and recommended various mechanisms to facilitate inter-institutional fora for agricultural planning. The outputs of the seminar were published in the Special Studies Report Series.

Another set of constraints to improving agricultural productivity in Zambia focused on problems faced by the agricultural extension system and the difficulty of translating policy set in Lusaka into action in the 9 provinces and the 68 districts. To deal with these problems, a National Workshop to Improve Agricultural Extension and the Agricultural Sector in Zambia was organized to bring together the senior officials from the central ministries and parastatals with representatives of the private sector companies involved in the supply of agricultural inputs such as pesticides, along with the provincial governors, the provincial agricultural officers, and the provincial extension training officers. Considerable time was spent discussing ways to improve communications horizontally and vertically throughout the bureaucratic system in order to improve intra- and inter-institutional relations. The report from the Workshop was published in the Special Studies Report Series and used as a Workshop Manual for nine follow-up workshops in each of the provincial headquarters. The provincial workshops brought together key officials from the central ministries in Lusaka with all provincial officials and the district governors and district agricultural officers. Other workshops were organized for the districts, bringing together provincial officers with all of the district officials and elected councillors from the ward level of administration. This was the first time that a system-wide approach had been taken to reach all officials involved in improving agriculture and rural development in Zambia.

Although the Planning Division was expected to monitor and evaluate all agricultural and rural development projects in Zambia, no master list of these projects was available. Using the new Computer Center, a master list was compiled of the more than 140 projects being funded by more than 30 bilateral and multilateral donor agencies. It became very apparent that monitoring and evaluation would be very difficult since there had been no attempt at standardizing and Zambianizing the agricultural project cycle. Projects were designed on an ad hoc basis depending on the demands of the

different donor agencies. Very few projects conducted internal project monitoring and evaluation and only a handful had ever conducted a baseline survey so the impact of the project might be measured. To deal with this lack of standardization, the Planning Division worked on a National Project Evaluation Committee with colleagues from the University of Zambia, the National Commission for Development Planning, and other ministries. A National Workshop on Project Evaluation was held and an initial set of guidelines was published by the University of Zambia. The guidelines became the basis for a follow-up workshop designed to work out more details for a standardized approach to the Zambia agricultural project cycle. These efforts are still continuing.

Among the 140 projects enumerated in the Planning Division were 11 large-scale integrated rural development projects and agricultural development projects funded by IBRD, IFAD, SIDA, ODA, GTZ, FINNIDA, DANIDA, and NORAD. All of these projects were expected to work with and through existing GRZ ministries and agencies in order to strengthen them. Because of a variety of constraints existing within the government ministries, coupled with a lack of a standardized format for designing, monitoring and controlling these projects, most of them had moved off onto tangents and some had begun to operate as units autonomous from the Government. A comparative assessment of these projects was called for, was conducted, and numerous recommendations were formulated and accepted as new national policy guidelines for these projects which are now expected to operate as district development programs working with and through government institutions such as the district councils. Agricultural and rural development coordinating committees were organized at both the district and the provincial level. In order to deal with national policy matters, a National Policy Steering Committee for Rural Development Support Programs was organized at the permanent secretary's level and chaired by the permanent secretary of the National Commission for Development Planning. An intensive two-week management and development planning training of trainers workshop was organized for all Zambian and expatriate staff of the 11 projects along with all regional planners in Zambia. The workshop was designed to strengthen the capacity of these projects to operate as district development programs and to conduct similar workshops for District Council personnel. During the January-June 1985 period, the planners and project personnel conducted District Council workshops in 20 of the 68 districts and many others had been planned. The Workshop outputs were published in the Planning Division's Special Studies Report Series so it could be used as a training manual in the District-level workshops.

One of the new policy guidelines for the major agricultural and integrated rural development programs in Zambia is for each one to organize monitoring and evaluation capabilities to measure impact on the target groups. A study begun by the Planning Division to measure the impact of six different mixtures of agricultural policies on small-scale producers will further enhance the planning process. Different policy mixes can be found in different geographical areas of the countries depending on the nature of the projects in a given area. These include introduction of oxen, agricultural pricing policies, improvement of rural infrastructure such as feeder roads, provision of agricultural credit, implementation of the district development program, and provision of storage and marketing services. The results of these analyses are expected to be released before

UNITED STATES OF AMERICA
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 P.O. Box 32481 LUSAKA ZAMBIA

TEL: 218669, 211314, 215741.
 TELEX: 40810

KATUNJILA ROAD
 PLOT No. 2386

March 4, 1986

Dr. Ben Mweene
 Deputy Vice Chancellor
 University of Zambia
 Lusaka

Dear Dr. Mweene:

Thank you for the opportunity to discuss on February 25, 1986, future USAID support to UNZA. I believe we had a very useful exchange. It might be helpful for me to reiterate the main points which emanated from the meeting. It is our hope that they will serve as the basis for a more coherent relationship with UNZA, especially with respect to the agricultural sector -- the USAID/G&A primary area of focus:

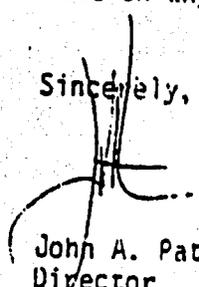
1. USAID is prepared to continue the services of Dr. Milton Snodgrass beyond June 30, 1987 until June 30, 1988 if UNZA goes forward with the proposed BS Agricultural Economics program beginning with the next academic year. This would obviously be beneficial to all concerned and give Dr. Snodgrass an opportunity to see the program take hold.
2. For sometime now, we have talked about the need to discuss the significant amount of counterpart funds available for programming. With a new procedure in place (a copy was given to you during our meeting) for handling these funds we would like to encourage you to consider various ways in which USAID may be of help to UNZA in the name of agricultural and rural development.
3. Although this third possibility is less clear at this time, we propose to consider long-term assistance to UNZA under the auspices of Phase II of the Zambia Agricultural Development: Research and Extension (ZAMARE) Project. As you know, the University of Illinois is the lead contractor for this project in conjunction with Southern Illinois University and the



University of Maryland - Eastern Shore. They have done an impressive job and we believe an expanded relationship with UNZA could be productive and mutually beneficial to each institution. All of this, of course, depends on your wishes and how the design of Phase II unfolds.

If I or my staff can elaborate on any of these points please do not hesitate to let me know.

Sincerely,



John A. Patterson
Director

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

SUBJECT: Request for a Procurement Source/Origin Waiver from AID Geographic Code 000 (U.S. Only) to AID Geographic Code 935 (Special Free World).

A. Cooperating Country : Zambia

B. Project Number : 611-0207

C. Project Name : Agricultural Training,
: Planning and Institutional
: Development II

D. Nature of Funding : Grant

E. Description of Goods : One Public address system;
: Audiovisual equipment; one
: 35 mm camera w/two
: accessories; photocopiers

F. Approximate Value : \$25,000

G. Probable Source : U.S. or other AID
: Geographic 899 countries

H. Probable Origin : Japan or other Code 899
: countries

Discussion and Justification:

This project is designed to facilitate changes in agricultural policy in Zambia. One means of devising and promulgating policy changes will be through in-country seminars and workshops. As a part of the project, a conference facility will be constructed with local currency generations at the Ministry of Agriculture to serve as a venue for these seminars. The project will fund the equipment necessary to make this facility functional.

Unfortunately, U.S. and Code 941 public address, audiovisual equipment and photocopier manufacturers have no local dealers in Zambia. Therefore, public address, audiovisual and photocopying equipment from the eligible source (Code 000) or from Code 941 countries can not be serviced or repaired in Zambia. Moreover, 35mm cameras are presently not made in the U.S. or in Code 941 and 220/240 volt audiovisual equipment meeting AID's componentry requirements are not generally available in the U.S or Code 941. Repair and spare parts

availability for this equipment is essential because it is subject to breakdowns and servicing needs that require prompt attention in order to avoid substantial downtime which would adversely affect project implementation.

HB 1B Chapter 5B 4C(2) provides that the Assistant Administrators of the Geographic bureaus may grant waivers of AID source/origin requirements for individual transactions which do not exceed \$5,000,000 in value. This request therefore falls within your authority to grant.

HB 1B Chapter 5B4a(2) provides that the authorized source/origin of commodities may be expanded to the extent necessary when: "the commodity is not available for countries or areas included in the authorized Geographic Code." Given the facts that 35 mm cameras are not made in the U.S. or Code 941 and that public address, audiovisual and photocopying equipment which is servicable in Zambia is not available from the U.S. (or from AID Code 941 sources) the test of HB 1B appears to have been met.

Recommendations:

That by your signature below, you:

- 1) certify that exclusion of procurement from free world countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objective of the foreign assistance program, and;
- 2) authorize the purchase with AID Grant funds of approximately \$25,000 of public address, audiovisual and photocopying equipment, and one 35mm camera with accessories from AID Geographic Code 935 for the project.

APPROVED: _____

DISAPPROVED: _____

DATE: _____

INITIAL ENVIRONMENTAL EXAMINATION
OR
CATEGORICAL EXCLUSION

Country: Zambia

Title of Activity: Agricultural Training, Planning and Institutional Development (ZATPID) (611-0207)

Funding: \$13.9 million (FY 1986 - FY 1992)

IEE Prepared by: Dianne Blane, AFR/PD/SAP

Environmental Action Recommended: Categorical Exclusion

Discussion: This activity meets the criteria for Categorical Exclusion in accordance with Section 216.2(c) of Regulation 16 and is therefore excluded from further review. The purpose of the project is to help establish an effective GRZ policymaking and implementation process in the agricultural sector. The focus of the project will be on those aspects of agricultural policy which deserve attention and/or reform. Following their identification, a number of analytical studies will be undertaken by Zambian institutions. The staff resources which are strengthened by training and participation in the studies will result, in turn, in the development of the particular institutions. Support to the Zambian institutions in undertaking the studies and policy analyses will be provided through the assignment of both long- and short-term advisors. Long-term participant training in U.S. universities, as well as on-the-job training and in-country seminars and workshops will also be provided. Section 216.2(c)(2)(i) and (iii) provide for a Categorical Exclusion from environmental procedures for education, technical assistance or training programs and for analyses, studies, academic or research workshops and meetings. The project may therefore be considered as an "action which does not have an effect on the natural or physical environment" which, according to Section 216.2(c)(1)(i), is the criterion for categorical exclusion.

Concurrence:

Wendy Stickel
Chief, AFR/PD/SAP, Wendy Stickel
for the AID Representative, AID/Zambia

Bureau Environmental Officer's Decision:

APPROVED: Essie L. Boyd
Essie L. Boyd, AFR/TR/SDP

DISAPPROVED:

DATE: 9/11/85

Clearance: GC/APR:MAKleinjan Mary Alice Kleinjan 8/30/85
Mary Alice Kleinjan- 8/30/85

Scope of Work

ZATPID Impact Assessment and Institutional Analysis

I. Introduction

The Government of the Republic of Zambia (GRZ) has embarked on a major policy reform program. USAID has supported this process through an integrated program of non-project and project assistance, most notably with respect to the latter, the Zambian Agricultural Training, Planning and Institutional Development Project (ZATPID I, 611-0075). The USAID needs, however, to better ascertain the impact that ZATPID I has had on the policy reform process or on the institutional capabilities of the GRZ to conduct and disseminate appropriate policy analyses. It is advisable that such an impact assessment be conducted so as to be included in any planning for a follow-on project.

II. Objectives

There are two objectives. The first is to provide USAID with an assessment of the impact of ZATPID's analytical input to the policy reform process and to the institutional development which has strengthened that analytical capability. The assessment is to provide an explanation of how the studies, training and technical assistance provided through the ZATPID I Project during the past three years have been translated into better-informed GRZ decisions and policy reforms. Specifically, the assessment will include the following:

A. Are the data generated by project studies/activities relevant and usable and, if so, by whom and for what purposes? If not, why not?

B. Are the analyses and data perceived as consistent with Zambia's real needs? By whom?

C. Is the information/data actively sought by GRZ decision-makers (i.e., are the studies demand-driven)?

D. Has staff analytical capability improved so that the information/data can be acted upon in a timely manner?

E. Are Zambians who have been trained under the project filling positions from which they can affect policy? Were the proper criteria utilized for selection of participants for training?

F. What is the capacity of the staff to bring their full technical training to bear on the work of the unit? Has their training been relevant to the needs of the unit?

G. What is the evidence that the policy-making process is improving (purpose of project) based on analyses and recommendations emanating from project activities?

H. How is the U.S. technical assistance (TA) helping to build institutional capacities?

I. Has short- and long-term TA been provided in an appropriate mix, and with the appropriate skills and expertise, to effect institutional improvements?

J. What are the constraints, if any, to improved data generation, analysis and decision-making with respect to agricultural policy, and how can a follow-on project address these constraints more effectively?

K. What are the recurrent budget implications of the institutional development which has occurred under the project, and can additional costs be covered by the GRZ by the time Phase II ends?

The second objective is to provide the mission with a description and analysis of the policy-making process and institutions in the agriculture sector as background for the preparation of ZATPID II. The institutional analysis will include:

A. The organizational structure of each GRZ institution involved in agricultural policy analysis and decision-making

B. The current policy-making environment, identifying the key institutions and explaining how they relate to and effect policy decisions

C. The critical needs and resource gaps (in staff, equipment, etc.) in each institution which should be met in order to build and strengthen an indigenous Zambian policy-making capability

D. To the extent possible, an assessment of the institutional constraints to empirically-based decision-making

III. Methods

Both team members will review AID background documents on ZATPIDs I and II, and reports, analyses, etc. produced under ZATPID I. Additional information will be collected via interviews with personnel of key organizations in the GRZ, AID and project

technical assistance, other donors and other individuals as required. Budget and financial data from the GRZ will be used for the recurrent cost analysis.

IV. Output

Based on the above analyses, the team will make and explain recommendations for project design elements of ZATPID II in order to more effectively support and improve the indigenous policy-making process, relying on realistic data and analysis. These recommendations will include suggestions as to which agricultural, other sector or macroeconomic policies related to the USAID strategy and program should be subject to further monitoring and/or continued reform efforts, the types of data and analyses required, and what criteria should be used in the selection of studies to address important policy issues.

V. Procedures

The team will submit a draft report as indicated in Section IV. above. That report will be discussed with relevant USAID officials, and, as deemed necessary by the USAID, with ZATPID I contractors and GRZ officials. The report will be revised in light of comments made by USAID and GRZ as appropriate and completed before departure from Zambia. The team will then proceed to REDSO/ESA and brief members of the ZATPID II project paper team.

PERSONS CONTACTED

| | |
|--------------|---|
| IBRD | F. I. Moreithi Peter Hansen Barnabas Zegge A. Zulfiqar |
| AID/W | Donald Anderson, AID/W/S&T/RD Brandon Robinson, AID/W/DSF |
| REDSO/EA | Jim Graham Rosalie Fanale Stuart Callison |
| USAID/Zambia | John A. Patterson Leslie A. Dean Fred Perry Jim Snell Marcia Ellis |
| ISU Team | Mike Applegate Ron Krenz Rudolph Stewart Dennis Pervis Bogale Demissie Milton Snodgrass Mike Warren |
| Bucen | Daniel Clay Diana Lopez-Meisel Karen Stanecki |
| MAWD/PD | M. Lungu Andrew Mwaba John Burton M. Soko C. Muntanga B. Johnson C. Lufumpa |
| UNZA | Ben Mweene W. Kunze |
| CSO | Godfrey Sicilim |
| RDSB | John Milimo |

| | |
|--------------------------------------|--|
| MOC | Francis Mbewe |
| CLUSA | Lyle Brenneman |
| NCDP | James Mtonga George Chivungu Ms. G.C. Ngoma |
| ARPT, Mt. Makulu Research Station | Stuart Kean |
| ARPT, Northern Province | Richard Bolt |
| Ministry of Finance | Peter Siwo Mr. Mwanambale Mr. Chirwa Mr. Zulu |

ANNEX 3

ZATPID-PRODUCED POLICY STUDIES REVIEWED BY ASSESSMENT TEAM

1. Groundnut Production and Marketing in Eastern Province: A Market Analysis
2. Zambian Agricultural Finance Markets: Appraisal of Recent Performance and Prospects
3. Fertilizer Supply and Distribution: Issues and Constraints
4. Comparative Assessment Study of Zambian Integrated Rural Development and Area Development Programs
5. Analysis of Tractor Hire Rates Charged by Land Development Services
6. An Inventory and Assessment of MAWD Planning Division Outputs
7. Planning Division Human Resource Development and Training Plan
8. Report on Management and Planning Skills Workshop for Planning Division Staff
9. Report on the Workshop to Strengthen the IRDP District Development Plans

ANNEX 4

ZATPID Returned Long-Term Trainees as of January 1986

| <u>INSTITUTION</u> | <u>NAME</u> | <u>CURRENT POSITION</u> |
|--------------------|--|--|
| <u>CSO</u> | Akalulu, Y. Jere, A. Musowafu, S | Head of Cartography Senior Statistician, National Accounts Statistician, Agricultural Statistics |
| <u>MAWD</u> | Mwaba, A Suba, R. | Acting Section Head, Sectoral Policy Analysis Economist, Sectoral Policy Analysis |
| <u>NCDP</u> | Sichone, S. Sinyinza, P. | Senior Economist, Sectoral Planning Senior Economist, Sectoral Planning |
| <u>RDSB</u> | Sipula, F. | Research Fellow Grade III |
| <u>MOF</u> | Nonde, B. | Senior Economist, Budget and Economic Affairs Department |
| <u>ZCF</u> | Nang'amba, W | Lecturer at University of Zambia |

ALL ZATPID PARTICIPANT TRAINING

ANNEX 5

RETURNEES

| PIO/P NUMBER | PARTICIPANT'S NAME | UNIVERSITY | DEGREE | FIELD | TRAINING COMMENCED | TRAINING COMPLETED | SEX | ADDRESS |
|-----------------------------|------------------------|--------------------|---------|-------------------|--------------------|--------------------|-----|----------------------------|
| <u>Long-Term Degree</u> | | | | | | | | |
| 611-X0037 | Jere, A. | ISPC/GHU | M.S. | Statistics | May 83 | Dec 84 | M | CSO, Box 31980, Lusaka |
| 611-X0041 | Norde, Boniface | Iowa State Univ. | M.Sc. | Economics | Aug 83 | Jul 85 | M | MoF, Box 50062, Lusaka |
| 611-X0034 | Sipula, Fred | Iowa State Univ. | M.Sc. | Ag Economics | May 83 | Oct 85 | M | ROSB UNZA Box 32379 Lusaka |
| 611-X0026 | Suba, Richard | Iowa State Univ | M.Sc. | Economics | Mar 83 | Jan 86 | M | MWD, Box 50197, Lusaka |
| <u>Short-Term Technical</u> | | | | | | | | |
| 611-X0152 | Akalulu, Young | ISTPC-Ducen | Diploma | Survey Methods | Dec 84 | Dec 85 | M | CSO, Box 31980, Lusaka |
| 611-X0161 | Chifwepa, V. | Adhis Nkaba | S-T | Ag Info Sem | Aug 85 | Aug 85 | M | MWD, Box 50197, Lusaka |
| 611-X0043 | Kani, A. | IFDC | S-T | Fert Marketing | Aug 83 | Sep 83 | M | MWD Board Box 30122 Lusaka |
| 611-X0050 | Lufumpa, C. | ISU | S-T | Comp Prog | May 84 | Sep 84 | M | MWD, Box 50197, Lusaka |
| 611-X0162 | Lufumpa, C. | FRI, Stanford Univ | S-T | Micro & Dev | Aug 85 | Sep 85 | M | MWD, Box 50197, Lusaka |
| 611-X0029 | Mtamboh, E. | Washington, D.C. | S-T | Prog & Contr. Mgt | Mar 83 | Apr 83 | M | MWD, Box 50197, Lusaka |
| 611-X0047 | Mtambo, E. | Harare | S-T | Loan Admin | Mar 84 | Mar 84 | M | MWD, Box 50197, Lusaka |
| 611-X0031 | Muchinda S. | Econ. Inst. | S-T | Economics | Jun 83 | Sep 83 | M | MWD, Box 50197, Lusaka |
| 611-X0030 | Mulala, M. | Georgetown Univ | S-T | Inv. Mgt. | May 83 | Jul 83 | M | MWD, Box 50197, Lusaka |
| 611-X0153 | Musowafu, Simasiku | ISTPC-Ducen | Diploma | Agric Statistics | Dec 84 | Dec 85 | M | CSO, Box 31980, Lusaka |
| 611-X0031 | Mvinga P | Econ. Inst. | S-T | Economics | Jun 83 | Sep 83 | M | MWD, Box 50197, Lusaka |
| 611-X0151 | Phiri, A. | ISPC, Ducen | S-T | Ag Survey Mgmt | Nov 84 | Nov 84 | M | CSO, Box 31980, Lusaka |
| 611-X0158 | Phiri, Y. | ISPC, Ducen | S-T | Survey Management | Mar 85 | Apr 85 | M | CSO, Box 31980, Lusaka |
| 611-X0159 | Shitima, M. | ISPC, Ducen | S-T | Comp Ctr Mgmt | Jun 85 | Jul 85 | M | MoF, Box 50062, Lusaka |
| 611-X0039 | Sichone, S. | Colorado State | Dip. | Economics | Jun 83 | Dec 84 | M | NCDP, Box 50268, Lusaka |
| 611-X0160 | Sicilima, G. | ISPC, Ducen | S-T | Ag Survey Mgmt | Nov 85 | Dec 85 | M | CSO, Box 31980, Lusaka |
| <u>Termination</u> | | | | | | | | |
| 611-X0044 | Sumbwanyambe, Clifford | Makerere | B.Sc. | Statistics | Sep 83 | Sep 86 | M | MWD, Box 50197, Lusaka |

Total:

Long-Term 4
Short-Term 16
Termination 1

172

IN-TRAINING

| PIO/P NUMBER | PARTICIPANT'S NAME | UNIVERSITY | DEGREE | FIELD | TRAINING COMMENCED | TRAINING COMPLETED | SEX | ADDRESS |
|-------------------------|------------------------|--------------------|--------|-------------------|--------------------|--------------------|-----|-------------------------|
| <u>Long-Term Degree</u> | | | | | | | | |
| 611-X0035 | Chilongo, Gamaliel | Iowa State Univ. | Ph.D. | Rural Sociology | Aug 83 | Aug 87 | M | UNZA, Box 32379, Lusaka |
| 611-X0157 | Katepa, Perpetua | Rurdue Univ | Ph.D. | Agric Economics | Sep 85 | Aug 89 | F | UNZA, Box 32379, Lusaka |
| 611-X0028 | Katongo, Katongo | Iowa State Univ | M.Sc. | Economics | Mar 83 | Aug 86 | M | MWWD, Box 50197, Lusaka |
| 611-X0048 | Mendamenda, Davison | Univ of Missouri | M.Sc. | Ag Economics | Aug 84 | Aug 86 | M | NCDP, Box 50268, Lusaka |
| 611-X0033 | Midenda, Timothy | Iowa State Univ. | Ph.D. | Ag Economics | Aug 83 | May 88 | M | UNZA, Box 32379, Lusaka |
| 611-X0040 | Mileya, Oephas | Iowa State Univ. | M.A. | Regional Planning | Jul 83 | ? | M | NCDP, Box 50268, Lusaka |
| 611-X0036 | Mupimpila, Christopher | ISU Un of Illinois | Ph.D. | Economics | Aug 84 | Aug 87 | M | UNZA, Box 32379, Lusaka |
| 611-X0045 | Mwanaumo, Anthony | Rurdue Univ. | M.Sc. | Ag Economics | Aug 84 | Aug 86 | M | MWWD, Box 50197, Lusaka |
| 611-X0042 | Mwanza, Winter K. | Iowa State Univ. | M.Sc. | Inter Dev Studies | Aug 83 | Dec 86 | M | NCDP, Box 50268, Lusaka |
| 611-X0046 | Siisii, Clara | Univ. of Missouri | M.Sc. | Ag Economics | Aug 84 | Aug 86 | F | MWWD, Box 50197, Lusaka |
| 611-X0049 | Zulu, Lawrence | Un of Wisconsin | M.Sc. | Devel Economics | Sep 85 | Aug 87 | M | NCDP, Box 50268, Lusaka |

Short-Term Technical

| | | | | | | | | |
|-----------|----------------|-------------|---------|--|--------|--------|---|------------------------|
| 611-X0154 | Kabumu, Samuel | ISTRC-Buden | Diploma | | Sep 85 | Aug 86 | M | CSO, Box 31980, Lusaka |
| 611-X0155 | Mwanza, Mark | ISTRC-Buden | Diploma | | Sep 85 | Aug 86 | M | CSO, Box 31980, Lusaka |

Total:

| | |
|------------|----|
| Long-Term | 11 |
| Short-Term | 2 |
| Total | 13 |

January, 1986

173x

| PIO/P NUMBER | PARTICIPANT'S NAME | UNIVERSITY | DEGREE | FIELD | TRAINING COMMENCED | TRAINING COMPLETED | SEX | ADDRESS |
|-----------------------------|---------------------|-------------------|--------|-----------------|--------------------|--------------------|-----|----------------------------|
| <u>Long-Term Degree</u> | | | | | | | | |
| 611-10005 | Maba, A | Ohio State | M.S. | Agric Economics | Sep 81 | Sep 83 | M | MWD, Box 50197, Lusaka |
| 611-10006 | Nang'amba, W. | Univ of Wisconsin | M.S. | Ag Economics | Jan 82 | Dec 83 | M | ZCF, Box 33579, Lusaka |
| 611-00004 | Sinyinza, P. | Univ of Wisconsin | M.A. | Public Policy | May 81 | Aug 83 | M | NCDP, Box 50260, Lusaka |
| <u>Short-Term Technical</u> | | | | | | | | |
| 611-10043 | Mboroma, P | Egypt | S-T | Inv Mng | Nov 82 | Dec 82 | M | NCDP, Box 50260, Lusaka |
| 611-10043 | Mtanboh, E | Egypt | S-T | Inv Mng | Nov 82 | Dec 82 | M | MWD, Box 50197, Lusaka |
| 611-10043 | Zulu, L | Egypt | S-T | Inv Mng | Nov 82 | Dec 82 | M | NCDP, Box 50260, Lusaka |
| <u>SAAST Continuations</u> | | | | | | | | |
| 611-10036 | Gama, K.H.K. | Cal. Poly | B.Sc. | Ag Engineering | Sep 80 | Sep 84 | M | MWD, Box 50197, Lusaka |
| 611-10041 | Kachamba, Elizabeth | Pace Univ | B.A. | Business Admin | Sep 80 | Aug 84 | F | NCDP, Box 50260, Lusaka |
| 611-00014 | Iwanika, M. | U. S. Miss. | Ph.D. | Biochemistry | Jun 79 | Aug 83 | M | NCSR, Box CH 150, Lusaka |
| 611-10035 | Moono, D. | Utah State | B.Sc. | Ag & Irrig Eng | Sep 79 | Dec 83 | M | NIRS, Box 68, Mazabuka |
| 611-20002 | Sikabbubba, Ruth | U.C. Davis | B.Sc. | Food Science | Aug 82 | Jun 85 | F | NCSR, Box CH 150, Lusaka |
| <u>Termination</u> | | | | | | | | |
| 611-10040 | Maitwa, Rosa | Am. Univ | B.Sc. | nursing - disc | Aug 80 | Feb 81 | F | Min Health, Box 205 Lusaka |
| 611-10039 | Mulo, G. | Georgetown Univ | Ph.D. | economics | Sep 80 | Dec 85 | M | Bank Zambia, 30000 Lusaka |

Total:

ZATPID -- Long-Term
 ZATPID -- Short-Term
 SAAST Continuations -- Long-Term
 SAAST Terminations

3
 3
 5
 2
 13

174

September 19, 1985
LusakaTo: Dr. M. Apilegate
From: Bogale DemissieSUBJECT: DATA PROCESSING TIME ESTIMATION
FOR MULTI-PURPOSE RURAL HOUSEHOLD
BENCHMARK AND FLOW SURVEY 1985

The following estimates roughly outlines the time required to capture collected data from pre-prepared questionnaires and processing on microcomputer for the Multi-purpose Rural Household Benchmark and Flow Surveys of 1985.

The estimation are outlined in two parts:

1. The Benchmark Survey: estimations based on prepared questionnaires, and
2. The Flow Survey: estimate roughly made from the draft questionnaires.

1. The Benchmark:1.1 The data keying work.

The Benchmark Survey which canvased on sample bases covering households have 13 data entry forms classified as follows:

| <u>Entry Form No.</u> | <u>Main Description of Entry</u> | <u>Number of Entry (ies)</u> | <u>Key strokes per Entry</u> | <u>Total Key Strokes</u> |
|-----------------------|---------------------------------------|------------------------------|------------------------------|--------------------------|
| 01 | Household Particulars | 10* | 24 | 240 |
| 02 | Crop Production Part 1 | 5* | 55 | 275 |
| 03 | Crop Production Part 2 | 1 | 29 | 29 |
| 04 | Crop Production Part 3 | 1 | 73 | 73 |
| 05 | Crop Production Part 4 | 1 | 80 | 80 |
| 06 | Number of Livestocks | 1 | 73 | 73 |
| 07 | Livestocks and Foultry | 1 | 27 | 27 |
| 08 | Nuts or Fruit Tree | 1 | 55 | 55 |
| 09 | Marketing and Rural Services Part 1 | 1 | 60 | 60 |
| 10 | Marketing and Rural Services Part 2 | 1 | 82 | 82 |
| 11 | Marketing and Rural Services Part 3 | 1 | 26 | 26 |
| 12 | Attitudes | 1 | 50 | 50 |
| 13 | Inventory of Farm equipment and tools | 19* | 10 | 190 |
| All | Entry form numbers | 13 | 2 | 26 |
| All | Identification number | 1 | 11 | 11 |

Maximum total number of possible
key strokes per household

1297
=====

Note: * Maximum number of entries estimated per entry form.

the number of households = 1000
 the maximum number of key strokes per household = 1257
 the number of key strokes for Benchmark Survey = 1000 * 1257
 = 1,257,000
 the number microcomputers (proposed) in use = 2

In order to estimate the time to enter the data onto the microcomputers through floppy diskette, we should make some assumptions.

These are:

- . 10% for possible microcomputers idle time due to power failure or staff absenteeism or computer breakdown,
- . 5% for data to be reentered because of errors encountered during verification,
- . 5% for manual corrections during editing, and
- . 100% verification will be done.
- . Average of 7000 key strokes per hour
- . 5 productive hours per day

The time in terms of days to enter the Benchmark Survey onto the microcomputers is the following:

Number of work days = Total key strokes / Key Strokes per work day

= (Total number of key strokes for survey * verification factor *
 factor for re-entering for data entry errors *
 factor for manual corrections for editing problems)
 (Number of microcomputers * factor for microcomputer
 operational efficiency * productive hours per day *
 average key strokes per hour)

= (1,257,000 * 2 * 1.05 * 1.05) / (2 * .9 * 5 * 7000)
 = (2,859,885) / (63,000)
 = 45 days

To key in 1000 household Benchmark Survey information on two microcomputers it will roughly take a maximum of 45 days or one and half months.

This might be improved slightly as the operators familiarize themselves on the keying exercises.

If the survey afford to pay overtime or able to utilize any other services in Lusaka, such as by requesting CSO to assist on overtime bases or give part of the job to private service, the data keying work can be done within few days.

That is three to seven days depending upon the number of microcomputers and data entry operators are available.

1.2 The data editing and tabulation work.

Assuming that most of the data checking, such as range checks and two or more variables consistency checks, accomplished during the data keying time by using data keying program, the following rough estimate has been made for further data editing and final tabulation work.

These are:

- . for the data editing which includes further checking of range and consistency check of entry forms and variables and corrections will roughly be = 14 days
- . the tabulation and analysis work will be difficult to estimate since it require to know:
 - the number of tables to be produced
 - how complex the tables are
 - what type of program software are going to be used
 - whether it requires to write special purpose program for the tabulation and analysis, and
 - how soon the reports are needed.
- . but very optimistically, after the data get "cleaned", it will take 10 to 20 minutes to produce one table for the 1000 household records depending on the complexity of each tables and the type of program that is going to be used.
- . therefore taking this into consideration the following rough estimate has been given for the tabulation work.
 - to prepare and test tabulation parameters (suppose if we use SFSS or other similar tabulation programs) for estimated 50 to 70 tables 14 days
 - to produce, check, correct and re-run tables 15 days

2. The Flow Survey

2.1 The data keying work.

The Flow Survey questionnaires are not yet finalized. Therefore taking the rough draft questionnaires the following estimates has been made.

| <u>Entry Form No</u> | <u>Main description of entry</u> | <u>Number of Entry(ies)</u> | <u>Key strokes per entry</u> | <u>Total Key strokes</u> |
|----------------------|--|-----------------------------|------------------------------|--------------------------|
| F2.1 | Crop Production | 5* | 12 | 60 |
| F2.2 | Seeds used | 5* | 8 | 40 |
| F2.3 | Fertilizer applied | 5* | 10 | 50 |
| F2.4 | Herbicide/Pesticide | 5* | 10 | 50 |
| F2.5 | Labour flow | 10* | 8 | 80 |
| F2.6 | Animal power | 1 | 15 | 15 |
| F2.7 | Mechanical power | 1 | 15 | 15 |
| F2.8 | Other expenses | 1 | 15 | 15 |
| F3.1 | Livestock Production | 20* | 30 | 600 |
| F3.2 | Labour flow | 5* | 13 | 65 |
| F3.3 | Feeds used | 10* | 9 | 90 |
| F3.4 | Other expenses | 1 | 15 | 15 |
| F4.1 | On-farm Part 1 | 5 | 8 | 40 |
| F4.2 | On-farm Part 2 | 5 | 8 | 40 |
| F4.3 | Non-farm activities | 3 | 8 | 40 |
| F4.4 | All other entries | | | |
| | . estimated | 10 | 30 | 300 |
| All | Entry form numbers | 15 | 2 | 30 |
| All | Identification number | 1 | 11 | 11 |
| | Maximum total number of possible Key strokes per household | | | 1538 |

Note: * Taking the maximum possible entries per subject per household and visit.

| | |
|--|------------------|
| the number of households sub sample coverage | = 600 |
| the number of visits intended for the survey | = 5 |
| the maximum key strokes per household | = 1538 |
| the total keystrokes for the Flow Survey | = 600 x 5 x 1538 |
| | = 4,614,000 |
| the number of microcomputers to be used | = 2 |

Taking the same assumptions as of the Benchmark Survey estimate above, number of work days to key in the Flow Survey sub sample will roughly be as follows:

$$\begin{aligned} \text{Number of work days} &= (4,614,000 \times 2 \times 1.05 \times 1.05) / (2 \times .9 \times 7000) \\ &= (10,173,870) / (63,000) \\ &= 162 \text{ days} \end{aligned}$$

To key in the 600 sub sample Flow Survey data for five possible visits using the two (proposed) microcomputers it will take roughly 162 days.

As suggested above in the Benchmark Survey, the working days can be minimized to few days by using other facilities, such as the MAUD and CSO microcomputers and other services in Lusaka depending on availability of funds.

2.2 The data editing and tabulation work.

Since the questionnaires are not finalized, it will be very difficult to calculate and know how complex the editing procedure would be.

But just to give some estimate taking into account that most of the basic editing work will be undertaken during the data entry, the checking, further editing and correction of the Flow Survey variables would be within the region of two to three months.

The tabulation also depends on what type of tables, how many, the complexity of the tables and the type of program language that is going to be used. Again very roughly to prepare, test and run 50 to 60 tables will take one to two months.

Summary.

To process the Benchmark and Flow Survey 1985 data assuming that the two proposed microcomputers will be in use will be as follows:

| <u>Work</u> | <u>Estimated</u> | | <u>Days</u> |
|----------------------------|------------------|-------------|-------------|
| | <u>Benchmark</u> | <u>Flow</u> | |
| 1. The data keying | 45 | 162 | 207 |
| 2. The data editing | 14 | 45 | 59 |
| 3. The program preparation | 10 | 10 | 20 |
| 4. The tabulation | <u>10</u> | <u>30</u> | <u>40</u> |
| Total | 79 | 247 | 326 |
| | === | ==== | === |

The timing of the data keying can be reduced greatly if able to use other facilities as suggested above.

For example if we increased the number of microcomputers, it will decrease the timing as shown below:

| <u>Number of microcomputers</u> | <u>Benchmark</u> | <u>Flow</u> | <u>Total</u> |
|---------------------------------|------------------|-------------|--------------|
| 4 | 22 | 81 | 103 |
| 6 | 11 | 41 | 52 |
| 8 | 6 | 21 | 27 |

General

- A. In order to minimize the timing, it will be advisable to use a data keying program like the ENTRYPOINT with having editing capabilities which will definitely minimize the data editing time and reduce the number of errors to possible minimum.
- B. The required tables for Benchmark and Flow should be prepared and outlined very urgently so that the preparation of parameters for the microcomputers should be started now.
- C. Unless specialized form of tabulation is required, which requires a great deal of time to prepare and expert to do, it will be advisable to identify what type of program package is going to be used and find out it's availability on time.

Bogale Demissie

ANNEX 7

ORGANIZATIONS AFFECTING GRZ POLICY FORMULATION AND IMPLEMENTATION

The key civil service organizations involved in policy formulation and planning for the agriculture sector in Zambia are the Ministry of Agriculture and Water Development (MAWD); the Ministry of Finance (MOF), which includes the National Commission for Development Planning (NCDP) and the Central Statistics Office (CSO); the Rural Development Studies Bureau (RDSB), the School of Humanities and Social Sciences and the School of Agricultural Sciences at the University of Zambia (UNZA). Political organizations, such as the United National Independence Party's (UNIP) Central Committee and its Research Bureau, the Cabinet, the Parliament and the President and his State House advisors, also have a role in agricultural policymaking. Another powerful force is the Commercial Farmers' Bureau. Finally, there are a number of government organizations that have an interest in agricultural policy. These include the Ministry of Cooperatives (MOC); the agricultural parastatals - the National Agricultural Marketing Board (NAMBoard), the Lint Company of Zambia (LINTCO), Dairy Produce Board (DPB) and Tobacco Board of Zambia (TBZ); the Ministry of Lands and Natural Resources; the Ministry of Decentralisation (MOD); the Ministry of Commerce and Industry (MCI); the Zambia Cooperative Federation and the Zambian Agricultural Development Bank and Agricultural Finance Corporation (the latter two slated for merger). The interests of this latter group of organizations ranges from consultative roles in policymaking and planning to policy implementation and program execution.

The organizations with a major role in policy formulation and planning will be described in this section of the report. Additional organizations whose structure and functions were examined in accordance with the design of the ZATPID II PID, but which were found to have peripheral roles in the policy formulation/planning processes, are also included.

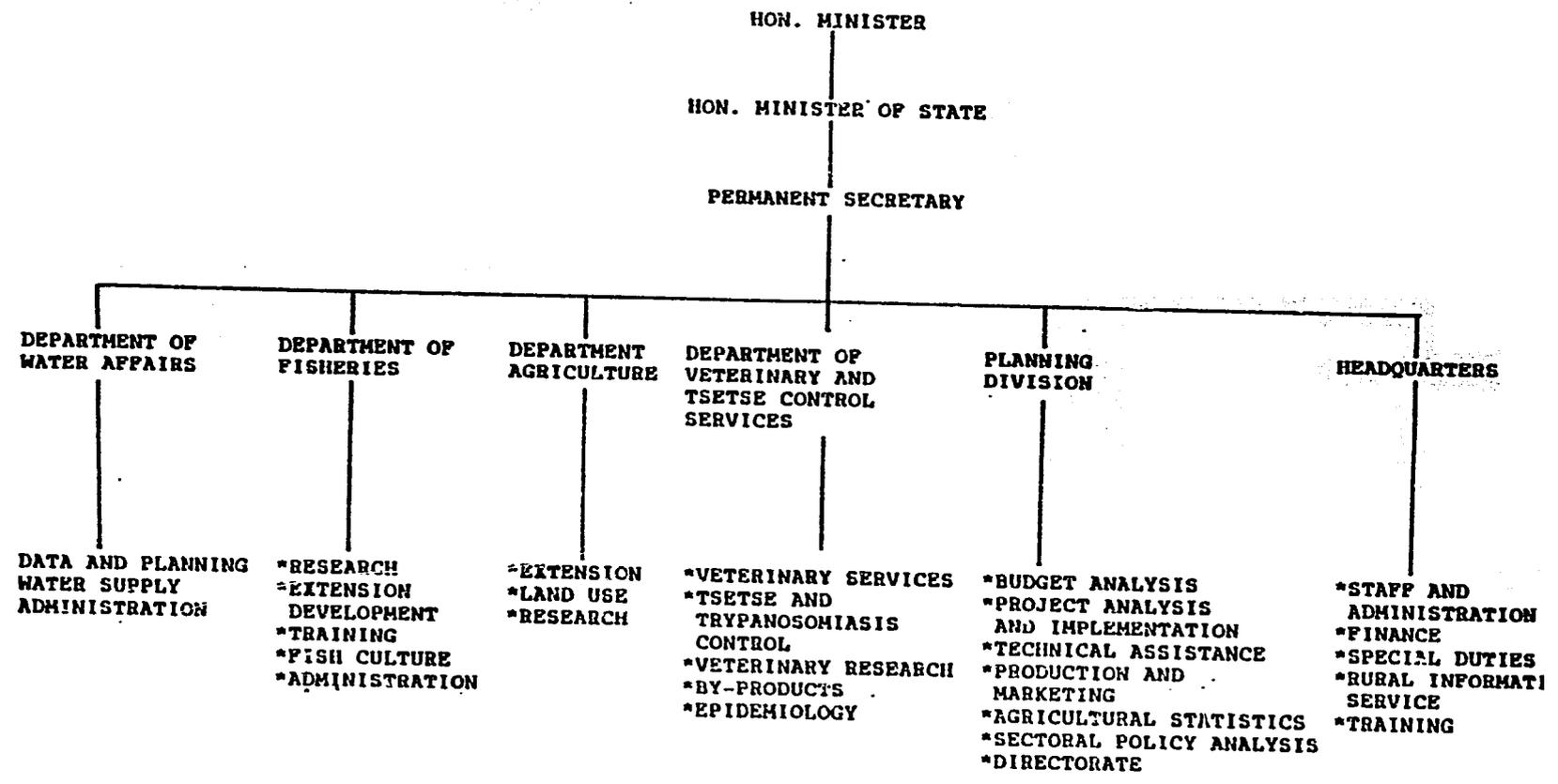
POLICY FORMULATION ORGANIZATIONS

The Ministry of Agriculture and Water Development

This ministry (See Figure 1) is the principal agency for agriculture in the GRZ. It is responsible for providing services and advice to the farming population, for managing development of the agricultural sector consistent with agricultural policy objectives and for general direction of the agricultural parastatals. The ministry employs 14,300 people (of whom 9,350 are non-civil servants), and has a recurrent

Figure 1

THE PRESENT DEPARTMENTS AND SECTIONS OF MAWD



181X

budget of K51.5 million (with a 1985 capital budget of K63.6 million). There are four operating departments in MAWD - Agriculture, Veterinary and Tsetse Control Services, Water Affairs and Fisheries - and two central divisions, Headquarters and Planning (Peat, Marwick et. al. 1985:vi).

MAWD/Planning Division

The Planning Division (PD) is the locus of policy formulation within MAWD. It is headed by a Director who reports directly to the Permanent Secretary. Its duties include the coordination of the capital budget, planning, and project implementation; compilation of agricultural statistics and advising on sectoral policy. The overall objective of MAWD/PD, as articulated in a 1982 study of the division, is "[t]o facilitate the achievement of the [agricultural] sector objectives in the long run through (a) generation and provision of knowledge to agencies and people managing agricultural development in the country; (b) formulation of policy guidelines; and (c) design of a long-term development strategy for coordinating the planning and implementation of investment projects and programs within the agricultural sector (World Bank 1982:25)."

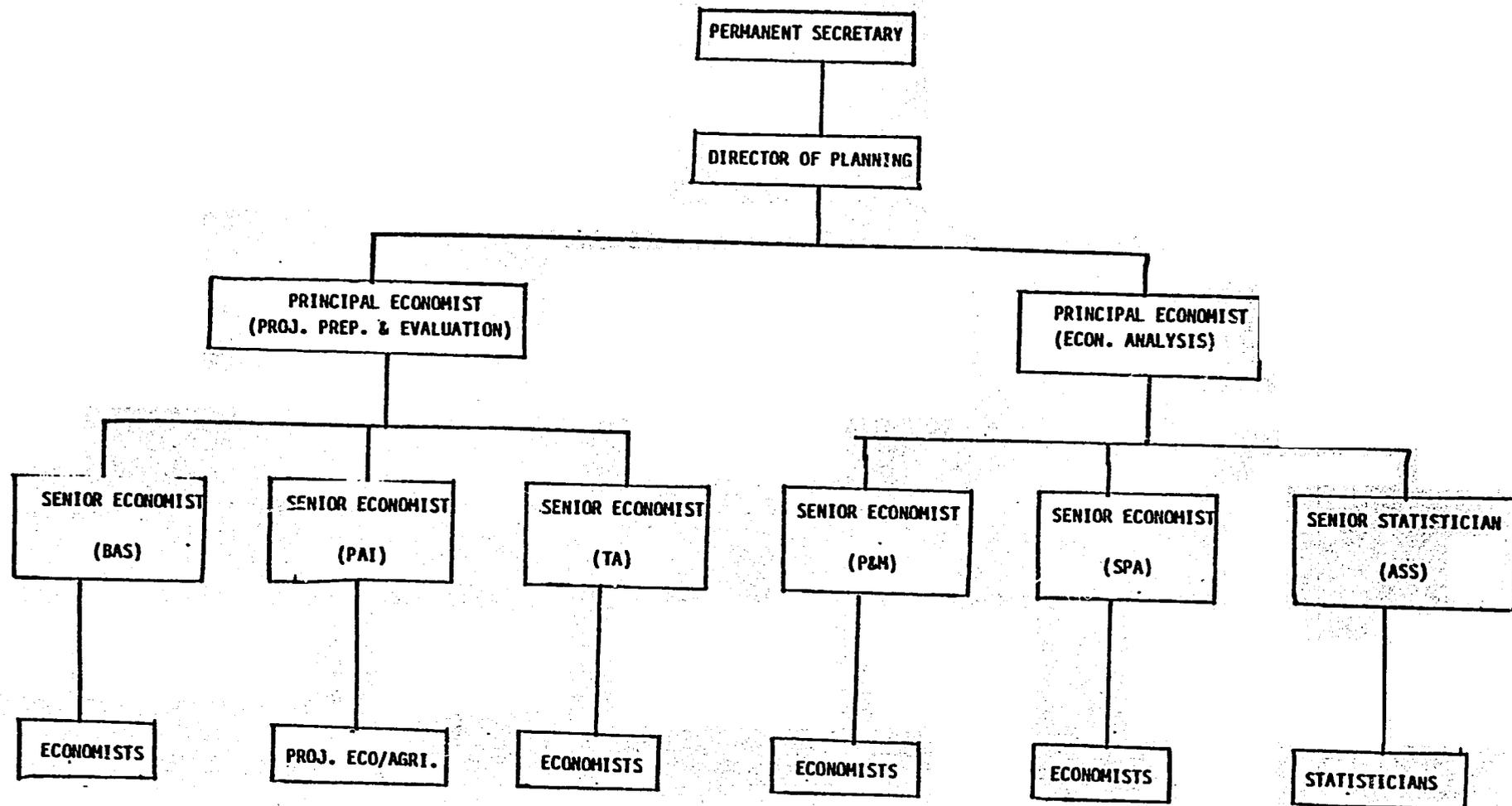
Specifically, the Planning Division is charged with the following functions:

1. to provide planning and evaluation of individual project proposals;
2. to liaise with the operating departments of MAWD, foreign donors, agencies and other government ministries and parastatals;
3. to perform economic and statistical analyses and other special studies within the agricultural sector such as commodity pricing studies, supply and demand projections of agricultural commodities and inputs; and
4. to coordinate MAWD-wide activities such as budget submission, annual reports, etc. (World Bank 1982:6).

The MAWD Planning Division is divided into six sections (Figure 2) - Technical Assistance (TA), Budget Analysis (BAS) Project Analysis and Implementation (PAI), Production and Marketing Section (P&M), Sectoral Policy Analysis (SPA) and Agricultural Statistics (ASS). A new Director of Planning was appointed in November 1985. He has indicated a desire to make several changes in the structure of the PD in accordance with the recommendations of a 1982 World Bank study. Acting Section Heads (senior economists) were appointed on

Figure 2

MINISTRY OF AGRICULTURE AND WATER DEVELOPMENT
PLANNING DIVISION



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January 15, 1986. The post of Deputy Director has remained vacant for the past two years, but the Director has indicated his strong desire to fill the position as soon as possible. He has also indicated his intention to try to implement the two recommended, but never-established, posts of principal economists. Thus, PD is assuming a more hierarchical structure than it has in the recent past, so that it will in practice, as well as in theory, reflect the organization depicted in Figure 2. Further, the January 15 memorandum presaged some equally important procedural and substantive changes to facilitate the flow of work and to maximize the use of divisional resources.

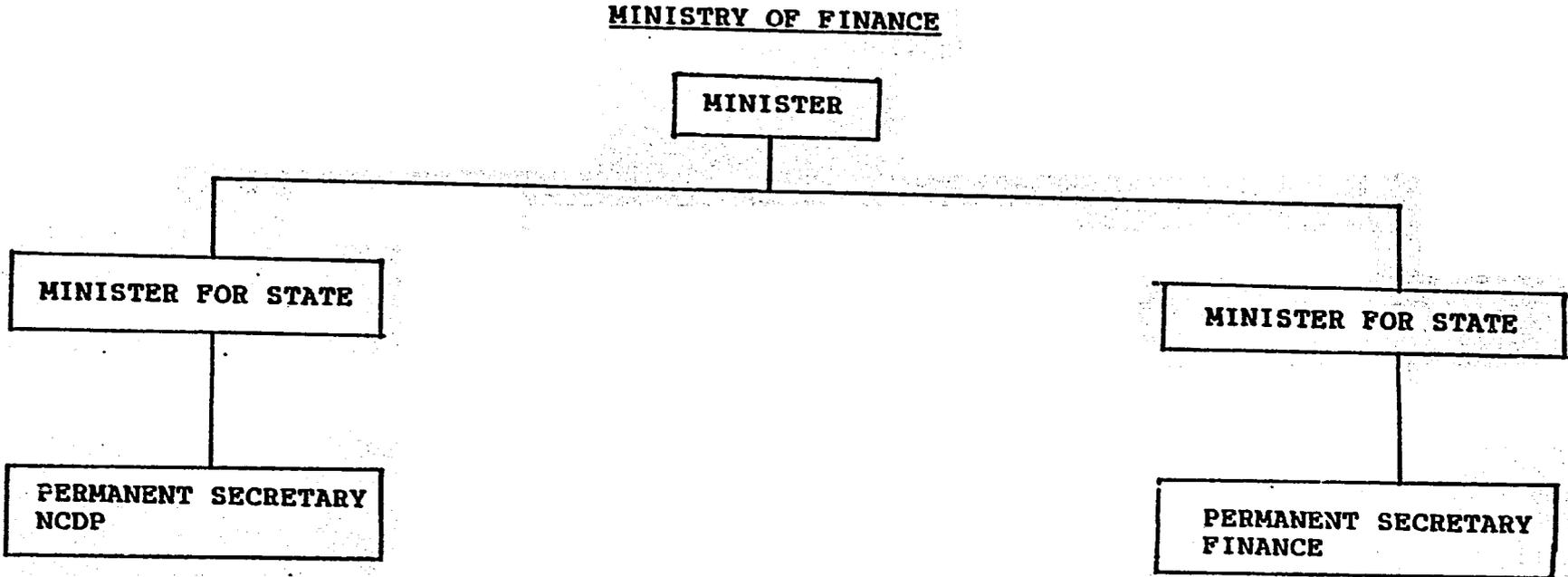
The Ministry of Finance and National Commission for Development Planning

The Ministry of Finance (Figure 3) is responsible for the financial management of the GRZ. Its functions include both budgeting and financial accounting. In 1985, the National Commission for Development Planning was subsumed under the portfolio of the Minister of Finance. Thus, the Ministry now has a planning arm as well as a financial administration arm. For ease of discussion, however, the budget and financial aspects will be described first, and NCDP, housing the planning function, will be described subsequently.

The Ministry of Finance has three major departments, all of which are relevant to the agriculture sector. The first is the Budget and Economic Affairs Department. Within that department, the Budget Division has responsibility, along with the Sectoral Planning and Investment Policy Departments of NCDP, for preparing the annual budget submission to Parliament. It is in the Budget Division that resource allocation decisions are made for the recurrent budget, while NCDP makes decisions for the capital budget. Both of these arms of the Ministry of Finance are concerned with global allocation within the GRZ resources; that is, they do not examine agriculture in isolation, nor do they reach the level of detail of any of the sectoral ministries such as MAWD.

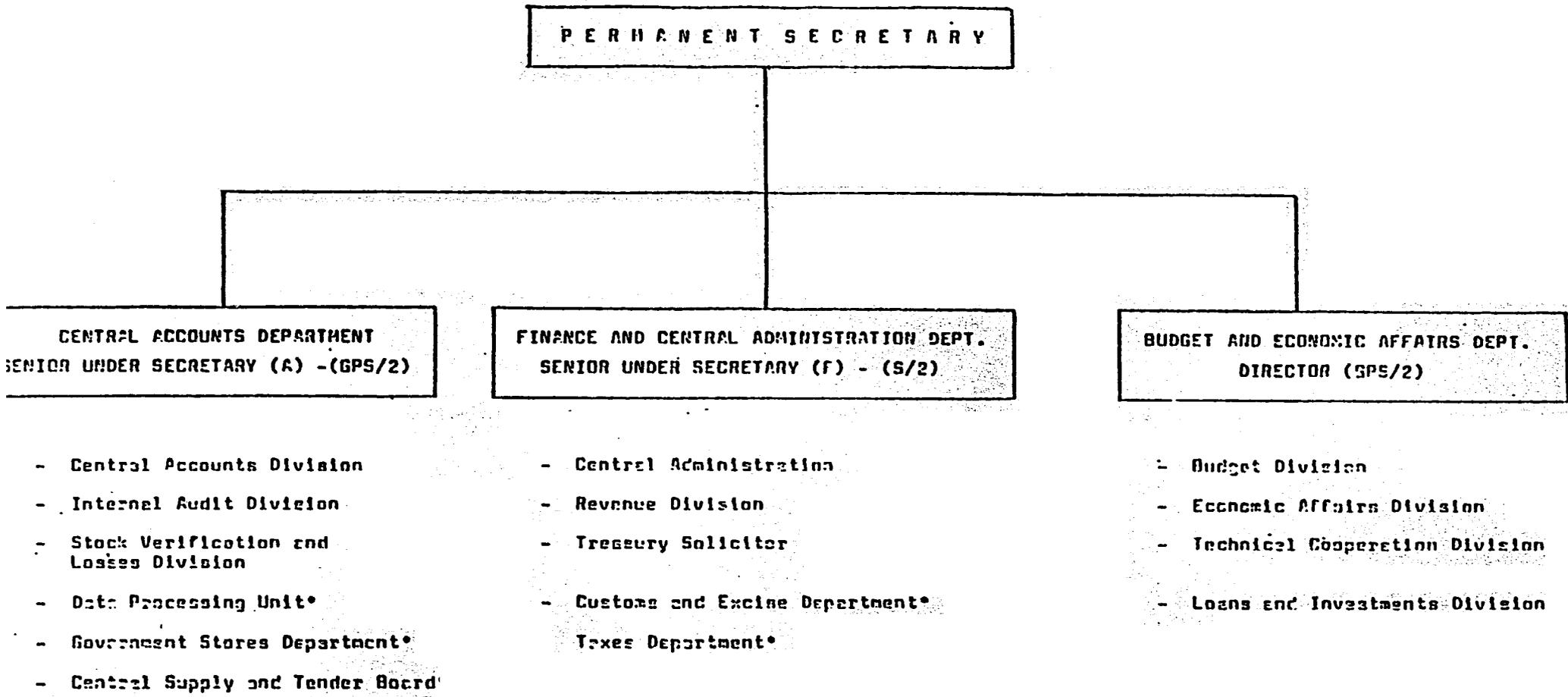
There are two other important sections besides the Budget Division within the Budget and Economic Affairs Department. The Loans and Investments Office in the Budget and Economic Affairs Department has approval authority for all agreements between the GRZ and donors. After the merger with NCDP, the Economic and Technical Cooperation Department of NCDP was moved under Loans and Investments Section. It has specific responsibility for liaison with the different donors. As the MOF is usually the signatory to agreements with donors, the Loans and Investments section also has responsibility for monitoring the financial flows from donors, and

Figure 3



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Figure 4



These are autonomous departments with separate fundings

(Proposed functional organization of the Ministry of Finance)

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for certifying to each donor that any conditions on which assistance is premised have been met.

The second department is Central Accounts, which is responsible for financial accounting, internal audits, the issuing of checks and so forth. The department has Senior Finance Officers, and sometimes other junior officers, seconded to each ministry to perform the financial accounting services. Technically, all such officers report to the Ministry of Finance.

The third department is Finance and Central Administration, which has sections for Taxes, Revenue, Treasury Solicitor and Customs and Excise, in addition to central administration of the MOF. Insofar as macroeconomic policies affect the agriculture sector, this Department also plays a role in encouraging or constraining sectoral growth.

National Commission for Development Planning

The NCDP (Figure 5) is responsible for coordinating sectoral planning across the Zambian economy, for coordinating all technical assistance, for managing the Provincial Planning Units, which have an impact on agricultural development at the regional level (Peat, Marwick et. al. 1985:8), and for national-level data collection and statistical analysis. It coordinates and has final authority over the preparation of the country's five-year development plans and the annual plans deriving therefrom. The NCDP is divided into six departments - Sectoral Planning; Investment Policy, Programming and Project Preparation; Regional Planning; Central Statistics Office; Manpower Planning and Research; and Administration. The first four departments listed are most relevant to agricultural policymaking.

In contrast to MAWD, NCDP's mandate requires it to place the agriculture sector in the context of the overall economy. Thus, in terms of investment potential, the Investment Policy Unit weighs the alternatives presented in the agriculture sector against those in other productive sectors. It analyzes non-government (donor and private sector) as well as government resource allocation. The Project Preparation and Evaluation Unit has responsibility for technical assessment of all donor project proposals, and for monitoring and evaluation. However, the Permanent Secretary stated that lack of adequately trained manpower, coupled with the high number of donor projects in the agriculture sector preclude either of these units from completely fulfilling their responsibilities.

The Sectoral Planning Department includes on its staff three professionals - two economists and a senior economist - whose specific responsibility is to liaise with MAWD. Their tasks include examination and analysis of MAWD's budget submission,

recommending alterations and negotiating with MAWD to resolve any differences.

The Regional Planning Department has central administrative responsibility for the direction of the Provincial Planning Units (PPUs). There is a PPU in each province, and each serves as technical advisory staff to its respective Provincial Development Council, the local body for development decisionmaking. Those PPUs with donor assistance appear to be taking a more active role and to be more effective in actually fulfilling their objectives.

Central Statistics Office

The Central Statistics Office (Figure 6) has statutory authority to approve and oversee all data collection efforts in Zambia. Specifically, the law requires CSO to

- carry out any census or sample survey required in Zambia;
- generally to organize a coordinated scheme of social and economic statistics related to Zambia; and
- submit an annual report to the Minister [of Finance] on the Department's activities (Republic of Zambia 1955:5).

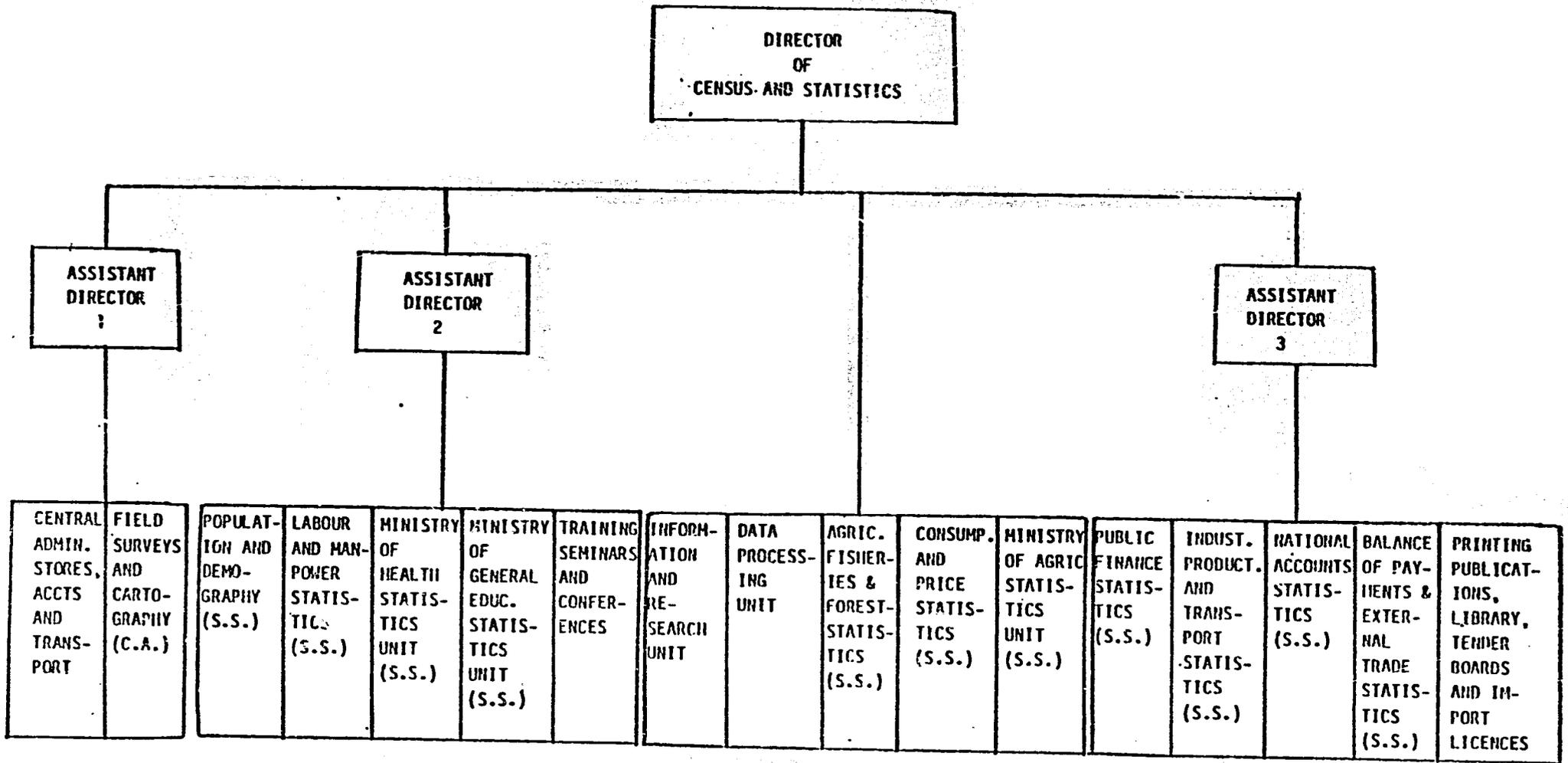
With respect to agriculture, CSO is responsible for collecting and processing national agricultural statistics and for implementing special surveys for MAWD or other ministries as required. Thus, it is the primary provider of empirical information on the agriculture sector.

The University of Zambia

Rural Development Studies Bureau

The RDSB is another source of data that is complementary to the CSO in terms of types of collection efforts, levels of analysis, methodologies and study purposes. Formerly the Rhodes-Livingston Institute, it is one of four research institutes that comprise the National Integrated Rural Development Studies Centre, which is part of the research arm of the University of Zambia. It has a Director, four senior research fellows, seven research fellows (three on study leave), three research officers and an administrative staff of six. In addition to the salary, benefit and operating cost support received from UNZA, RDSB enters into contracts to perform studies and analyses for GRZ, donor or other entities and is thus self-financing to a certain extent. This allows it some flexibility in undertaking data collection and analysis activities. In addition to his more academic role, the

Figure 6



Note: C.A. = Census Administrator
 S.S. = Senior Statistician

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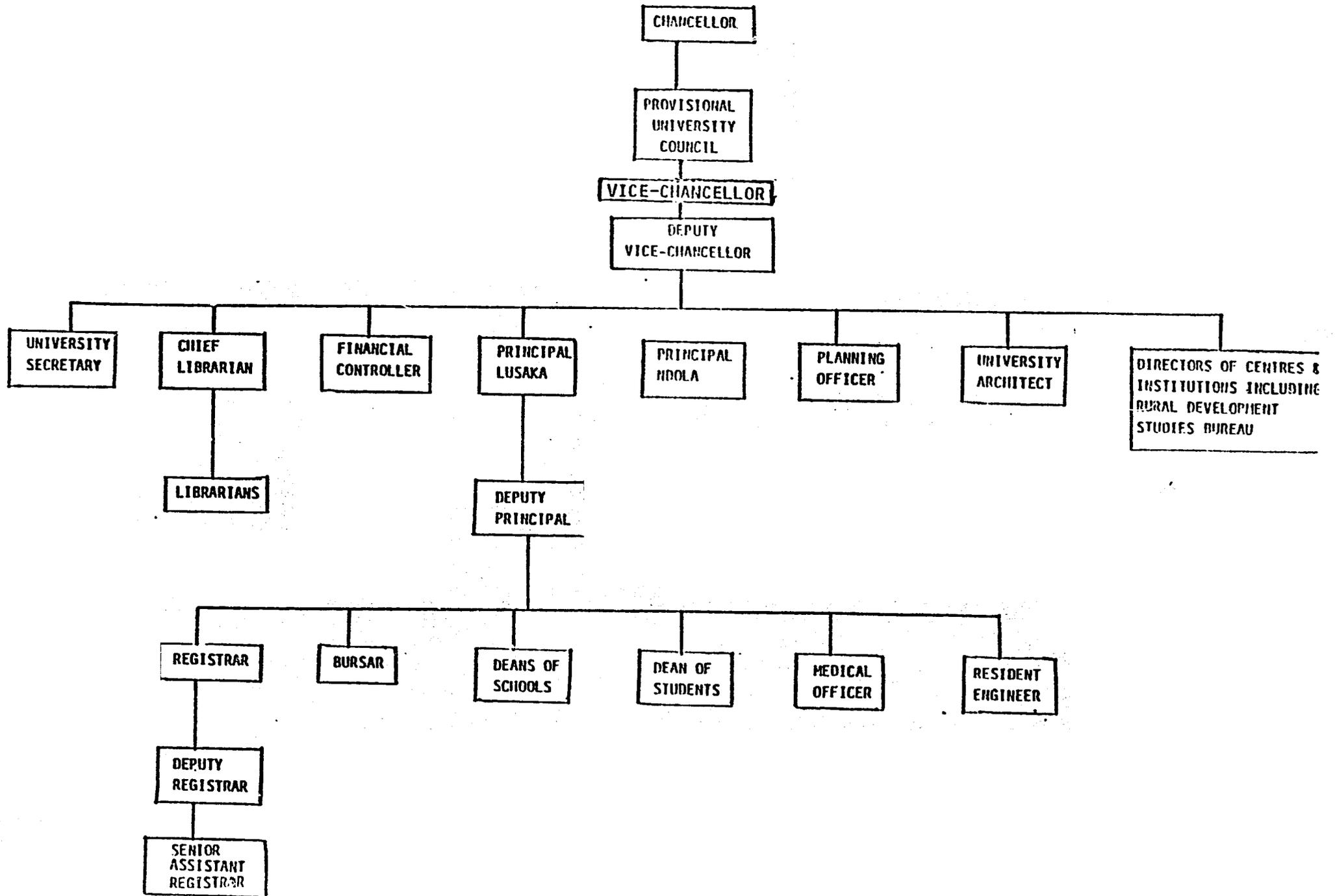
Director is an advisory member of the UNIP Central Committee's Rural Development Subcommittee, described below and in Section III.D.

The Schools of Humanities and Social Sciences and Agricultural Sciences

The University of Zambia (Figure 7) was established in 1965, beginning with three schools - Education, Humanities and Social Sciences, and Natural Sciences - and incorporating the former Rhodes-Livingston Institute and the Oppenheimer College of Social Service. Subsequently, Schools of Law, Engineering, Medicine, Agricultural Sciences, Mines, Business and Industrial Studies, Environmental Studies and Veterinary Medicine have been added. In 1979, a new Act of Parliament created a federated university structure with three constituent institutions in Lusaka, Ndola, and a rural location, later determined to be Solwezi. Throughout the late 1970s, as the movement for federation grew, it was expected that the School of Agricultural Sciences would be located in whatever rural location was chosen. The development of the program and physical plant lagged considerably because the site had not been selected, and resources were not devoted to what was thought to be a temporary site. In 1980 the decision was taken to permanently locate Agricultural Sciences in Lusaka. Recently, the Japanese government has undertaken construction and staffing of the School of Veterinary Medicine. The university farm exists, but it is not well developed (University of Zambia 1984).

The UNZA is the primary supplier of trained manpower to the government and political agencies responsible for policy formulation in the agriculture sector. These agencies have relied primarily on the School of Humanities and Social Sciences to provide graduates holding the Bachelor of Arts degree from the Department of Business and Economic Studies.

The School of Agricultural Sciences offers a five-year, Bachelor of Science degree in general agriculture, with a fifth year specialization in agricultural economics, under the Department of Rural Economy and Extension Education (DPREE). This specialization was established in 1984, but has not yet been fully activated. There are conflicting opinions as to whether this program is considered adequate to qualify as a B.Sc. in agricultural economics, either for immediate GRZ service in MAWD and elsewhere, or for entrance into a graduate program. According to the Deputy Vice-Chancellor, funding constraints will preclude the university from establishing a separate bachelor's degree program in agricultural economics in the foreseeable future. The DPREE faculty has an establishment of nine, of which one is encumbered by a Zambian lecturer, six are encumbered by Zambians on study leave, two are filled by expatriates (topped-up by bilateral donors).



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There are two additional expatriate lecturers in the department who are not encumbering establishment posts.

The Central Committee

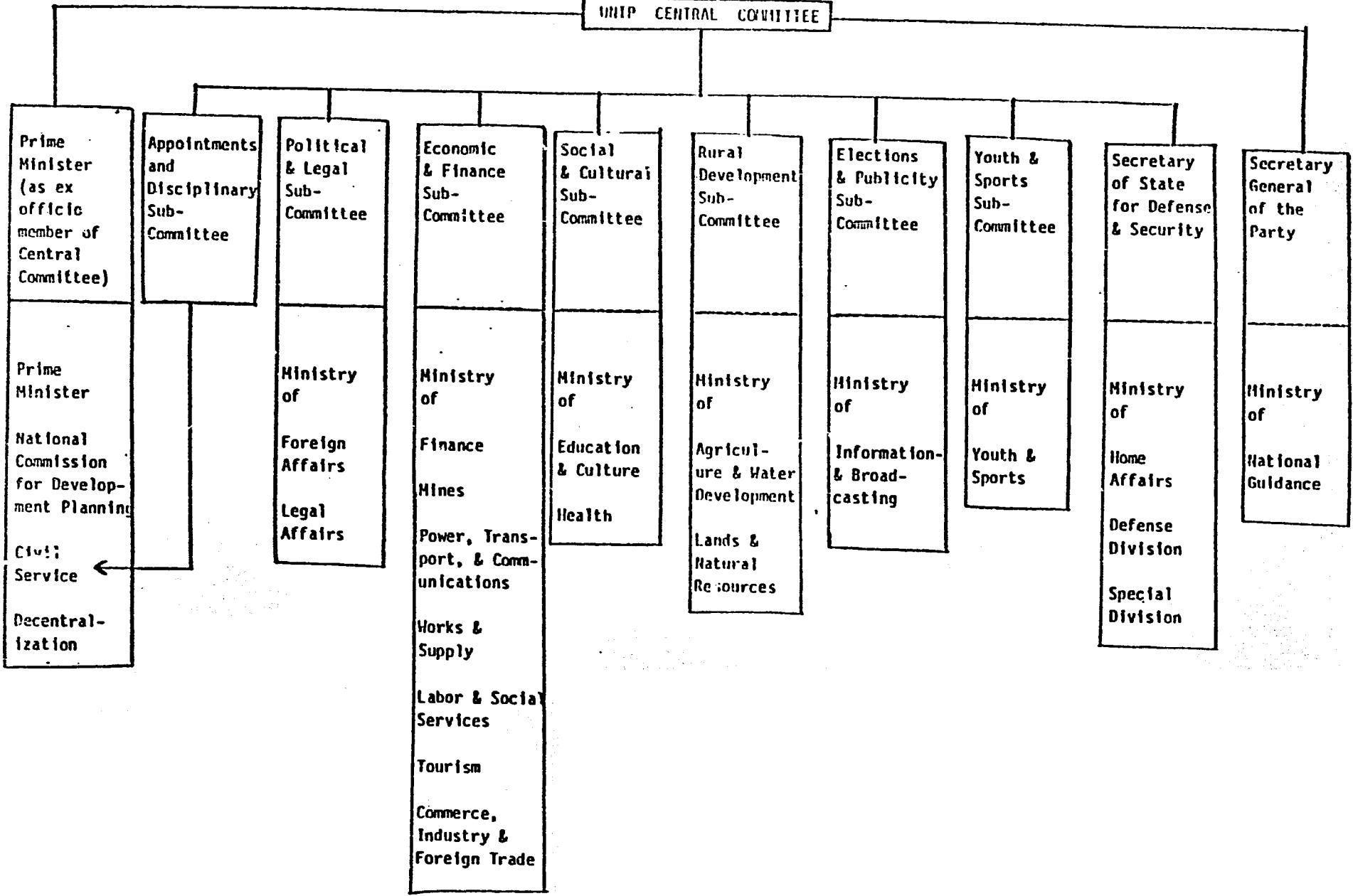
The Central Committee (CC) coordinates UNIP activities (See Figure 8). It is the highest executive body of the party, and, according to the 1973 Constitution, it is to devise policies that the Cabinet is to execute. As a practical matter, the Cabinet generally recommends policies, but major policy decisions are usually taken only with the concurrence of the Central Committee. The CC has 25 members including the president, the prime minister, twenty persons elected by the party's General Conference (which meets at least annually) and three appointed by the president. Of particular importance to the agriculture sector is the Rural Development Subcommittee of the CC (Figure 9). The subcommittee is comprised of CC and Cabinet members and is staffed by both technical and political personnel.

The UNIP Research Bureau serves the Central Committee as an advisory body. There are conflicting opinions as to its access to technical expertise, but it is clear that for major policy decisions, as have been taken in the past four years, the Research Bureau does render an independent assessment of proposed policy changes to the CC in the course of the latter's deliberations. It is unlikely that the Research Bureau undertakes the same empirically-based, detailed analysis that provided the background for some of the recent policy decisions; however, it is likely that it draws on material generated by the civil service agencies and makes an assessment of the political impact of the proposed change for consideration by the CC.

The Cabinet

Cabinet members are appointed by the President from among the members of Parliament (who may be either elected or appointed). There are twenty-five Cabinet members. Cabinet posts of particular significance to agriculture include the Ministers of Agriculture and Water Development, Works and Supply, Lands and Natural Resources, Cooperatives, Commerce and Industry and Decentralisation, the president, secretary general of the Party, and prime minister (Kaplan 1979:133-4). As outlined in Section III.D., the Cabinet may take or ratify decisions on agricultural policy, depending on the magnitude and political sensitivity of the issue. The more politicized the issue, the less likely that the cabinet will be the decision-making body.

UNIP CENTRAL COMMITTEE



NOTE: Appointments and disciplinary subcommittee oversees Civil Service Section in prime minister's office

Figure 8

Source: Kaplan, Irving (Ed.) Zambia: A Country Study. 1979

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RURAL DEVELOPMENT SUBCOMMITTEE OF CENTRAL COMMITTEE

Members:

Chair and Vice Chair RD Committee (Central Committee members)
Chairman of Youth and Sports Committee (Central Committee members)
Executive Secretary of Women's League (Central Committee members)
Minister of MAWD
Minister of Lands and Natural Resources
Minister of Cooperatives
Minister of Information and Broadcasting Services
Minister of State, Ministry of Home Affairs
Minister of State, MAWD
Minister of State, Ministry of Commerce and Industry
Minister of State, MOC
Provincial Political Secretary, Rural Development Committee
Chairman of Zambia Agricultural Development Bank
The Archbishop of The Lusaka Diocese
Minister of Youth and Sports
Minister of State, Ministry of Lands and Natural Resources
Chairman of Zambia Cooperative Federation

Advisors:

Managing Director, Rural Development Corporation
Commissioner of Lands
Co-ordinator: Fisheries Development Authority
Deputy Director of Research Bureau (Freedom House)
Director of RDS8
General Manager of NAMBoard
General Manager of Dairy Produce Board
General Manager of Cold Storage Board
General Manager, Zambia Seed Company

Secretary:

Secretary, RD Committee

Parliament

The parliament is comprised of the president and the National Assembly, which consists of 125 members - one from each constituency - elected for five-year terms, and ten members appointed by the President. All parliament members are UNIP members. Although all candidates for parliament must be UNIP members, elections are still contested at the local level between or among candidates.

Parliament may legislate, but all bills must be approved by the president before they can become law. "The National Assembly has not been an effective body, especially during the Second Republic. . . . It still [holds] the executive accountable for policies and performance, and it continue[s] to constitute and arena for vigorous debate and a forum for contact among elected politicians and between the people and their government (Kaplan 1979:132-3)."

The President and State House

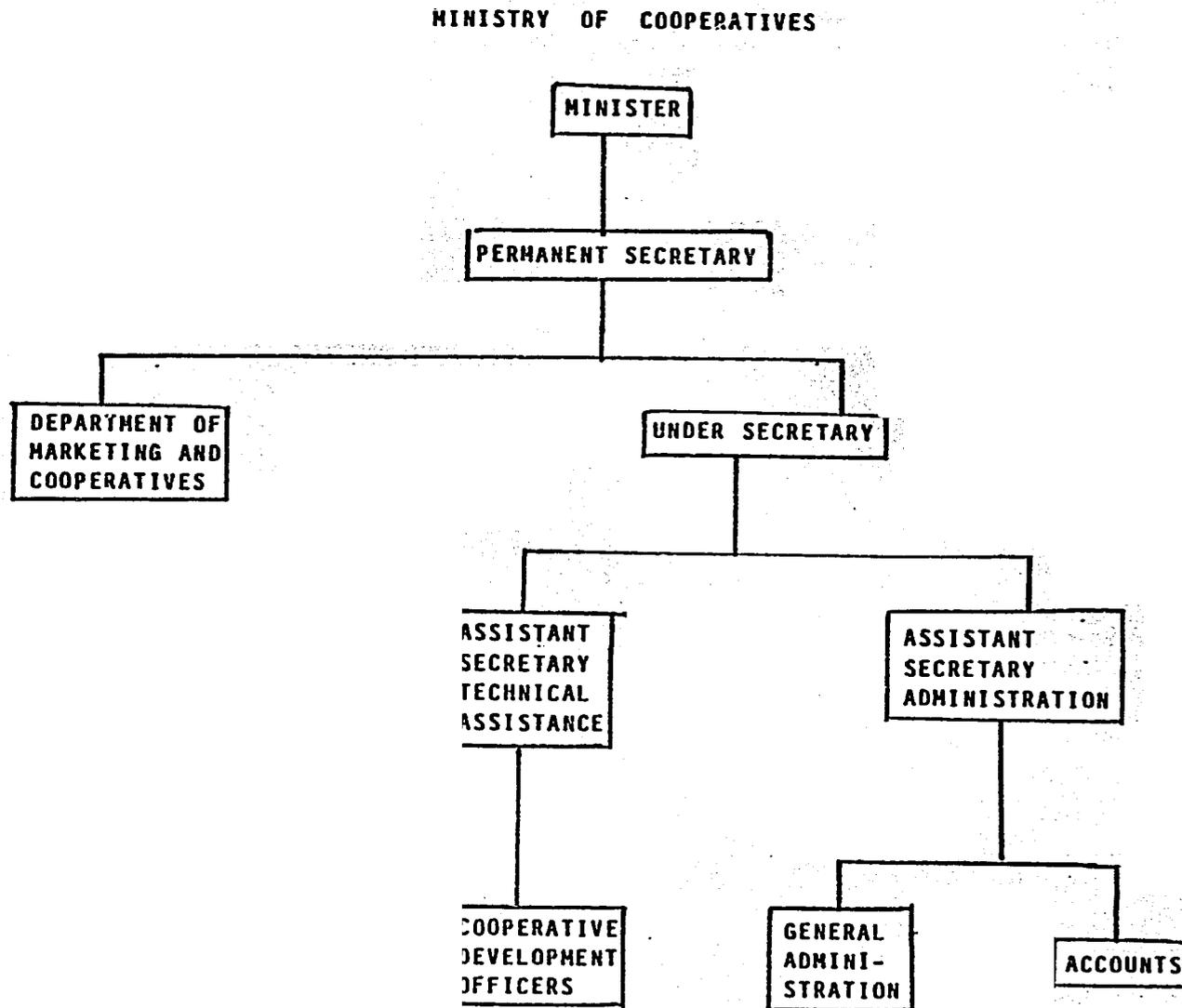
The President sits at the apex of a two-pronged government structure, consisting on the one hand of the UNIP and on the other of the civil service. Directly below the president are the secretary general of UNIP, and the prime minister, who heads the government administration. Both are appointed by the president, subject to parliamentary approval. President Kaunda has received his party's nomination from the General Conference of UNIP at each of the five-year intervals in which he has run for office. There is no limitation on the President's term of office, and he has constitutional powers to act "on his own deliberate judgment and [is not] obligated to follow advice rendered by any other person or authority (Kaplan 1979:130)."

The president maintains a small staff of advisors at State House, including several with technical skills in economics and other subjects. As mentioned in Section III.D., these advisors may be asked to comment on a policy decision, particularly when the President is asked to arbitrate among his advisors.

The Commercial Farmers' Bureau

The Commercial Farmers' Bureau (CFB) is a powerful private sector lobby group, originally made up of Zambia's large-scale farmers, cooperatives and agribusiness corporations. It has now broadened its base to include emergent farmers. Constitutionally, any "bona fide farmer," whether a person, association or company, is eligible to join.

Figure 10



The basic components of the CFB are thirteen local Farmers' Associations. Each association's chairman is a member of the CFB Council, which in turn elects an Executive Committee comprised of a Chairman, two Vice Chairmen and two other members, for a total of five. There are also seven commodity committees designated as follows: beef cattle, dairy cattle, pigs, poultry, grain, irrigated crops and oilseeds. Each committee has a chairman who serves as an ex-officio member of the CFB Council.

The CFB raises revenue by charging a nominal (K30) annual membership fee, and by assessing each member a 0.05 percent levy on crops and livestock produced. The Executive Committee controls expenditures, and control of the Bureau's property is handled by two trustees.

Published information on the CFB states that "[t]he Bureau seeks to maintain the closest possible relationship with the authorities which frequently consult it on such matters as pricing policies, crop logistics, foreign exchange allocations, overseas aid, new legislation, etc." It also "provides support and advice for members in their dealings with the authorities in appropriate cases, and keeps them informed on matters affecting farmers, [and] represents the agricultural sector on foreign exchange allocations . . . Contacts with similar organisations in other countries and international bodies dealing with agriculture are maintained (Commercial Farmers' Bureau 1985:1-2)."

POLICY IMPLEMENTATION ORGANIZATIONS

The Ministry of Cooperatives

The MOC (Figures 10 and 11) was formed in 1983 from the former Department of Cooperatives and Marketing within MAWD. This elevation to ministerial status was intended to give the cooperative movement higher visibility and better support, at a time when cooperatives were expected to rather quickly assume a larger proportion of the marketing responsibility from the heretofore parastatal monopoly. The MOC is a comparatively small ministry, with essentially one technical and one administrative department. The Marketing Section advises on the setting of commodity floor prices, but its chief role is in the analysis of the physical requirements for marketing, i.e., ensuring that the necessary stocks are in country, or that adequate foreign exchange is available in anticipation of the cooperative unions' purchase of supplies by projecting marketing flows. The Cooperatives Section provides outreach services to potential cooperatives, working closely with the Zambian Cooperative Federation. It also has responsibility for monitoring and enforcement of the Cooperative Societies Act of 1970.

the end of this calendar year.

Efforts were made to enhance the sets of interactions between the Planning Division and the Department of Agriculture within the Ministry. The Research Branch within the Department of Agriculture requested me to conduct a management and development planning workshop for all of their staff along the same lines as the one which was designed for Planning Division staff. The output report is expected to be published soon. A special seminar on formalizing indigenous agricultural knowledge systems was conducted for all staff of the 9 provincially-based farming systems Adaptive Research Planning Teams. A final effort I was involved in was the social impact analysis of the Adaptive Research Planning Teams operating in the Central Province under the auspices of the USAID-funded Zambia Agricultural Research and Extension Project being implemented by the University of Illinois.

All of the individual project activities discussed in this paper were related in a complex set of relationships and expressed in a PERT chart. Many of the activities are continuing with a new team of long-term personnel with the expectations that these activities will become institutionalized prior to the end of the project in 1987. Personally, the project allowed me to operationalize a number of skills specific to anthropology and to improve my own knowledge of agricultural planning by interacting with agricultural economists and individuals from a variety of technical agricultural fields. It also allowed me to demonstrate that a development anthropologist could work effectively as a leader for a team otherwise drawn exclusively from economics and agriculture.

ILLUSTRATIVE LIST OF POLICY AREAS OF CONCERN - ZATPID-II

The key areas of Zambian agricultural policy most likely needing continued attention and possibly further reform over the next seven years, and the reasons therefore, include those on the following list (the institutions that would be involved are indicated in parens):

1) Pricing policy (MAWD/PD, CSO)

While the GRZ recognizes the need to eliminate maize and fertilizer subsidies and to align its domestic prices with world market values, it has not yet done so. Especially now that the foreign exchange rate auction system has resulted in such a substantial depreciation of the kwacha (from K2.3/S in September 1985 to K6.7/S in February 1986), increasing these prices to the new border price equivalents is fraught with political difficulties, and yet the economic need to do so as soon as possible is just as important as before. Once the new marketing arrangements are implemented, with NAMBoard serving as the buyer and seller of last resort at the upper and lower edges of an economic range of prices, the effort to monitor what that price range ought to be and to effect timely changes based on long-run market trends, distinguishing those from short-term fluctuations, will be an important task for MAWD/PD. Since MAWD still sets floor prices for other agricultural crops, it must also continue to monitor market trends affecting those commodities and be able to change them as appropriate on a timely basis.

2) Marketing policy (MAWD/PD, NAMBoard, MOC)

The GRZ announced the withdrawal of the NAMBoard market monopoly in maize and fertilizer in January 1986. MAWD will need to monitor closely the extent to which private traders are willing and able to enter these markets in the different parts of the country, to seek ways to encourage and assist them if possible, and to better define the new marketing roles of the Provincial Cooperative Unions (PCU's) and of NAMBoard itself, as the buyer and seller of last resort.

3) Establishment and management of a National Grain Reserve (MAWD/PD, NAMBoard)

Two of the more important reasons for GRZ reluctance to free up the maize market have been 1) a fear that unscrupulous traders would gouge the small farmers on one end and then hoard the grain, driving consumer prices up and gouging the consumers on the other end, and 2) the feeling that the GRZ ought to maintain control over a certain minimum amount of maize as a strategic reserve against a bad harvest, especially in view of its dependence on politically unstable neighbors for transportation links to the outside world. Thus the political will to free up the maize market is partly dependent on NAMBoard's ability to establish and properly manage a National Grain Reserve, and its continued ability to buy grain anywhere in the country at an economically viable floor price and to

sell at the upper limits of an appropriate price range, to prevent unfair price gouging at either end. In order to ensure the political acceptance of its plan to free up the maize market, MAWD must make sure that NAMBoard learns to perform its new role efficiently and effectively.

4) Small farm production systems, water management, land use and related problems (MAWD/PD, CSO, MLNR)

In order to assist the small-scale farmer increase his production, MAWD/PD must continue to study small farm production systems, land tenure and other land use issues, and the various constraints they face, so that remedial measures may be properly designed. The potential for increasing production by enhancing water management, such as through alternative irrigation systems, marsh drainage, water storage and stock watering, will need to be subjected to technical, social and economic feasibility analyses.

5) Rural non-farm small-scale enterprises, constraints they face and opportunities for promotion (MAWD/PD, RDSB, MCI, SIDO, VIS)

Not only are non-farm rural activities important complements to farm production itself, providing inputs and processing outputs, but they also constitute important sources of household employment and income for low-income farm families. A considerable amount of data was collected in the 1985 Survey of Rural Small-scale Enterprises that has not been fully analyzed. An additional survey focussing on the characteristics and constraints facing the rural metal and ceramics industries--two of the larger groups of rural enterprises--should be conducted by RDSB, under MAWD/PD auspices and supported by the ZATPID Project, in the near future.

6) Private sector agribusiness climate, potential and ability to assume NAMBoard marketing functions (MAWD/PD, RDSB, MCI, SIDO, VIS)

Like rural non-farm small-scale enterprises, the larger-scale urban agribusiness activities complement agricultural production and provide important sources of employment and income. As noted above, MAWD/PD must be especially concerned with the ability of private traders to provide timely and efficient marketing services for maize and fertilizer. There is a need to investigate the effect of various national and local legal and regulatory constraints on the small-scale enterprise sector.

7) Agricultural credit (MAWD/PD, MOC)

The provision of timely and sufficient credit to farmers and to off-farm processing, storage, transportation and other marketing activities will assume even greater importance as NAMBoard yields its market monopoly to private traders. The Provincial Coops are especially concerned with the provision of credit to their membership, and much havoc has resulted in recent years from the inability of NAMBoard to pay producers in a timely manner.

8) Fertilizer production, marketing, subsidies and use. (MAWD/PD)

Fertilizer is produced in Zambia by a government parastatal and has been distributed solely through the NAMBoard marketing monopoly. Past pricing policies resulted in a substantial subsidy element in the form of NAMBoard operating deficits financed by the GRZ, adding to the latter's recurrent cost burden. Low fertilizer prices encouraged economically inefficient overuse of the input, especially by large-scale commercial farmers. Government attempts to raise fertilizer prices and reduce the subsidy meet stiff political opposition. Successful implementation of the recently announced decision to end the NAMBoard monopoly in fertilizer distribution will require an end to the subsidies and careful monitoring of the private sector's ability to participate.

9) Decentralized agricultural development programs and local participation, especially the cooperative movement (MAWD/PD, MOD, MOC)

Successful rural development requires increasing participation by local leaders and the people being developed. To achieve this GRZ goal more work is required to devise more effective techniques for involving local people in the decision-making and implementation processes of centrally-funded development programs, in local revenue generation and expenditure control, and in designing and implementing local self-help activities, particularly those involving land and water development, forestry and environmental conservation. Elements of the cooperative movement, for example, have been criticized for being top-down in orientation and not permitting grassroots control.

10) Land tenure situation and its impact on agricultural production incentives (MAWD/PD, CSO, MLNR)

There is growing recognition that land tenure arrangements have an important effect on the farmer's incentives to conserve the fertility of his land and to invest in long-term improvements. They can also determine what use the farmer or the community will make of different parcels of land.

11) Cross-border trade in agricultural commodities, and the need for official control or encouragement (MAWD/PD, MCI)

The magnitude and economic effects of unofficial cross-border trade, especially of commodities subsidized in Zambia, has long been a matter of official concern. While the supposed detrimental aspects of this trade should diminish as domestic prices approach border price equivalents and subsidies are reduced, MAWD/PD will want to monitor this trade and analyze its economic impact, if for no other reason than to persuade the political leadership to leave it alone.

12) Effectiveness of agricultural services and supporting infrastructure (MAWD/PD)

The need for reliable studies in this area of concern should be self evident, to enable MAWD to design more effective development

programs. In addition to the need for more effective agricultural research and extension services, areas of immediate concern include a) the transportation and storage of agricultural commodities, particularly in view of the recent decision to liberalize maize and fertilizer markets, allowing private traders to compete in this area and requiring NAMBoard to establish and manage a strategic grain reserve; b) how to achieve more efficient storage on farms and at local, provincial and national levels; and c) the appropriate role of cooperatives in providing agricultural services, especially input and output marketing, storage and credit, and what impediments exist to fulfilling these roles, including the economic viability of various activities as well as organizational and management problems.

13) Budgetary resource allocation in support of agriculture (MAWD/PD, MOF)

In its effort to restructure the economy away from copper and toward agriculture as the key productive sector, the GRZ has increased the level of budgetary resources allocated to MAWD. The most effective use of these resources, and those received from foreign donors, is a matter of great concern, particularly during the current period of severe budgetary pressure, as is the justification of sufficient allocations to do the job.

14) Overall agricultural development strategy, program priorities, and criteria for project selection and project design (MAWD/PD, NCDP)

The institutional capacity to devise a rational and coherent development strategy and achieve an efficient use of scarce investment resources in its implementation is of great importance when the country is on the downslide and resources are limited. This will require careful monitoring of the domestic resource costs and international comparative advantages of different crop, subsector and production alternatives (e.g., livestock vs. crop production, export crops vs. those that will substitute for imports, different mixes of food crops, etc.).

15) Effects of macroeconomic trends and policies on agricultural development (MAWD/PD, NCDP, MOF, CSO)

MAWD must not accept the macroeconomic environment as a given and leave such things as the foreign exchange rate, the structure and level of tariffs and other trade restrictions, the interest rate structure, minimum wage rates and domestic tax levels uncritically within the purview of other ministries. It must make sure NCDP and MOF and the other members of cabinet understand the implications of macroeconomic trends and policies on the ultimate success and efficiency of the agricultural development effort. NCDP and MOF must also improve their own institutional capacity to analyze and understand better the effects and trade-offs of such macro-level policies that are under their control or influence.

16) Relative emphasis of agricultural development programs in the overall economic development plan (MAWD/PD, NCDP, MOF)

If agricultural development is to be sustained as the priority sector of the restructuring process, particularly during times of

fiscal stringency, well-informed choices must be made to support various agricultural services and other development activities with sufficient resources to have the desired positive economic impact, without overdoing it to the point of waste.

17) Labor shifts resulting from recent policy changes and economic restructuring (NCDP, MAWD/PD, RDSB)

As the desired economic restructuring progresses, the GRZ will want to know whether there is a need for labor to shift from, say, the declining mining sector to agriculture and, if so, how to encourage and facilitate it--or whether it is sufficient for the mining workforce simply to stop growing and for the agricultural sector to absorb the annual increase in the labor force, and how to encourage that absorption, since much of the increase will occur in the urban sector. Important aspects of this area of concern will include how to reorient the expectations of school-leavers toward agricultural pursuits and what additional skills training or retraining might be helpful. In this regard, the CSO Labor Force Survey, planned for 1986 or 1987, will provide baseline data and information on employers and employees, including education, technical training, economic activity, self-employment, apprenticeship, income, nature of employment and immigration essential for this kind of analysis, and it should be supported to the extent needed and possible with technical assistance and local currency.

18) Impact of policy reforms on various social groups and ways to alleviate worst cases of hardship and to avoid serious political conflict (MAWD/PD, NCDP, CSO)

The success of the economic restructuring program, and of the policy reforms designed to support it, will ultimately depend on its political acceptance by important and articulate groups within the society, or at least their acquiescence, until the expected positive benefits begin to accrue. Therefore, the ability of the GRZ to identify and alleviate, on a timely basis, potential sources of destabilizing conflict is of the utmost importance to the success of the whole effort, in addition to its humanitarian aspects.

19) Foreign donor coordination, program priorities and criteria for project selection and design (MAWD/PD, NCDP)

The only effective way to rationalize and coordinate the multiplicity of foreign donor-supported activities in a country like Zambia is for the host-country to do it itself. MAWD/PD and NCDP must develop the capacity to establish a coherent development strategy, with a clear sense of priorities, and to impose that rationale on the selection and design of foreign donor-funded projects.

20) Intra- and inter-institutional coordination of GRZ institutions involved in rural development (PEC, MAWD/PD, NCDP)

How to achieve closer and more effective communication and coordination among the various GRZ rural development agencies themselves warrants expert attention

21) Procedures and incentive structure for the selection, retention, and career development of professionals in government institutions serving agriculture and making agricultural policy (MAWD/PD, NCDP, PSC)

The GRZ attempt to improve its institutional capacity to manage the agricultural sector, the particular effort supported by this project, can easily founder if the government agencies involved are unable to attract, develop and retain the professional personnel required. MAWD and NCDP, with technical support from this project, should take a hard look at the problem and determine what they can do by themselves to improve the situation and what reforms or improvements they should recommend to the Public Service Commission (PSC) for government-wide adoption.

22) Other organization and management issues within MAWD and other key institutions engaged in policy formulation for the agricultural sector (PEC, MAWD/PD, NCDP)

As identified by the PEC.

23) Other areas of importance as determined by the PEC

The essence of this project is to improve GRZ policy formulation, planning and management of the agricultural sector. In that spirit, the above list of major areas of policy concern can only be illustrative. The PEC, composed of the key policy-making institutions dealing with the agricultural sector, must decide which of the above areas should be given priority at a given point in time and what other areas of concern it should add as conditions change.

An attempt to put this list in priority order at this time would be purely artificial. This will be the task of the PEC as it sorts out its annual workplans. In this regard, the Mission agrees with the AID/W assessment team's conclusion that the development of the institutional capacity to perform these tasks on a continuing basis must take precedence over the prior identification of specific studies to be undertaken. Given the urgent need to deal with the aftermath effects of the major policy reforms presently underway, in order to help assure their positive economic impact and continued political viability, the most likely candidates for the earliest attention under ZATPID-II, if they are not satisfactorily dealt with under ZATPID-I, are:

- 1) Pricing policy
- 2) Marketing policy
- 3) Establishment and management of a National Grain Reserve
- 4) Private sector agribusiness climate, potential and ability to assume NAMBoard marketing functions
- 5) Agricultural credit
- 6) Fertilizer production, marketing, subsidies and use
- 7) Effects of macroeconomic trends and policies on agricultural development
- 8) Impact of policy reforms on various social groups and ways to alleviate worst cases of hardship and to avoid serious political conflict

Background.

The GRZ has embarked on a comprehensive package of policy reforms in order to restructure the economy away from its reliance on copper, imported inputs and capital intensive modes of production. The success of such a restructuring effort depends heavily on changing the price signals 1) to encourage producers and potential investors to direct more productive resources toward the agricultural sector and toward more labor-intensive industrial activities and 2) to encourage consumers to switch their consumption habits away from tradable commodities (both exports and imports) toward other commodities produced domestically. This is a necessary and vital first step, and most of the reforms undertaken to date involve price adjustments of one kind or another, including 1) the devaluation and continued flexibility of the exchange rate, culminating in the October 1985 initiation of an auction system for available foreign exchange, 2) the increase of agricultural producer prices and an agreement to adopt a pricing methodology utilizing border price concepts, 3) the raising and gradual decontrol of agricultural consumer prices, 4) the phased elimination of consumer, farm input (namely fertilizer) and commodity subsidies, 5) budgetary and wage restraint, and 6) the elimination of interest rate controls. In addition, the Government has recently announced the withdrawal of NAMBoard's monopoly control over maize and fertilizer markets and has agreed to allow private traders to compete with NAMBoard and the Provincial Cooperative Unions.

In May 1984 the GRZ presented the report, "Restructuring in the Midst of Crisis," to the Consultative Group (CG) for Zambia. The report outlined policies the GRZ proposed to undertake to reduce dependence on the mining sector and develop the productive capacity of the agricultural sector, concentrating on the smallholders, reforming price incentives, making marketing systems more open and competitive, and increasing the availability of consumer wage goods in rural areas. In addition, it stressed: "i) the importance of macroeconomic policies, including exchange rate and budgetary policies, in ensuring the efficient allocation and use of scarce resources; ii) the need to ensure that parastatal companies operate efficiently within a commercial environment to the maximum extent possible; and iii) the importance of institutional changes to upgrade economic management."

In its 1985 presentation to the CG, the GRZ reconfirmed its commitment to these development policy objectives. Over the last year the GRZ has sought to reach a national consensus in support of the required, and politically difficult, measures--an effort led by President Kaunda himself.

Recognizing the importance of better economic policies, the USAID/Zambia FY 1982 CDSS (approved in 1980) identified the improvement of Zambia's institutional capacity to generate and process reliable data and to analyze development problems and the implications of alternative policies as key areas for AID support. The importance of better policies and of improving the institutional capacity of the GRZ to deal with policy issues was re-emphasized in the FY 1985 CDSS (which was written in 1982-3) and validated by a major evaluation of AID's assistance strategy for Zambia in May 1983. The ZATPID Project has been a key element in the implementation of this USAID strategy, and provides the substantive inputs and daily personal contacts essential to the conduct of what has so far been a very effective policy dialogue process, a process that has been supported by substantial amounts of non-project assistance, as well.

Progress Under ZATPID I.

ZATPID I, funded at a life of project level of US\$9,755,000, was authorized in September 1980 to assist the GRZ to improve and strengthen its capacity for planning and management in the agricultural sector. An early political impasse, completely unrelated to the project, delayed full implementation until 1982. The project will continue through FY 1987.

The project addresses the necessary and close relationship between good policies, especially those relating directly to the agricultural sector, and the performance of that sector. Since policy formulation is a continuing process reflecting changing objectives and circumstances, the project aims to develop, within key GRZ institutions, a greater capacity for analyzing problems in the agricultural sector. The end product sought is a process which involves multiple institutions adequately staffed by competent personnel. Ideally, these institutions will make those policy decisions which, when implemented, will achieve desired objectives in the agricultural sector.

A central activity of the project has been collaboration by ZATPID advisors and GRZ personnel in conducting studies. MAWD/PD has produced nineteen significant research and planning studies ranging from groundnut production and marketing in Eastern Province, fertilizer supply and distribution, regional production and pricing models, and the economics of wheat production, to an inventory and assessment of Planning Division outputs. Studies are carried out using a collaborative problem-solving approach with the dual purpose of (1) improving current policy and management, and (2) contributing to the institution building needed for improved policymaking over the longer run. Thus, the studies are aimed at improving the GRZ's performance in, and strengthening its capabilities for, analysis, planning and management in the agricultural sector.

The January 1986 "ZATPID Impact Assessment and Institutional Analysis" (Annex G) found that the project has begun to make a significant impact on the agricultural policy process both in terms of the effect of specific project studies, and in terms of strengthened coordination between key Zambian institutions. For example, certain of the studies (e.g. Groundnut Study, Agricultural Finance Markets Study, Tractor Hire Study) formed a basis for specific policy recommendations. Also, several participants have returned to Zambia, most of them to the institutions which sent them and to positions from which they can affect agricultural policies. Accomplishments cited as important to the institution building objective have included establishment of a library in MAWD, a computer center in MAWD, and a data processing center at CSO, the regular publication of an Agricultural Planning Newsletter and other information dissemination, and various seminars related to improved procedures and management. Also noted in the assessment was the collaboration between CSO and MAWD/PD on a major agricultural survey, whereas in the past both organizations independently collected this type of data.

The conclusion from the assessment is that while some progress toward sustained, institutionalized and localized processes has been made during the implementation of ZATPID I, a great deal more needs to be done in both policy formulation and institutional coordination. AID's involvement in strengthening a Zambian policy formulation and planning process should continue, since that job is not yet completed. This is even more the case since, within the last 2 or 3 years, pressure for policy change in agriculture has mounted, and there has been greatly increased demand for policy analysis. The institutions are simply unable to keep up. The team found the basic design concept of ZATPID I to be sound, and recommended its continuation under ZATPID II. According to the assessment, the situation of continued need and the positive impact of ZATPID I clearly justify proceeding to a follow-on project.

Project Description.

Goal and Purpose. Consistent with the USAID/Zambia emphasis on improving performance in the agricultural sector, the goal of this project is to increase Zambia's total agricultural and per capita food production and small farmer income.

The specific purpose of the project is to improve GRZ agricultural policy formulation, sectoral planning and management. Changes to be expected by the end of the project which will indicate that the project purpose has been achieved will be: (1) improved planning and management in MAWD/PD, NCDP, MOF and CSO, and other relevant institutions; (2) an increase in the availability and effective utilization of information

and analysis for policy decisions; (3) improved communication and coordination among GRZ institutions key to the policymaking process; (4) improved and more effective allocation of GRZ and donor resources for investment in the agricultural sector; and (5) improved design and execution of agricultural projects.

Project Strategy. Inadequate performance of the Zambian agricultural sector is the main problem that this proposed project addresses. The project's basic premise is that two main factors account for Zambia's unsatisfactory agricultural performance: (1) inappropriate macroeconomic and agricultural policies and poor planning for implementation of policy reforms, and (2) inadequate implementation of agricultural programs and projects. Both ZATPID I and the proposed ZATPID II deal primarily with the first factor. Inappropriate policies are largely the result of (a) insufficient and unreliable data for the analysis of agricultural and related macroeconomic problems; (b) inadequate data processing and storage capabilities and performance; (c) inadequate capabilities for carrying out needed analyses and the formulation of alternative policies, and (d) inadequate management procedures and organizational effectiveness, including cooperation among relevant GRZ entities involved in the policymaking process.

ZATPID I has been helping the GRZ address these constraints. Much progress has been made during the last few years, with increased availability and utilization of information and improved procedures in analysis, planning and management in NCDP and MAWD noted in the "ZATPID Impact Assessment and Institutional Analysis" (Annex G). Considering the improvements in agricultural pricing and marketing that have been made since 1980 and their apparent effect of increased production, it is clear that considerable progress has also been made toward a more coherent and effective agricultural strategy and in stimulating investment in the agricultural sector. This progress should be greatly accelerated when the recently agreed upon reforms involving maize and fertilizer pricing and marketing are implemented.

The GRZ has undertaken a comprehensive and far-reaching set of economic reforms during the last few years. In fact, the pace of change may begin to outstrip government's ability to deal with any social and economic problems they may engender and the consequent need for detailed and well-designed supporting measures. These reforms have included the foreign exchange auction system, the elimination of all controls on interest rates, the effective decontrol of all commodity prices except maize and fertilizer, and continued wage restraints. Also important are commitments to end the NAMBoard parastatal monopoly in maize and fertilizer markets and to allow the prices of those commodities to fluctuate within an economic

range determined by border price equivalents. The GRZ has thus adopted, or agreed to adopt within the next two years, virtually all the major agricultural pricing and marketing policy reforms (including the institution of a realistic foreign exchange rate through which commodity prices are related to world market values) so far recommended by AID, the World Bank and the IMF.

The next few years, therefore, will be a period of consolidation, of refinement of the major policy reforms already approved, and of learning to manage the implementation of these reforms. It will also be a period requiring careful monitoring of the effects of new policies on different groups within the society and on the economy, of subsidiary policy adjustments in response to policy impacts, and of designing and implementing measures to ease the transition period for those most adversely affected. At the same time, the GRZ should also be encouraging renewed investment in agriculture and other employment- and export-generating activities. Ultimately, more emphasis will also have to be placed on the design and execution of agricultural projects which address non-policy constraints and problem areas, and on determining their most effective priority order.

Whereas foreign donors have been important participants in the design and rationalization of the major policy reforms adopted to date, their analysis and advice will play a somewhat smaller role during the period of consolidation. The details and timing of policy refinements and supporting measures will have to account for cultural and political factors peculiar to the Zambian context, and be undertaken by Zambians with others in a supporting (but collaborative) position. Success will depend on the quality of Zambian data generation, processing and analytical efforts, in support of improved Zambian policy formulation and decision making. The continuation of the ZATPID effort to improve Zambian institutional capacity to perform these functions therefore assumes added importance.

Four types of project outputs are anticipated, which are required to assist the core policymaking institutions improve GRZ agricultural policy formulation, sectoral planning and management -- the purpose of the project. These are:

Collaborative policy studies;

Better collection, processing and analysis of appropriate data for formulating and implementing policy;

Studies and plans for improved management systems and procedures and institutional coordination;

Trained personnel in key analysis, management and decision making positions.

The areas of Zambian agricultural policy most likely needing continued attention and possibly further reform over the next seven years, and the reasons therefore, as listed as Annex I. They are likely to include, as candidates for early attention under ZATPID II: pricing policy; development of a market information system; marketing policy; private sector agribusiness climate, potential and ability to assume NAMBoard marketing functions; establishment and management of a National Grain Reserve; agricultural credit; fertilizer production, marketing, subsidies and use; effects of macroeconomic trends and policies on agricultural development; and, impact of policy reforms on various social groups. Because of the evolving nature of the economic and political context within which policy must be determined, and because of its inherent complexity, particularly in the wake of the major package of reforms currently being implemented, the list of priority areas for study must be kept flexible, and under the control of the GRZ's Project Executive Committee (PEC) for ZATPID II as it assembles annual workplans.

Project Elements and Inputs.

Overview. The ZATPID II Project inputs have been designed to emphasize professional staff training, both short- and long-term; to reduce the number of long-term technical advisors, slotting those retained only for the "core" institutions involved in policy formulation; and to rely a little more heavily on short-term technical assistance to fill specific needs as they might arise.

Resident advisors in MAWD/PD, NCDP, CSO and MOF, and short term consultants, will work with the policy institutions to: provide guidance in the collection, processing and analysis of data; conduct policy studies; conduct management studies; address internal organization and management issues; and conduct or assist with local training courses, seminars and workshops on topical and management issues. On-the-job training will be conducted during the process of executing analyses and studies. Long range participant training will be provided to counterparts of the long term advisors. Short term external in-service training will be provided to GRZ professionals to augment specific skills. Long term advisors will also identify training needs, make arrangements for training, and propose specific short term technical assistance needs.

Commodities to be purchased include computer equipment, books and learning materials, office equipment, some audio/visual training equipment, and vehicles. Counterpart funds, derived from non-project assistance, will be obtained for the support of in-country seminars, workshops and training courses; construction of a conference facility at MAWD; a fund to permit the GRZ to contract for selected studies; and for additional operational costs incurred as the result of initiatives by project technical assistance.

Technical Assistance. Long term advisors will represent a number of disciplines. Although project needs can be stated in a general way during the design phase, final terms of reference for these individuals should be reviewed and approved by the PEC. Although some of the short term technical assistance, such as that to be provided to CSO, can be configured with some detail at this point, much of it will be specified only as GRZ staff of the relevant institutions or ZATPID long term advisors plan and proceed with the studies and other project activities. Terms of reference for short term technical assistance should also be reviewed and approved by the PEC. In-country courses will address specific policy areas, planning issues (for example, establishment of a rational project cycle, resource allocation), organization and management, research and statistical methodologies, or computer applications.

Training. For the most part, the focus of long and short term training will be as it has been during ZATPID I, that is in the areas of agricultural economics, economics, statistics, computer science, rural sociology, survey methods, international development and public policy. However, more emphasis will be given to management development of MAWD/PD and staff involved in agricultural policy in the core institutions in the second phase project, and training is anticipated in such areas as public administration and business management.

Data Processing Equipment. Further requirements for increased computer capacity have been identified jointly with the GRZ, and exact specifications will take into account assessment of existing capacity, planned uses, overall need and compatibility. The needs of CSO in this area are greater than other institutions, given its mandate for national statistics and its current constraints.

The Agricultural Policy Institutions

Ministry of Agriculture and Water Development/Planning Division (MAWD/PD)

ZATPID II will support a broad program of assistance to MAWD, including technical assistance, both long and short term; degree training; short term training; and procurement of microcomputer equipment, office materials, training materials, and some furnishings. Activities will include improvement of data quality, on the job training in analysis and agriculture policy concerns; seminars and workshops on research methodologies, computer use, policy issues, and management; management studies; increased information dissemination; and establishment of a monitoring and evaluation system. Much of the training material and furnishings will be provided to the planned conference and resource facility, which will be

constructed near the MAWD headquarters building using counterpart funds made available through the project. Counterpart funds will also be made available to contract for studies and analyses locally, to RDSB or private organizations, in order to enhance the breadth and number of analyses produced for MAWD/PD.

Three long term personnel will be provided, for a total of 14 person years. The configuration and number of people is based on a request by MAWD/PD, to include:

(1) One person in the Sectoral Policy Analysis Section. This person will continue the work on key sectoral policy issues begun in ZATPID I, including marketing and pricing, and also provide outreach assistance on marketing issues (as developed in the annual workplans) to NAMBoard and the Ministry of Cooperatives. An agricultural economist who is strong in the field of marketing will be required.

(2) One person in the Production and Marketing Section. This person will be charged with assisting MAWD/PD in its program of smaller scale surveys of the agricultural population. The Director of MAWD/PD is particularly interested in examining contributions to production and agricultural income by different household members, and in the role of women in agricultural production. The surveys undertaken by this section should provide one key source of information on the socioeconomic impact of different policy changes, and of defining continuing constraints at the level of the household which should be addressed at the national policy level. Studies are likely to include costs of production and household decision making. This position requires a social scientist (rural sociologist, anthropologist, or agricultural economist) with experience in conducting agricultural and social surveys and relating them to policy formulation.

(3) One person in the Project Analysis and Implementation Section. This person will assist MAWD/PD to establish an overall system of monitoring and evaluation of all agricultural projects, and will train staff to implement this system. Monitoring and evaluation is a new but very important mandate for MAWD/PD, and establishment of such a system is required of a rational planning process in agriculture. The person in this position can also assist with (1) efforts to rationalize the overall agricultural project cycle, (2) the management of different donor inputs, and (3) along with colleagues in NCDF, the analysis of investment alternatives in agriculture. Activities undertaken in this section can include in-depth anthropological fieldwork as well as broader surveys to address policy and program impact on target groups. The position requires a social scientist with experience in organizational management and a strong financial background.

Master's level degree training will be provided for 2 individuals. Short term training for MAWD/PD staff (35 person months) and short term technical assistance (15 person months) will be in a wide range of agricultural, development and management topics, and will include public administration. All training will be consistent with the already-developed MAWD/PD staff training plan.

National Commission for Development Planning (NCDP)

ZATPID II will provide one long term (four year) advisor to the Sectoral Planning department, the unit of NCDP charged with analysis of resource allocations to the agriculture sector and coordination with MAWD. Short term technical assistance (15 person months) will be provided to this department and to the departments for Investment Policy and Regional Planning. Degree training in economics will be provided to 3 individuals. A total of 32 person months of short term training is budgeted. Relatively greater levels of short term training and technical assistance are planned for NCDP and this is intended to provide opportunities for external and in-country training of staff in the Investment Policy and Regional Planning divisions, as well as Sectoral Planning, whose responsibilities relate to agriculture. Funds for two microcomputers and some learning materials and office equipment are budgeted.

Ministry of Finance (MOF)

Long term technical assistance (a total of 3 years) will be provided in budget analysis and in agricultural economics. The budget analyst will work with the Budget Division, and the agricultural economist with the Economic Affairs Division, of the Budget and Economic Affairs Department of MOF. Funds are budgeted for 11 person months of short term technical assistance to supplement the work of the long term advisors. This assistance will probably include in-country training in computer applications. Long term degree training (three persons) and short term training (36 person months) will be provided in agricultural economics, to familiarize staff economists with policy issues in agriculture. Some short term training may also be provided in finance, public administration and management. Funds for two microcomputers and various training materials are included.

The Central Statistics Office (CSO)

Support will follow the program laid out in the current PASA with the U.S. Bureau of the Census for ZATPID I. That document presents a 5 year program, but only a portion of it will be funded with ZATPID I funds. The rest will be picked up under ZATPID II, and will include long and short term technical

assistance, long and short term training, and commodity support, in the general areas of survey/census design, and the development of procedures for data collection, processing and analysis.

Two long term advisors (3 years each) will be provided. The current data processing advisor will continue to assist CSO to establish a fully functioning data processing center. The BUCEN PASA will include a survey manager/census advisor, who will work with CSO counterparts for planning, implementation and analysis of the agriculture and demographic surveys, and 1990 census planning. This person will also coordinate the work of BUCEN short term statisticians, systems analysts, data processing experts and mathematical statisticians. Sixteen person months of short term assistance is budgeted. Short term advisors will provide on the job training and workshops, according to the general plan laid out in the PASA document. Long term training (three persons) and short term training (17 person months) will be provided to CSO staff in such areas as survey methods, agricultural statistics, demographic statistics, computer science, and data processing. Commodity support will include computer equipment -- to be specified in final following review by a consultant -- and training materials.

Ministry of Cooperatives and NAMBoard

The Ministry of Cooperatives (previously a part of MAWD) and NAMBoard (a parastatal administratively under MAWD) will receive assistance in key areas of marketing policy. Also, both institutions will have access to the skills of the marketing advisor placed in MAWD/PD, and will collaborate with MAWD/PD in conduct of policy studies related to marketing issues. In addition, both institutions will be receiving support from other donors, and in the case of MOC, other support to the institution may come from USAID via a different mechanism. The ZATPID II assistance to these institutions is fully complementary to other sources of assistance.

Short term technical assistance (10 person months) and short term training, particularly in management (10 person months), a microcomputer and learning materials will be provided to the MOC, along with funds for in-country training. ZATPID II assistance will improve MOC management and planning capacity for cooperative support, and its coordination with MAWD/PD in the areas of pricing and marketing policy.

NAMBoard will receive short term technical assistance (8 person months), short term training (11 person months), one microcomputer, and funds for in-country training. This assistance will help NAMBoard with foodgrain projections and monitoring and assist it to establish and manage a national foodgrain reserve.

Rural Development Studies Bureau (RDSB)

RDSB, administratively a part of the University of Zambia, will be provided microcomputer and office and learning equipment and some counterpart funds for operating costs. In addition, RDSB should benefit from ZATPID support to MAWD/PD in two ways: (1) participation in seminars, workshops and courses in such areas as research methodologies, computer use, and policy issues; and (2) contracts from MAWD/PD to undertake specific studies on its own or in collaboration with PD analysts.

Implementation Plan.

GRZ Responsibilities. The primary GRZ institution responsible for implementation of the ZATPID II project is to be the Ministry of Agriculture and Water Development, Planning Division (MAWD/PD). Implementation will require regular coordination of project activities between MAWD/PD and MOF, NCDP, CSO, and other institutions receiving ZATPID support. Active participation of representatives from these institutions will be critical to successful implementation of the project.

GRZ coordination of ZATPID II activities will be through the Project Executive Committee (PEC) established during ZATPID I to provide a means to coordinate and approve actions necessary for implementation of the project. The Director of MAWD/PD heads this fully-functioning committee, and other institutions with representatives on it include NCDP, MOF, UNZA, the Contractor, and USAID.

The PEC develops and reviews annual project workplans based on proposals by each institution, and coordinates and assures the approval of the workplan by each committee member. The workplans for ZATPID II will set forth planned short and long term training, studies, in-country training, and short term technical assistance. Training proposals are reviewed against general criteria and compared with each institution's training plan. The PEC reviews and approves candidates for long term training and may recommend specific types of training and training sites. The PEC approves the terms of reference for each major study. Other responsibilities of the PEC are to assure GRZ funding for project activities and GRZ supporting actions such as provision of counterparts, survey personnel, supplies and transport. The PEC will also be involved in developing and approving evaluation plans, will participate in review of evaluations, and will, in general, review the progress of the project.

In general, the GRZ has provided inputs (trainees, salary support, office space) in a timely fashion during the implementation of ZATPID I. Communications are regular and working relationships excellent between those GRZ institutions involved in ZATPID I and USAID/Zambia. This condition is expected to continue through implementation of ZATPID II. It is important to note that adequate counterpart support to the technical assistance team will be critical to successful implementation of ZATPID II. The current head of MAWD/PD, as chairman of the PEC and as Director of MAWD/PD, is taking steps to ensure that technical assistance will be provided, appropriate counterparts and that sound counterpart relationships will be maintained (e.g., he has recently appointed permanent section chiefs, who will in turn be responsible for designating and maintaining appropriate counterpart relationships within their respective staffs.).

USAID and Contractor Responsibilities. Primary responsibility for overall A.I.D. project management will be with the AID Director in Zambia. The project manager will be the General Development Officer, who will coordinate activities of the contractor and the BUCEN PASA team and maintain liaison with MAWD/PD and with other GRZ institutions. USAID will also interact with GRZ and the contractor through participation on the PEC, and be actively involved in development of the annual workplan and review of project progress.

The Commodity Management Officer will assist with commodity procurement matters. The USAID Training Officer will provide backstopping assistance for long term and short term training. REDSO/ESA will provide legal, contracting, and periodic project backstopping. Logistic support for contractor staff and many project activities will be provided by USAID/Zambia's Project Support Unit.

The majority of project activities will be implemented through a contract with a private institution. The contractor will provide appropriate long term and short term technical assistance to the key ZATPID II institutions, provide placement and support services to long and short term trainees, review commodity needs, and undertake a proportion of the commodity procurement. The contractor's chief of party will supervise the long term technical assistance provided to MAWD/PD, NCDP and MOF and will coordinate closely with the GRZ; primarily through the PEC, and with the USAID Project Manager, to ensure proper completion of items as planned and progress toward project outputs. The project includes counterpart funds for a locally-hired Administrative Assistant to the contractor's chief of party, to assist with administrative matters.

Counterpart Funds.

Counterpart funds, generated under the program assistance components of USAID/Zambia's portfolio (e.g., CIP programs and ZAMCAM) will be made available in direct support of project activities. Counterpart funds will be provided for: In-country seminars, workshops and training courses; selected studies; operational costs and project administration; and construction of a conference and resource facility at MAWD headquarters. Disbursement of counterpart funds to those entities charged with implementation of the above activities will be made in conformity with procedures agreed-upon by the GRZ and USAID.

Funds required for conference facility construction will be released from the Bank of Zambia to MAWD/PD, and dominated in a dictated special account of MAWD/PD's choice, controlled by the Project Executive Committee Chairman.

Funds required for seminars, workshops, training, operational costs and project administration will be released from the BOZ in conformity with the annual work plan drawn-up and approved by the Project Executive Committee on an annual basis. These funds will be deposited into a dedicated special account under the joint control of the PEC Chairman, and the COP.

Evaluation Arrangements.

Evaluation, both formal and informal, will be important to the success of the project. Since much of the project's direction in terms of participant selection, analysis, and in-country training will be determined during the course of implementation, as it has been in ZATPID I, annual reviews of the project's course are essential, and are to be conducted by USAID/Zambia in consultation with the PEC, the project's resident advisors, and a representative from REDSO/ESA or AID/Washington. The annual internal reviews should examine timeliness of inputs and any implementation or management problems, and also examine the appropriateness of ongoing or planned activities given the constantly changing policy and socioeconomic environment.

These in-house reviews should be held each year during the November-October period, so that the results will be available to inform the PEC as it prepares the annual workplan for the following year. Results of the internal reviews will also guide AID as it participates, as a member of the PEC, in the development of that workplan.

In addition to the annual internal reviews, the ZATPID II project budget includes funds for two formal external evaluations during the life of the project. A mid-term evaluation should take place during the third year of ZATPID II, in order to guide the final three years of implementation. This evaluation will focus in particular on whether the expected inputs have been deployed as planned and whether the expected outputs have been achieved, and on the apparent progress toward achievement of the project purpose and the expected end-of-project status. It will evaluate 1) the extent to which the activities supported and personnel trained under the project have had a positive impact on agriculturally-related policies, 2) the effectiveness of project management by USAID, the contractor, and the GRZ, and 3) the general direction of the project as compared to its original design; and it will recommend ways to improve any of the above.

A formal end-of-project evaluation will be conducted to assess the overall success or failure of the project to achieve the project purpose and the expected end-of-project status.

It should also be noted that a formal end-of-project evaluation is to be carried out at the end of the ZATPID I Project in 1987. Many of the implementation details at the beginning of the follow-on ZATPID II Project should benefit from this evaluation.