

PN-AAZ-497
35439

AGRICULTURAL POLICY ANALYSIS PROJECT

Sponsored by the

U.S. Agency for International Development

Assisting AID Missions and Developing Country Governments
to Improve Food and Agricultural Policies

Prime Contractor: Abt Associates Inc.

Subcontractors: Robert R. Nathan Associates, Inc.
Abel, Daft & Earley, Inc.
Oklahoma State University

PM 012-497

Abt Associates Inc.
Suite 500
4250 Connecticut Avenue, N.W., Washington, D.C. 20008-1173
Telephone (202) 362-2800

AAI #87-2

IMPROVING THE INSTITUTIONAL
CAPABILITY FOR AGRICULTURAL
POLICY ANALYSIS IN ZAMBIA

APAP Staff Paper No. 8

By: Joan Atherton
Curt Reintzma

Adapted by: John Tilney
Steve Block

February 1987

Submitted to:

Dr. Phillip E. Church
U.S. Agency for International Development
S&T/AGR, SA-18
Room 403
Washington, D.C. 20523

FOREWORD

This publication is one of a series of staff papers that are part of the continuing effort of the Agricultural Policy Analysis Project (APAP), sponsored by the Office of Agriculture in AID's Bureau of Science and Technology, to disseminate the experience it has been accumulating in the area of agricultural policy analysis. Through interaction with policy makers, country analysts, and AID missions in Africa, Latin America and the Caribbean, the Near East, and Asia, APAP has identified and concentrated its technical resources on the following themes:

- Developing agendas for an informed mission-host country dialogue on economic policies constraining progress in agriculture.
- Defining food aid strategies and programs that foster and support economic policy reform measures.
- Identifying input and output price reform programs that stimulate agricultural production and productivity.
- Fostering private sector participation in input supply and product marketing and redefining the role of parastatal institutions.
- Developing the indigenous capacity of host country institutions to provide the information needed to analyze, formulate, and implement policies conducive to agricultural development.

This case study is part of the Comparative Assessment of Agricultural Policy Projects, which is one of the activities in APAP. The case study adapts the findings of the "Impact Assessment and Institutional Analysis" of the Zambia Agricultural Training, Planning, and Institutional Development Project (ZATPID I, 611-0075). The report examined the effectiveness of the first phase of this AID-sponsored project, which was designed to improve the capability of Zambian officials in agricultural planning and policy analysis. The evaluation also was necessary for the design of the second phase of this project scheduled to begin in 1987.

The assessment and analysis were carried out by a two-person team from AID/Washington comprised of an agricultural economist (Curt Reintsma) and an anthropologist (Joan Atherton). It was adapted to the APAP case study format by two members of Abt Associates Inc., John Tilney and Steve Block.

We hope this and other APAP Staff Papers in the series will provide useful information to all those involved in the continuing agricultural policy dialogue between AID and host country governments. We welcome comments, criticism, questions, and suggestions from our readers.

ABSTRACT

From 1982 to 1986, USAID carried out an agricultural policy analysis and planning project in Zambia. This project was designed to improve the institutional capability of the Government of Zambia (GRZ) to carry out effective policy analysis and planning in the agricultural sector as well as to make concrete changes in agricultural policy. A number of lessons regarding the design and implementation of projects emerge from the present analysis: 1) the concept of assisting the GRZ in strengthening indigenous policy formulation was a sound use of AID resources, particularly because it was a necessary complement to a substantial amount of non-project assistance; 2) long-term training was a highly successful part of the project and a major reason for this success was that all trainees had considerable experience in government prior to the start of their training and furthermore jobs were made available upon their return; 3) the record on analytical studies was mixed -- the most successful ones resulted from outside political pressure or from the interests of senior government officials and pertained to pressing economic issues while the less-successful ones centered on economic modeling exercises which were not designed to address specific policy issues.

TABLE OF CONTENTS

	<u>Page</u>
FOREWORD.....	i
ABSTRACT.....	iii
1.0 SUMMARY AND CONCLUSIONS.....	1
2.0 BACKGROUND.....	3
2.1 The Policy Environment.....	3
2.2 The Institutional Structure for Agricultural Policy making and Analysis.....	5
3.0 PROJECT DESIGN.....	6
3.1 Structure of the Project.....	9
4.0 IMPLEMENTATION.....	11
4.1 Studies.....	13
4.2 Training.....	16
4.3 Other Institution-Building Activities.....	20
5.0 PROJECT IMPACTS.....	21
6.0 CONSTRAINTS.....	23
7.0 LESSONS AND RECOMMENDATIONS.....	24
APPENDIX A.....	27

1.0 SUMMARY AND CONCLUSIONS

In the late 1970s and early 1980s Zambia, a southern African nation, experienced severe economic difficulties. The prices for copper, its major export commodity, fluctuated dramatically but were generally in a downward trend. The country's major source of foreign exchange was rapidly being depleted. At the same time, political events, notably in Angola, Zaire and Zimbabwe, increased Zambia's defense expenditures and fueled inflation, which was increasing dramatically as were unemployment and underemployment.

The President and senior government officials recognized the need for changes in government policies and resource allocation decisions. They also recognized the importance of the agricultural sector in the rebuilding of the economy. Agriculture had long been neglected because of the country's emphasis on copper. In order to make improvements in the agricultural sector the donor analyses had outlined a number of steps to be taken. These included major macroeconomic reforms as well as sectoral reforms, such as 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.

These were major issues for the government, and in the late 1970s the Government of Zambia was ill-equipped to deal with them. There were inadequate staff with advanced training in agricultural economics, economics or public administration, and there was a paucity of data on the agriculture sector. There was also general lack of coordination between institutions dealing with the sector.

USAID designed the Zambian Agricultural Training, Planning and Institutional Development Project (ZATPID) to address these constraints. The project was designed to provide advanced training to Zambian officials involved with the agriculture sector; to provide long- and short-term advisors to assist in data collection and the analysis of complex policy and planning issues and to work collaboratively with Zambian officials; and to improve the institutional capabilities of the government by improving various systems and procedures.

The project was approved for an initial three-year interval with a possible two-year extension. A period of difficult relations between the U.S. and Zambian governments delayed the project's start for two years. It did begin, however, in the fall of 1982 and this evaluation took place in February 1986, three and a half years into the project or at the end of its first phase. The project was implemented under a cooperative agreement between Iowa State University and USAID.

There are many findings and lessons which have come out of this institution-building project. The major ones are listed below:

- Overall, it was believed that the concept of assisting the GRZ to strengthen indigenous policy formulation and planning processes was a sound use of AID resources, and a necessary complement to a substantial amount of non-project assistance, in order to ensure that the latter resources were well utilized.
- Several of the studies undertaken as part of the project had resulted in concrete policy changes. Producer prices had been increased on groundnuts and the subsidies for renting tractors were reduced, for example. These policy changes were widely believed to have positive economic impacts. Although the policy recommendations of other studies had not all been implemented, many nonetheless triggered a lively policy debate (especially the study on agricultural finance).
- Studies generated from outside political pressure or from the interests of senior government officials were more likely to result in immediate impacts than those generated internally from the Planning Division. A mix of internally-generated analyses and responses to outside requests appears to be appropriate. However, the studies that are initiated within the Planning Division must be developed collaboratively with key policymakers and other decisionmakers in the country.
- The degree to which complex quantitative models are appropriate for policy formulation in Africa needs to be carefully considered. The modeling exercises under this project were disappointing due to poor assessment of the demand, end uses and sustainability.
- Long-term training was a highly successful part of the project. Nearly all of the candidates who went on long-term overseas training have returned to responsible policy and planning positions in government. Part

of this success resulted because all the trainees were required to have worked in government for a specified length of time at a job similar to the one to which they would return.

- Additional institution-building activities were also successful. These included the creation of a library and a computer center, presentation of workshops and seminars, and improvement of procedures, such as a consolidated crop forecasting survey. The latter activities were particularly important because they stressed the improvement of management skills of Zambian officials.

The project was significant because it addressed many of the weaknesses in the agricultural policy and planning process which are common to many countries throughout Africa and in other developing regions. The lessons learned and recommendations should, therefore, be useful in the design and implementation of similar projects funded by USAID or other donors.

2.0 BACKGROUND

This section provides the context in which the ZATPID project was designed and later implemented. It describes the policy environment that existed prior to implementation of the project as well as the government's current structure, particularly as it relates to policy formulation. As the country has enjoyed relative stability since independence, there has been minimal change in the structure of the GRZ since the project's inception, although many important personnel changes have been made over the past six years.

2.1 The Policy Environment

Beginning in 1975, Zambia's economy 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 and disrupted access routes to the sea, affecting the pattern and cost of importing and exporting. Copper prices and output have continued to fluctuate, but more serious was the assessment that the copper supply would be virtually exhausted by the end of the century. Since the mid-1970's, government's share of

resource consumption has grown so that it was calculated in 1980 to be 40 percent of GDP. Inflation, fueled by government borrowing from the banking system, increased over the past ten years from an average annual rate of 5.2% (1965-73) to 10.3% (1973-83). Unemployment and underemployment have also grown.

In 1981, the World Bank country economic memorandum¹ 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."² 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."³ 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.⁴

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.⁵

¹World Bank, Country Economic Memorandum, " 1981.

²ibid., p.

³ibid., p.

⁴ibid., p.

⁵ibid., p.

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 USAID as early as 1979, when planning for the ZATPID project was begun. USAID's policy reform effort, in which the project was a major component, would be successful if it resulted in the above-mentioned changes in agricultural policies and if it trained a group of Zambian analysts and decisionmakers to address similar issues after the project was completed.

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 undertaken.

2.2 The Institutional Structure for Agricultural Policymaking and Analysis

The policy environment in Zambia is generally 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.

The apparatus to carry out effective policy analysis and planning for the agricultural sector is quite complex, as is the case in many developing countries. The Ministry of Agriculture and Water Development (MAWD) plays a central role in agricultural planning and policy analysis. The Minister of MAWD has broad jurisdiction over the programs in the agricultural sector and either makes decisions on those areas in which he has jurisdiction or proposes and promotes policy changes in the Central Committee and Cabinet, institutions to which he belongs.

The other key actors in the formative and decision stages concerning the agricultural sector include the Central Committee of the United National Independence Party (UNIP), which is charged in the Zambian Constitution with devising policies; the Cabinet; the Parliament; and the President, who main-

tains a small staff of advisors at the State House to review policy recommendations. The President sits as head of the parallel party and executive branch structures and is an ex-officio member of Parliament. As such, he plays a major role in these decision-making bodies.

There are other ministries as well as agricultural parastatals involved in the policy and planning process, such as the National Commission for Development Planning, the Ministry of Cooperatives, the Ministry of Decentralization and the National Agricultural Marketing Board (NAMBoard). These organizations play more of a review role in the formulation of policy and will also implement policy once it is made. A description of these institutions is provided in Exhibit 1 and a detailed discussion of the agricultural policy formulation process is included in Appendix A.

The ZATPID project focused on improving and strengthening the institutional capability of the Planning Division of the Ministry of Agriculture and Water Development (MAWD/PD) because it was a key analysis group for the Minister and Permanent Secretary of MAWD, who, as described above, play a key role in agricultural policy making. The Planning Division had few staff trained beyond the B.A. level in agriculture or economics; it had little up-to-date data and only limited access to computer facilities. Training of staff and improved facilities and equipment were needed for MAWD/PD in order to make it more effective in the agricultural policy analysis and planning process.

The project also planned to improve the capacity of the National Commission for Development Planning (NCDP). This group had the responsibility for coordinating planning across all sectors of the economy.

3.0 PROJECT DESIGN

The Zambian Agricultural Training, Planning and Institutional Development (ZATPID) project was designed in early 1980. Its title describes well the major elements of the project design. The project was to include long- and short-term training of host country officials in agricultural economics, statistics, regional planning, public policy and related disciplines. It was also to include planning for the agricultural sector; in this case, a broad definition of planning was applied, which included policy analysis, resource

Exhibit 1

INSTITUTIONAL STRUCTURE FOR AGRICULTURAL POLICY AND PLANNING IN ZAMBIA

<u>Ministry of Agriculture and Water Development (MAWD)</u>	This ministry 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 the general direction of the agricultural parastatals. The Planning Division 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, project implementation, agricultural statistics, and advising on sectoral policy.
<u>The Ministry of Finance (MF) and the National Commission for Development Planning (NCDP)</u>	The Ministry of Finance 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 as well as a financial administrative arm. The NCDP is responsible for coordinating sectoral planning across the Zambian economy, for managing the Provincial Planning Units, and for national-level data collection and statistical analysis. It also coordinates and has final authority over the five-year plans.
<u>The Agricultural Parastatals</u>	These parastatals are the state-run corporations. They include the National Agricultural Marketing Board (NAMBoard), the Lint Company of Zambia (LINTCO), the Dairy Produce Board (DPB) and the Tobacco Board of Zambia (TBZ).
<u>The Ministry of Cooperatives (MOC)</u>	This ministry was formed in 1983 from a former department of MAWD. 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. The Cooperative Section provides outreach services to potential cooperatives and enforces the Cooperative Societies Act of 1970.
<u>Ministry of Decentralization</u>	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.
<u>Rural Development Studies Bureau (RDSB) in the University of Zambia</u>	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.

Exhibit 1 (continued)

<u>Central Statistics Office</u>	The Central Statistics Office has statutory authority to approve and oversee all data collection efforts in Zambia. It also maintains the country's major data banks. It is a division of MF.
<u>The Central Committee (CC)</u>	The Central Committee coordinates UNIP activities. 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. Major policy decisions are usually taken only once the Central Committee has concurred. 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.
<u>The Cabinet</u>	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. The Cabinet may take or ratify decisions on agricultural policy, depending on the magnitude and political sensitivity of the issue.
<u>Parliament</u>	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.
<u>The President and the State House</u>	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 leads the government administration. Both are appointed by the President, subject to parliamentary approval. There is no limitation on the President's term of office, and he has constitutional powers to act "on his own deliberate judgment." The President maintains a small staff of advisors at State House, including several with technical skills in economics and other subjects. These advisors may be asked to comment on a policy decision, particularly when the President is asked to arbitrate among his advisors.
<u>The Commercial Farmers Bureau (CFB)</u>	The Commercial Farmers' Bureau 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. The CFB interacts with government officials on such matters as pricing policies, crop logistics, foreign exchange allocations, overseas aid, new legislation, etc.

allocation decisions at the national level, and investment analysis within the sector. Finally, institutional development was also to be a major component of the project. This was to include improvements in management skills, analytical tools and improved coordination between ministries dealing with the sector.

The project was designed to alleviate four constraints which were believed to hinder productivity and equity within the agricultural sector, to wit:

1. An insufficient amount of resources allocated to agriculture;
2. The lack of a coherent and effective agricultural strategy;
3. Major knowledge and information gaps, particularly in the areas of agricultural research of relevance to small farmers, basic agricultural statistics, and small farmer behavior; and,
4. Poor design and poor execution of projects meant to benefit the traditional farmer, particularly at the decentralized level of province, region and locality.

In order to address these constraints, the project was designed to undertake a series of studies or analyses to improve the knowledge and information base and start to develop a coherent agricultural strategy, to develop appropriate systems and procedures for a strengthened policy formulation and planning process, and to train host country staff who would be responsible for agricultural strategy and the execution of projects.

3.1 Structure of the Project

The basic structure of the project was to form a collaborative relationship between a U.S. university and the Government of Zambia. The U.S. university would provide long-term technical advisors to work on the planning and institutional development elements of the project and to oversee the selection of staff for long-term U.S. training. The U.S. university would also support the field activities and training activities and send short-term advisors to the field. Operational experts (OPEX) were also to be used on the

project to fill the jobs of mid or senior officials in Zambia, while these officials received long-term training in the U.S. AID's intention was to select a U.S. university particularly strong in agricultural policy analysis in order to support the policy reform required in Zambia.

The two long-term advisors were to be located in MAWD and NCDP, which, as mentioned earlier, were the two major institutions for strategic planning and policy analysis for the agricultural sector. These individuals were to facilitate AID/GRZ collaboration; oversee the consultants working on short-term assignments; select candidates for training and monitor their progress; provide general technical assistance in strategic planning and policy analysis; and assist in the selection of OPEX services.

Two kinds of institutional development training programs were to take place under the general support activities. The project implementation plan called for two groups of seven candidates to depart for the U.S. to begin graduate level programs. One group was to begin in September 1981, the second group in September 1982. The bulk of the training carried out under this project was to emerge from a detailed analysis of the skills needed in MAWD, NCDP and other institutions in the agricultural sector. Short-term training would also be provided both in-country and in training institutes around the world, as needs were identified.

The team that designed the project had also put together an illustrative list of 10 study areas that would be addressed during the project. These included agricultural pricing; agricultural statistics; agricultural credit; fertilizer distribution and costs; transportation and marketing; and a synthesis of donor activity in the agricultural sector. The studies would be done jointly by Zambians and long- or short-term consultants. The GRZ had reviewed and approved the topic areas. Development of an annual workplan to identify and carry out necessary analyses and for the selection of participant trainees was envisioned in the project design. These activities would be overseen by the Project Executive Committee, comprised of the Zambian and Expatriate principals in the project.

The project was approved for implementation over a three year interval with the possible extension for an additional two years.

4.0 IMPLEMENTATION

The project was due to begin in 1980, but a period of difficult bilateral relations almost immediately followed project authorization, so that most implementation activities did not begin until 1982. There was some restructuring of the project design during the two-year interval; most notably, the advisor scheduled to go to the National Commission for Development Planning (NCDP) was not placed because of long standing political sensitivities. The additional advisor was, therefore, sent to MAWD/PD. The OPEX personnel were never put in place, however the technical assistance team was expanded under the cooperative agreement in the third year of project implementation. Other elements of the project such as the training and institution-building activities remained unchanged.

It should be stressed that this project began after two years of difficult relations between the U.S. and Zambia and that there were sensitive feelings on both sides. The Zambians were particularly cautious about having advisors in such politically charged areas as agricultural policy. The project would, therefore, have to begin slowly and could only gather momentum when trust was established between both sides.

Iowa State University (ISU) was selected to implement the project, through a cooperative agreement designed to encourage a long-term relationship between the U.S. institution and key Zambian organizations. Most of the initial long-term training would take place through ISU coordination of short-term technical assistance, and some of the technical work itself would take place on campus. A project director was, therefore, appointed on campus who was formally in charge of the project.

In the summer/fall of 1982, the three initial long-term advisors arrived in Zambia. The group consisted of a Team Coordinator (anthropologist), an agricultural economist and an economist. The Team Coordinator was the only tenured faculty member provided to the project by ISU.

The long-term advisors were located in MAWD/PD, because of its importance in agricultural planning and policy analysis. As it turned out, NCDP became involved in a reorganization when it was folded into the Ministry of Finance in 1985 and may now be in a better position to take advantage of technical assistance. Both long- and short-term training were provided to NCDP staff under ZATPID.

The Team Coordinator was responsible for all administrative aspects of the project in the field, but did not have final decision-making authority. His responsibilities included initiating and carrying out some of the studies; planning and selecting candidates for long-term overseas assignments; coordinating short-term training; and overseeing some of the establishment of a library and computer center. The Team Coordinator was able to establish a good rapport with the Director of the Planning Division as well as carry out effectively these myriad responsibilities.

A number of factors, however, hampered the Team Coordinator. In the first place he had to report to a project director at Iowa State rather than manage the project in the field which made decision-making slower and more difficult. It also hindered the procurements of goods and services. Secondly, the lack of an administrative assistant limited the time that the Team Coordinator and his successor could devote to substantive issues.

The two other advisors who came in 1982 also played a multi-faceted role but concentrated more of their time in technical analytical areas. The agricultural economist worked on a number of the major studies, described later, while the economist concentrated on the development of a transport and regional pricing model. Although the studies generally were accepted and had some impact, the transport and regional pricing modeling exercise was not a successful element of the project. The latter lacked support from Zambian principals in the project, did not clearly identify and involve end users, and the advisor's strenuous promotion of the model resulted in frictions which led to the removal of the advisor after a year in country.

Aside from this one incident, the project proceeded relatively well. A detailed plan for long-term training in the U.S. was drawn up and implemented. Work began on the establishment of a MAWD/PD library and computer center, and the upgrading of the CSO data processing unit. Relations between the Zambians and the advisors gradually strengthened. In 1984 AID conducted an evaluation of the project which recommended continuation for an additional 2 years resulting in a five year life of project. A major recommendation of this evaluation was that the locus of decision-making shift from a project director on the ISU campus to a formal Chief of Party in Zambia. This was in the main implemented with the arrival of the new Chief of Party, although problems associated with the earlier arrangement lingered through the time of the 1986 assessment.

A new Chief of Party arrived in July of 1984 and the rest of the new team in the summer of 1985. The Chief of Party was again located in MAWD/PD, and overlapped with the Team Coordinator for one year. Three other analysts were placed in MAWD/PD. In addition, a fifth advisor was located at the University of Zambia in the Department of Rural Economics and Extension, and a Ethiopian, formerly with UNPD, was hired for a fifth slot to take a position at the Central Statistics Office (CSO) to work on improving data collection and analysis. Most of these advisors had only been in country for about 8 months at the time of the 1986 assessment and institutional analysis. The Chief of Party and the advisors continued the three main thrusts of work under the project: analytical studies, training, and institution-building. These are each discussed in more detail below.

4.1 Studies

During the course of the project, the technical assistance team worked collaboratively with staff in the Planning Division on a number of studies and planning efforts. Some of these studies originated from Members of Parliament or the President, while others were proposed by staff in the Planning Division or the technical assistance team. Each of the major studies or initiatives is discussed below:

- Groundnut Production and Marketing in Eastern Provinces: A Market Analysis: This study was triggered by the President's and a Member of Parliament's concern about the drop in the marketed production of groundnuts in the Eastern Province. The MAWD/PD, including one of the ZATPID project advisors, was assigned to work on the study. The study found that the low controlled prices for groundnuts and the inefficiencies of the monopoly on the marketing of groundnuts by the Cooperative Union were major causes of the problem. MAWD/PD recommended that prices be increased on groundnuts, and the marketing monopoly be liberalized. Initially, the first recommendation was accepted by the Minister, President and Central Committee, while the second was rejected because the Cooperative Union successfully fought it. However, the second recommendation contributed to the continuing debate about the liberalization of marketing, which culminated in the January 1986 decision to eliminate the marketing monopoly.

- Comparative assessment of Zambian Integrated Rural Development and Area Development Programs: This was a comparative assessment of Integrated Rural Development Projects (IRDPs) which were being implemented around the country. The topic appeared on the list of illustrative study areas. The Team Coordinator was responsible along with his Zambian counterpart and a CIDA advisor for the evaluation, and it was determined that one of the IRDPs models was clearly preferable. The model was one in which local Zambian government officials implemented the IRDPs with assistance from the donors and PVOs. This model was preferred over situations in which PVOs and donors managed the activities for the Zambians. It was recommended that the other IRDPs follow the first model, and the recommendations appears to have been fully accepted and implemented.
- Transport and Regional Pricing Model. This transportation and regional pricing model was initially promoted by one of the long-term advisors who felt that it would be helpful in the pricing and marketing of maize and other products in the country, overseen by NAMBoard. However, NAMBoard was not closely involved in the development of the model and the model's explicit uses had not been clearly defined. The sustainability of the model was also questionable. Notwithstanding these concerns, the advisor went ahead with the development of the model. Furthermore, the model, which was completed on the ISU campus, was too big to run on the microcomputers at MAWD/PD and was probably too complex. In sum, it is unclear how the model will be used in the future or by whom, and it has not been a successful activity to date. The model is now being modified to run on the microcomputer. In the interim however, NAMBoard has lost its monopoly position in maize marketing, so the demand for the completed model may be limited.
- Analysis of Tractor Hire Rates Charged by Land Development Services: This study resulted from outside political pressure and concerned the low rates and inefficient operations of the tractor hire service. It was felt that the prices charged for renting tractors did not meet the economic costs of the tractor operation and that the government should reduce subsidies and improve management to promote greater access to the service. MAWD/PD together with an ISU advisor examined this situation and recommended that tractor hire rates should be increased to reflect their economic costs. The Minister of Agriculture concurred with this finding and increased costs considerably even though somewhat short of that recommended in the study.

- Fertilizer Supply and Distribution: Issues and Constraints: This study resulted from concerns by members of MAWD/PD and USAID staff that there was a lack of information about the consumption of fertilizer and what impact an increase in the price of fertilizer to its actual economic cost might have. The GRZ heavily subsidized fertilizer and demand far outstripped supply. ISU fielded a short-term advisory team to conduct the study. Their assignment, however, was relatively poorly defined and the short-term advisors did not interact adequately with the Zambians. The study basically set out issues for further study. Further work by USAID in this area has been awaiting proposed work by another donor.
- Zambian Agricultural Finance Markets: Appraisal of Recent Performance and Prospects. Over the years there has been considerable debate about the country's whole agricultural credit system, and MAWD/PD was commissioned to undertake a critical review of the system. The study recommendations were to abolish the Agricultural Finance Corporation; to raise interest rates to economic rates; and to provide block lending to the agricultural cooperatives. While the latter recommendation was accepted, the interest rate issue remains a subject of debate. The study contributed to the decision to merge the AFC with the Agricultural Development Bank.

While there was considerable unevenness in the quality and impacts of these studies, it is clear that a number of them resulted in some tangible policy change, or initiated a lively debate on the topic which may result in positive changes in years to come. It is difficult to generalize from such a small group of studies, but several points need to be emphasized. In the first place, the studies and activities which were generated from outside political pressure or from the interests of senior government officials were more likely to result in immediate impacts than those generated internally from the Planning Division or from the TA team by itself. This is because important individuals were willing and able to mobilize support for the study results. This does not mean that staff in MAWD/PD or the technical assistance team should not suggest studies, but rather before studies are initiated, intensive consultations need to occur with the senior Ministry and Government officials in order to solicit interest and direction. Without this, the study runs the risk of being an academic exercise.

A related issue is the degree to which complex quantitative models are appropriate to the African policy making process. The complex modeling

efforts (e.g. the transport model) were done mainly by the ISU team and in most cases do not appear to be institutionalized. This is a danger with a team that lacks experience in government policymaking and may be more familiar with academic research techniques and applications than the requirements of the LDC policymaking environment, including the need for institutional strengthening. This does not necessarily mean that quantitative modeling efforts should be avoided, but rather that they should be kept to realistic and sustainable levels. Their applications should be carefully designed in order to be most relevant and responsive to host country needs.

Finally, the use of short-term advisors also needs to be carefully considered. For example, the results of the fertilizer study which relied upon short term advisors were disappointing. The assessment indicated that the effectiveness of short-term advisors was inherently limited by their unfamiliarity with the local situation, and the fact that they do not remain in the country to follow through on their recommendations. This situation could have been improved if the short-term advisors had worked more closely with the Zambian members of the team.

4.2 Training

Training consisted 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. The experience in each of these categories of training is discussed below.

Long-Term Overseas Training

Long-term overseas training had always been considered a major element of the project because of the scarcity of planning staff who had been trained beyond the bachelors level. It was felt that staff trained in economics, agriculture, regional planning and other fields were all sorely needed to help Zambia meet the country's difficult economic challenges.

Criteria were informally established by the Project Executive Committee (PEC) to decide which candidates should be selected. These criteria included fixed periods of service in home institutions 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 cri-

teria of specific institutions. Some of the individual institutions, such as MAWD/PD and CSO, prepared written training plans which included their own criteria as well as those for the project. These latter plans also identified how all parts of the long-term training would be implemented, whether through the project or by other means.

The bulk of the long-term overseas training was in economics and agricultural economics and took place at Iowa State University. Eight people had or were 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 was appropriate for the purposes of the project (as defined in the Project Paper), although there was one important omission. Some participant training in fields such as public administration would have been helpful in order to improve the management systems in government.

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 was some feeling that the required course load in these disciplines was too heavily tilted toward quantitative methods, and that this caused unnecessary difficulty for the students, who tended to have weak math backgrounds. Given the lack of positive impact to date of heavily quantitative economic approaches, the assessment recommended that diversification of training to other disciplines be considered.

At the time of the assessment ten individuals had returned from long-term training overseas (a few individuals whose training was only partially financed under ZATPID and who are not central to ZATPID activities were not considered by the assessment to fall within the project's purview). Nine of the ten long-term trainees who returned were still with the institution from which they departed for training, and all nine of these occupied positions from which they may affect the policy process. The sole returned trainee no longer with his home institution is currently working as a lecturer at the University of Zambia.

Some individual examples are worth citing. In MAWD/PD both returnees served in the Sectoral Policy Analysis Section. While one had just returned, the other was Acting Section Head, served as a close advisor to the Minister, and was clearly a very productive and influential staff member and policy analyst. To cite other examples, the two returned trainees at NCDP both held the rank of Senior Economist in the Department of Sectoral Planning, while another at CSO served as Senior Statistician in the National Accounts Section. This is an impressive record for participant training in an African country.

While the long-term training has been very successful to date, there are several points about it that need to be kept in mind. In the first place, although the criteria that were used to select candidates were felt to have been generally appropriate in the past, there was a need for the PEC to put its criteria in writing, with copies distributed to all members. This would help to prevent possible unfairness (either real or perceived) in the allocation of training slots, and firmly establish that the training was merit-based. It was not believed that this had been a problem in the past, but nonetheless it was felt that it would be helpful for future selection of individuals for training. Organizational units other than MAWD/PD and CSO were urged to develop in-house training plans to facilitate the process.

A final point concerning long-term participant training was the degree to which returned trainees were able to apply their new skills upon returning to their home institutions. Although the positions filled by the individuals were appropriate to permit application of their skills, the structure and size of their workload often allowed little opportunity for engaging in medium-to-longer-term analysis work. This was particularly a problem in MAWD/PD, where the best trained technicians were 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.

Workshops and Seminars

The second major aspect of training was formal in-service training such as workshops and seminars. These activities have been an important part of the project, were considered to be a very effective institution-building tool by a number of Zambian and expatriate observers, and need to be continued.

Workshops and seminars were given in such areas as public administration and agricultural pricing. The workshops have imparted knowledge on specific subjects, allowed for feedback and participation in policy and program/project activities, given Zambians at different levels the opportunity to interact, and motivated staff who were often suffering from low job morale for other reasons. There appeared to be less emphasis on seminars and workshops by the current technical assistance team than there was earlier in project implementation. It is felt that this trend should be reversed, and greater emphasis given to this area.

On-the-Job Training

The third aspect of training concerns day-to-day job related activities, in which Zambians have the opportunity to work closely with expatriate advisors. This on-the-job counterpart training had been a problem in ZATPID for a variety of reasons, with the most serious manifestations of the problem seen in MAWD/PD.

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

A closely related problem was the "firefighting" issue that was raised earlier in the report. Those staff members who were most productive and highly trained, and therefore had the most to gain from working closely with expatriate advisors, were generally the same people who spent 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 was found that decision-makers in the Ministry of Agriculture depended heavily upon the Planning Division, including its professionals trained under the project, and this was considered a positive project impact on the policy process. It proved a serious problem for counterpart relations, however, because it undermined the collaborative aspects of on-the-job counterpart training.

A partial solution to the counterpart problem was 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 had already requested that overall work plans be drawn up, and had wanted PD to be less reactive and more forward-looking in setting its own agenda for agricultural planning and policy analysis.

It is also suggested that the establishment of more formal counterpart relations is a partial solution to the overall problem. At the time of the assessment, U.S. expatriates worked with Zambian staff only on an ad hoc basis, based upon the interests of both parties and current work assignments. It may be necessary to establish formal counterpart relations on a task basis, rather than on the basis of a fixed, long-term, one-to-one relationship between expatriates and nationals. Among other advantages, this would allow nationals to work with several different technical advisors.

Finally, there was considerable variability in the emphasis that the members of the technical assistance team placed upon counterpart relations. While some members had tried to seek out and work closely with Zambian staff, others had not. Greater emphasis on assuring that all members of the team will have left behind specific skills when they depart from Zambia was also among the assessment's recommendations.

4.3 Other Institution-Building Activities

In addition to the various types of training, a number of other useful institution building activities were undertaken. For instance, 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 institution-building activity. This computer center was found to be well used by both Zambian technicians and expatriate advisors.

The data processing center in CSO, established with some assistance from ZATPID, is a third 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 joint crop forecasting survey carried out by MAWD/PD and CSO (improving efficiency and eliminating redundancy), the computerization of the methodology for recommending agricultural prices, the creation of an informative Agricultural Planning Newsletter, and management training seminars. This longer-term institution-building activity is likely to result in some of the most lasting impacts of the ZATPID project.

5.0 PROJECT IMPACTS

It is believed that the ZATPID I project has begun to have an impact on agricultural policy and the policy process. 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. These impacts are discussed below.

Capacity-Building Impacts

The major intent of this project was to improve the capacity of host-country officials to engage in empirically-based agricultural policy analysis and planning. Clearly, the project has had a positive impact in this area, based upon the successful results of the long-term training activities, the development of the library, computer center and data processing in CSO as well as the increased capacity to identify and analyze important agricultural policy issues for key Zambian decision-makers. These were determined to be some of the more successful and important impacts of the project. These were discussed in considerable detail in the previous chapter and so will not be elaborated on here.

Inter-Institutional Coordination

Another positive impact of the project on agricultural policy, which was somewhat less tangible but equally important, was its promotion of coordination among Zambian institutions -- largely an unanticipated benefit of the

project. Perhaps the most striking example of this was the collaboration between CSO and MAWD/PD on an agricultural survey, whereas in the past both organizations were independently collecting similar data. Additionally, key individuals from several ministries and institutions had been brought together regularly in Project Executive Committee (PEC) meetings, which may provide one of the few opportunities for regular dialogue among them. While a great deal more institutional coordination was seen as necessary, project progress in this direction was encouraging.

Direct Impact on Decisions, Policies and Programs

A number of direct impacts on policy decision-makers resulted from the project. As mentioned earlier, it was possible to confirm that specific studies were, in fact, used by GRZ decisionmakers in the policy process. Prime examples were the groundnut study, the agricultural finance markets study, the tractor hire study, and the study of integrated rural development programs. 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, the Rural Development Studies Bureau (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, as mentioned earlier, which were 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 and in some cases actually resulted in policy changes.

6.0 CONSTRAINTS

While a number of constraints to project success have already been cited in Chapter 4.0, it is also useful to review other factors which have hampered the project, as well as the agricultural planning and policy analysis process in general. Some of these factors can and should be addressed in the second stage of this project while others, particularly the political situation, are facts of life and almost impossible to alter. These are each discussed briefly below:

- Organizational Coordination: The need for improved coordination among departments in MAWD, and among the range of GRZ actors in rural development, continues to be a constraint to improving the policy-making effort. There is still too much duplication of effort and no clear institutional structure to set priorities and establish a common agenda across government at the senior technical level. This is also a concern with data collection and analysis efforts.
- Structures, Functions and Procedures: There was and continues to be a dearth of management capability and organizational structure. MAWD/PD, for instance, had no annual workplans, had not set long-range objectives and did not go through any systematic exercise to identify policy issues at the time of the assessment. Sustained institutional development requires that good management systems be in place and that organizational functions be clearly delineated.
- Resource Allocation and Management of Investment in the Agricultural Sector: Because of the coordination and management problems in resource allocation and investment management, it was and continues to be difficult for the GRZ to establish investment priorities based on valid analysis and to monitor the impact of new investments.
- The Political Dimension: One dimension that constrained a rigorously empirical approach to decision-making was political. Although there was clear evidence that politicians in Zambia had increasing confidence in the analysis based on empirical information, and that demand for such analysis had increased since the inception of ZATPID I, the influence of data and analysis had its limitations. Zambia was more fortunate than many LDCs in that its political stability allowed decision-makers to take a longer view than those whose daily survival depended upon appeasing

strong political forces. The resistance to regional pricing for agricultural commodities was a good example, however, of the fact that politicians had their own cost/benefit calculus.

These were some of the constraints which hampered the project, and, more importantly, the agricultural planning and policy analysis system. Some were addressed in the first phase of the project and will continue to be addressed in the second phase.

7.0 LESSONS AND RECOMMENDATIONS

A number of lessons and recommendations have already been made throughout the body of the case study. The major lessons and recommendations are summarized below in order to highlight their significance. These lessons and recommendations are purposefully broad so that they can be useful in the design and implementation of future agricultural training, planning and institution-building projects supported by USAID or other donors:

Project Management

- The Chief of Party needs to be able to make independent management decisions in the field. Without this authority, the implementation of the project is likely to be cumbersome and inefficient, and less responsive to host country needs.
- There is a need for a skilled administrative assistant on a project of this sort. Without this type of individual the Chief of Party is likely to become mired in a plethora of administrative details.
- It takes a long time for any technical advisor to establish credibility and trust with the host country officials adequately in order to fulfill their technical responsibilities. Thus, technical advisors should be required to devote at least three years in the field to maximize impact.

Analytical Studies

- Studies generated from outside political pressure or from the interests of senior government officials were more likely to result in impacts than those generated internally from the Planning Division. This does not

mean that staff in MAWD/PD or the technical assistance team should not suggest studies, but rather that before studies are initiated, detailed discussions need to be held with senior Ministry and Government officials in order to solicit interest and direction. Without this, the study runs the risk of being an academic exercise.

- The degree to which quantitative models are appropriate needs to be carefully considered. The modeling exercises under this project have been disappointments and appear to have been of greater interest to the academic researchers than government officials. If undertaken, there must be a clear demand for quantitative modeling efforts, and they must be kept to a level that host country analysts can apply and sustain. Greater up-front attention needs to be given to their uses and applications; proposals for modeling should be developed collaboratively with end users and, to the maximum extent possible, derive from policy-makers' articulated needs.
- The use of short-term advisors for analytical studies has to be carefully planned and integrated or else their findings will likely be of limited usefulness.

Training

- Long-term training was a highly successful part of the project and appropriate criteria had been used to select candidates. The latter included a fixed period of service in a Zambian institution before departure for training; work in a discipline that addresses agricultural constraints identified in the project paper; and a certain level of academic achievement. It is important that these criteria be formalized and used for training selection.
- Workshops and seminars proved to be a very effective means of in-service training. Workshops in public administration and management aided the institution-building aspects of the project enormously.
- The On-the-Job-Training aspect of the project in which Zambian officials worked with expatriate advisors was disappointing. There were several reasons for this. The ratio of advisors (U.S. and others) to Zambian staff was very high; quality Zambian staff were frequently engaged in "firefighting" activities, and the organization and management of the unit was not conducive to establishing formal counterpart relations. The problem was exacerbated because of the ad hoc nature of the counterpart relationship. It was recommended that formal counterpart relations be established

as part of the project and that some of the on-the-job-training activities be delayed until more Zambians returned from long-term overseas training.

Other Institution-Building Activities

- The other institution-building activities resulted in some of the project's most sustained outputs. These included the establishment of a computer center and a library and changes in procedures related to data collection and other matters of intra-institutional coordination

These are the major lessons learned and recommendations for the project. They have already been taken into account for the design of the second phase of the project and may be of use to designers and implementors of similar projects.

APPENDIX A

Agricultural Policy Formulation in Zambia

It is useful to briefly review how major strategic decisions are made in the agricultural sector in Zambia. In the case of agricultural policy, MAWD is usually the responsible Ministry. A request generated from whatever source external to the Ministry will usually be sent by the Minister to the Permanent Secretary and on to the Director of Planning for review and analysis. Ideas may also arise from within the Ministry and are reviewed in a similar fashion.

The analyses are synopsised 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. 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.

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. 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 Cabinet Memorandum proceeds from the author through the DP to the PS and Minister, with internal MAWD comments being incorporated along the way.

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 review and comment. After incorporating the comments of these agencies, 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 or her stature among colleagues.

It is a rare occasion when Cabinet acts on a major policy issue without concurrence of the UNIP Central Committee (CC), but on more minor policy establishment or changes, the 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 President is part of the Central Committee and can have a major impact on the decisions made. 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 Development Subcommittee. 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.