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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.

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Abel, Daft & Earley, Inc.
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**SUMMARIES OF MAJOR
TECHNICAL ASSISTANCE
ACTIVITIES**

YEARS I, II, III, IV & V

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This document provides one to two page summaries of major technical assistance activities implemented under the USAID country and regional or Washington Bureau "buy-in" component of the Agricultural Policy Analysis Project (APAP) Years One through Five (1984-1988). Twenty-six countries and three Bureaus were assisted. The summaries describe the policy environment and/or concern initiating the request for assistance, the APAP approach to the activity, and the major results.

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ABSTRACT

This document provides one to two page summaries of major technical assistance activities implemented under the USAID country and regional or Washington Bureau "buy-in" component of the Agricultural Policy Analysis Project (APAP) Years One through Five (1984-1988). Twenty-six countries and three Bureaus were assisted. The summaries describe the policy environment and/or concern initiating the request for assistance, the APAP approach to activity and the major results.

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Agency for International Development

Agricultural Policy Analysis Project

The Agricultural Policy Analysis Project, Phase I was a five-year, \$8.7 million, worldwide initiative by the Office of Agriculture, Bureau of Science and Technology within AID to improve participating AID Missions' and developing country decision-makers' knowledge and understanding of policy issues and constraints affecting agricultural and rural development.

The first phase of the Project was concerned primarily with three main categories of policy that are important to the food and agricultural sectors:

- Economic policies, such as trade policy, foreign exchange, government revenue and expenditure policies, and interest rates.
- Agricultural product policies, such as price support policies, the role of government agencies or parastatals in commodities disposition, commodity trade policy, taxation or subsidization of exports, and consumer food policy.
- Agricultural input policies, such as fertilizer subsidies, role of government agencies or parastatals in fertilizer and pesticide production and marketing, trade of major agricultural inputs, and subsidized credit for input purchases.

In general, three broad approaches were incorporated in the Project:

- Strategy 1 - Collaborative Analysis. Encouraging policy reform through collaborative analysis with the host country.
- Strategy 2 - Developing Indigenous Capacity. In the long run, each participating developing country should have the manpower, tools and insitutions to carry out its own policy analysis and to implement its own recommendations.
- Strategy 3 - Indigenous Demand for Policy Analysis - The most effective policy analysis activities will be those that, in the long run, are perceived by developing country decisionmakers to be responsive to their program and policy needs.

The project provided several types of assistance to AID Missions and host governments in support of the above strategies.

- Technical assistance to assess and evaluate agricultural policy issues important to individual Missions and host country governments, as well as issues common to groups of countries.
- Assistance to design, implement, and evaluate policy analysis projects.

- Guidelines for analyzing agricultural policies and managing policy projects.
- Workshops in individual countries geared to the needs of the countries' policy analysts and decisionmakers.
- A network linking decisionmakers in many countries as a way of sharing experience and important materials and reports.
- A roster of agricultural policy experts, representing a broad range of experience and skills, who can assist missions and host countries.

The project, with a core staff comprised of members from Abt Associates Inc. and its subcontractors, was managed out of the Abt Associates Washington office with staff support provided from the Cambridge, Massachusetts headquarters. Abt Associates' subcontractors on the project were Robert R. Nathan Associates, Inc. and Abel, Daft and Earley, Inc., both located in Washington, D.C.; and Oklahoma State University, located in Stillwater, Oklahoma.

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Antigua: Development of an Agricultural Sector Strategy

Agricultural Policy Analysis Project

Beginning in Year Three, the Agricultural Policy Analysis Project provided assistance to the Ministry of Agriculture of the Caribbean nation of Antigua in formulating an agricultural development strategy suited to the unique needs of the small island country. The strategy development exercise built on and updated the previous strategy statement, issued in 1982, as well as identifying modifications in that strategy that were needed based on changes in underlying economic constraints and opportunities in the past five years.

The APAP team prepared a draft of a new White Paper for the agricultural sector, which, at the close of the project, was being reviewed by GOA officials. The White Paper builds on earlier RRNA assistance, which generated an inventory of the island's agricultural resources (this study was not conducted under APAP) and focuses primarily on the areas of crop and livestock production. Once approved, the White Paper will serve as the basis for developing and carrying out ministry work plans, for coordinating activities across institutions, for examining intersectoral interactions, and for programming donor support.

The paper examines alternative objectives for the agricultural sector in Antigua, ranging from achievement of food self-sufficiency to development of diversified export markets, and reviews recent performance in the sector in light of these objectives. The paper also considers the impact of Antigua's constrained resource base on achievement of Government objectives for the sector. The development challenges facing the agricultural sector in Antigua are common to many nations of the Caribbean: extremely limited land base, the urgency of maintaining both environmental and scenic quality to protect the vital tourism industry, extremely limited local markets, high-cost production systems, and an aging labor force characterized by part time farming and a decreasing supply of young workers willing to work in agriculture.

After reviewing key strategic issues in five areas (technology, commodities, policy, large farms, and small farms), the paper proposes a strategy that would place greater reliance on a market-based approach. The paper spells out the government actions needed to implement such a strategy in the areas of extension and research, infrastructure, land and water policy, and economic policies. In the policy area, the paper considers institutional infrastructure, evaluation and planning, agricultural credit policy, farm price policy, and subsidies.

Agricultural Policy Analysis Project

ASIA/NEAR EAST REGIONAL

Macroeconomic Factors and Agricultural Trade:
Case Studies of Egypt, Jordan, and Morocco

A team of advisors from the Agricultural Policy Analysis Project (APAP) presented a workshop for concerned officials at AID/Washington on the relationship between macroeconomic factors and agricultural trade in the Near East Region. The workshop concentrated on the similar macroeconomic forces and pressures which affect Egypt, Jordan, and Morocco, as well as their differing macroeconomic responses and the differing implications for agricultural trade in each of these countries.

The case studies identified sources of import growth, evaluated the countries' foreign exchange policies, and reviewed the structure and level of their foreign debts. In each case, agricultural trade policies were found strongly to influence these macroeconomic indicators.

The APAP team developed a conceptual framework for relating these issues, and used that framework in the workshop to analyze the countries' policy responses and the implications of those responses.

Guidelines for Agricultural Import and Export
Analysis for AID's ANE Bureau
Agricultural Policy Analysis Project

As the agricultural economies of developing countries become progressively linked into the international economy, the impact of world market conditions has an increasing impact on developments within their borders. The Agricultural Policy Analysis Project was asked by AID's Bureau for Asia and the Near East to prepare guidelines for AID agricultural personnel that would help them to understand recent developments in international commodity markets and to determine the implications for agricultural policy reform, as well as other aspects of AID programming in the sector.

The guidelines cover the main food commodities traded internationally, including wheat, rice, coarse grains, oilseeds and oilseed products, and fruits and vegetables. For each of these product groups, the guidelines briefly review the structure of the world market, how it has evolved over the past several years, and how the markets are expected to evolve over the next one-to-five years. AID policy is also reviewed with regard to assistance in support of expansion of exports, where the potential exists that developing country exports will compete with those of the United States.

The guidelines place particular emphasis on identifying sources of information that AID and host country personnel can use to explore the practical aspects of export promotion, as well as sources of market data that can be tapped to expand and update information available in-country for planning purposes. Areas covered include information on the size and location of current and potential markets; tariff and non-tariff barriers to imports, such as quotas, health and phytosanitary regulations; international trading rules, contracting, and arbitration; and futures markets, where relevant.

Agricultural Policy Analysis Project

BOLIVIA

Recommended Scope of Work in Agricultural Policy Analysis
Under the Policy Reform Project

The Government of Bolivia (GOB) requested assistance from USAID/Bolivia in developing an economic Policy Analysis Unit (PAU) within the GOB to conduct policy analysis studies and to formulate policy recommendations. The resulting Bolivia Policy Reform Project turned to the Agricultural Policy Analysis Project (APAP) for technical assistance in defining work to be done on the agricultural component of this project.

An APAP technical advisor worked with the Bolivian Unidad de Analisis de Politicas Economicas (UDAPE) to outline a strategy to develop its administrative and analytical capabilities. Four areas were identified for special studies by the Analysis Division: international and domestic macroeconomics, marketing and pricing, industrial development and agroindustry, and agriculture and rural development.

UDAPE's ultimate objective was defined as service to the Undersecretaries Groups of the Economic Council in the resolution of urgent economic problems. Towards this end, the APAP advisor recommended a systematic analytical approach built around a statistically estimated economic model of financial and economic markets. The APAP advisor described the uses of such a model in social cost/benefit analysis and outlined the technical specifications of an appropriate statistical model.

Year V

Agricultural Policy Analysis Project

Burkina Faso

Agricultural Sector Economic Growth Assessment

USAID/Burkina Faso, within the context of Development Fund for Africa policy and program support, decided to re-assess its assistance program. Given that economic growth in Burkina Faso is clearly linked to the productivity of its agricultural sector, this re-assessment necessarily entailed an analysis of Burkina's prospects for accelerated agricultural economic growth and AID's consultants as part of a six person AID/APAP team to examine both the prospects of agricultural growth in Burkina and how USAID as a donor might facilitate the generation of such growth.

The team undertook a series of evaluations focusing upon the present macroeconomic situation, human resource development, trade and pricing, local organization development, and agricultural development policy. Building upon their findings, the team proposed U.S. assistance options for three distinct scenarios:

Scenario One anticipated little change; i.e., continued State-led development;

Scenario Two saw the GOB actualizing its rhetoric stressing "pragmatism" wherein the government begins loosening governmental control structures, resulting in at least a partially liberalized economy and an explicit and expanded role for the private sector; and,

Scenario Three was one in which AID and other donors decided to take more aggressive action to get the GOB's attention and/or to demonstrate clearly that economic growth can be stimulated without causing social and political upheaval. This scenario supports the move toward extensive liberalization of the economy and concomitant reductions in distortions associated with excessive control.

The team concluded that Scenario One would continue to hold, at least through much of FY '89, and recommended that the Mission seek a modest budget increment to allow funding of existing programs along with new training initiatives, perhaps with the Ministry of Commerce, further studies through regional buy-ins and the use of PD&S monies to be programmed as a matter of priority to carry out the indepth studies on what appears to be the most promising options under Scenario Two. These would include:

Improved training of National Agricultural Credit Bank personnel to allow the bank to extend its rural credit/ savings operations;

Improved training for Ministry of Commerce personnel;

Using the upcoming Agricultural Research Training Support Project to support the development of public organizations to do their jobs better or more efficiently;

Continue training in the private sector;

Study the prospect for privatization of agricultural equipment, manufacturing and distribution operations with an eye to providing management training, policy dialogue and reforms in developing private sales networks and credit connections;

Study the possibility of reforming the fertilizer subsector; and,

Examine the possibility of establishing a private sector business training sector.

The team concluded by recommending that once pre-feasibility issues were resolved, the Mission conduct its own review of the political context for growth-oriented economic reform and lay out its conclusions in an interim Action Plan for AID/W review prior to embarking on design activities which in and of themselves would require a sharp increase in resource commitments to Burkina.

Cameroon: Evaluation of the Agricultural
Management and Planning Project
Agricultural Policy Analysis Project

APAP fielded a three-person team in February 1987 to conduct an evaluation of the Cameroon Agricultural Management and Planning Project. The evaluation concluded that significant progress was being made in a number of areas, particularly in improving the availability of data for decision-making, but recommended a range of actions to improve project management and accelerate the production of policy-relevant economic analysis.

The evaluation team assessed project progress to date and found that major steps had been made since the previous evaluation, particularly with regard to development of institutional capabilities in data collection and analysis. Work on the 1984 Census was completed, with all data tabulated and preliminary results of the census available in both French and English (the two official languages of Cameroon). Annual surveys had been conducted in each of the past three years, but tabulation of the results was lagging. Installation of computer systems and programs was found to be proceeding well.

As has been the experience in similar situations where pre-project data collection and economic analysis capabilities have been weak, the evaluation team found that progress had been slower than expected in the area of economic analysis relevant to decision-making. A number of small studies had been carried out to support particular donor requirements, but the project was only beginning to make headway in implementing the broader program of studies and analysis originally planned. This program, which included an agricultural sector review and a number of other studies, was in the initial stages of implementation at the time the evaluation was carried out.

The team recommended a number of management improvements designed to strengthen project performance and pave the way for a clearer definition of priorities for a follow-on project. Specific measures recommended included greater involvement by the Government of the Cameroon's project director to ensure management continuity and the availability of staff for key project activities; an extension of the project's end-date to permit activities under way to be completed; and establishment of a project implementation committee to facilitate coordination among the host country unit, the technical assistance team, and AID.

The team also recommended in favor of designing a follow-on project, assuming continued progress during the remainder of the current project, but against simply extending the current project. A redesign effort was felt by the team to provide a much-needed opportunity for AID and the Government to clarify their priorities and their commitment to building policy analysis capabilities in the Cameroon.

Agricultural Policy Analysis Project

DOMINICAN REPUBLIC

Effects of Caribbean Basin
Economic Recovery Act

The Caribbean Basin Economic Recovery Act (CBERA) created new opportunities and new needs for agricultural policy analysis throughout the region. In the Dominican Republic, there was particular concern over Section 213 of the Act, which pertained to duty free imports of sugar and beef products. These products dominate the Dominican agricultural economy, giving the CBERA far-reaching implications for the production and consumption of basic food commodities in the Republic.

A technical advisor from the Agricultural Policy Analysis Project (APAP) assisted the Oficina Nacional de Planificacion (ONAPLAN) in analyzing the potential effects of Section 213 of the CBERA on the Dominican agricultural economy. This analysis concentrated on two issues of great interest to the Dominican planners: 1) monitoring trends in production and consumption of basic food commodities; and, 2) assuring that the appropriate incentives are in place to keep basic food production sufficiently high.

Working with ONAPLAN officials, the APAP team identified and analyzed relevant issues, including:

- o Current export levels of sugar and beef products, total exports, and total exports to the United States;
- o Exported increases in acreage used for production of sugar and beef products for exports as a result of duty-free access to the United States;
- o Recommended measures to ensure that production of sugar and beef products for export to the United States do not displace staple food production; and,
- o Proposed activities to monitor the impact of duty-free access for sugar and beef on domestic food production and land use.

With the assistance of the APAP advisor, the ONAPLAN officials prepared two policy papers outlining their response to Section 213 of the CBERA and proposing specific policies.

Agricultural Policy Analysis Project

DOMINICAN REPUBLIC

Price Control Policy

Price controls for many commodities have long been the norm in the Dominican Republic. Yet, with the Dominican economy at a critical juncture in its growth process, the Secretary of Industry and Commerce on behalf of the Director-General for Price Controls requested technical advice from the Agricultural Policy Analysis Project (APAP) on how the present control system could be modified to introduce more flexibility for essential adjustments.

Through interviews and available documentation, an APAP technical advisor assessed both the economic and the political factors relevant to changes in the Dominican Republic's price control policies. This analysis revealed a complex web of conflicting interests and constraints on price control policy.

This diagnosis gave rise to a list of recommended directions for price control policy development. The first step was to establish an institutional base for the analytical staff, which the advisor found necessary to support policy reform. Further institutional considerations extended to the administrative capability of the Director-General's Office, for which a small central office was recommended to carry out executive secretariat functions. The APAP advisor also recommended that the Government take an inter-agency approach to price policy reform, to reduce the tendency for a perspective too narrow to guide broad policy decisions.

DOMINICAN REPUBLICAdvisory Support for the Economics Study Unit

Agricultural Policy Analysis Project

A team from the Agricultural Policy Analysis Project is currently providing advisory support services to the Economics Study Unit (UEA), which is responsible for conducting policy analyses for the Dominican National Agricultural Council. The overall objective is to strengthen the capacity of the UEA to conduct policy studies relevant to issues faced by the National Agricultural Council by providing external advisors. A second objective is to conduct a policy workshop for presenting and discussing the completed studies and assessing their relevance to policy formation.

Three general areas of advisory services will be provided:

1. A study of relative prices, sources of growth and rates of protection for the agricultural economy. The point of departure for the study will be that pricing policy is the net effect of trade policy, exchange rate policy, and fiscal policy in the sector, and not just announced levels of price supports.
2. A study to develop a quantitative accounting framework that can be applied to a variety of issues as they arise. The framework will include all major crops and livestock products as well as the linkages between agriculture and the rest of the economy.
3. A study on the effects of macro policies on the agricultural economy. This will build on the results of the previous two studies but will also expand on the effects of exchange rate policies, trade policies, and monetary and fiscal policies on the agricultural economy.

Years IV-V

Agricultural Policy Analysis Project**Dominican Republic****Analysis of Agricultural Policy Issues**

Agricultural Policy Analysis Project (APAP) support to AID's policy reform and capacity-building programs in the Dominican Republic began in the project's first year. Assistance was initially provided to look at alternative price reform scenarios and to help design a project to strengthen analytic capabilities of the Ministry of Agriculture (MOA) and the Agricultural Studies Unit (UAE) in the national Agricultural Council. Additional assistance was provided in APAP's second and third years (please refer to technical assistance summaries for those years for a discussion of these activities). A program of short-term assistance under the project was initiated in the fourth year of APAP implementation and continued into Year Five, building on earlier activities.

Under this program, APAP personnel assisted the UAE to conduct a number of timely, decision-oriented analyses of policy issues facing the Government. Additional support was provided to the MOA to improve capabilities in commodity analysis to generate a stronger data base for future analysis. Several workshops occurred in Year Five to disseminate analytic findings to Government decision-makers and to sharpen the skills of in-country analysts.

APAP personnel developed an orientation manual for commodity analysts in the MOA. The manual summarizes basic concepts in commodity analysis to strengthen the analysts' ability to carry out such key tasks as monitoring trends in production, consumption, and trade of important food and export commodities. Additional training in these techniques was provided in in-country seminars during Year Five.

Short-term technical assistance assisted UAE staff to address a range of issues critical to the future of the agricultural sector in the Dominican Republic, including the regulation of rice markets and appropriate pricing and marketing policies to balance the competing needs of consumers and producers, mechanization of agriculture in a labor surplus situation; land titling in agrarian reform areas; and policy issues in the forestry sector. APAP advisors have collaborated closely with UAE staff and other Dominican analysts to ensure that they are able to continue the analysis and update models after APAP assistance is completed.

APAP assistance focused in particular on development of analytic tools that can be used on micro-computers. An accounting framework (DOMINGO) was developed to simulate the impacts of policies on key variables of interest (production, trade, etc.). A training course in use of micro-computers for policy analysis was offered in Year Five.

Agricultural Policy Analysis Project

EGYPT

Impact of Reform in the Fertilizer Sector

The Government of Egypt (GOE) is planning a major project to expand the production of fertilizer in Upper Egypt, with the cooperation of AID and the World Bank. In keeping with the movement of Egyptian policies toward removal of subsidies and other distortions in the agricultural sector, it has been agreed that the new plant's production: a) will be distributed at least in part through private sector channels, b) will be sold at an unsubsidized price, and c) will not be subject to the existing rationing scheme for fertilizer. Since these changes together constitute a major reform in the fertilizer sector, the decision-makers involved identified a need for formal analysis of the impact of these changes on fertilizer demand, fertilizer application, crop production, and farmer incomes.

A four-person APAP team was fielded in the Fall of 1986 to begin work on an impact analysis of the proposed package of fertilizer reforms. The team, which will complete its work in year four, gathered data for an analysis of public and private sector marketing costs and collected information on fertilizer response, price data, cost of production, and other factors to measure the impact of the proposed price changes. The team analyzed the data using a linear programming model, supplemented by analysis of the historical data and a comparative analysis of price-output relationships in Egypt and elsewhere.

The team's analysis suggest the following conclusions:

- o An increase in the price of fertilizer would be reflected in a marked decline in its use, but other changes in the agricultural sector would be comparatively minor. Twenty years of subsidized fertilizer prices and increasing crop-fertilizer price relatives have encouraged farmers to apply fertilizers at high levels compared to both international standards and experimental results in Egypt.
- o Although farmer demand at the subsidized price is not met by the current supply, the current supply could well exceed demand at the proposed unsubsidized price.
- o Privatization of fertilizer distribution would not result in a major increase in the price to the farmers, even taking into consideration the costs associated with establishing a private sector distribution channel where none now exists.

Agricultural Policy Analysis Project

EGYPTPrivatization of Input Supply

In Egypt's heavily regulated agricultural sector, primary responsibility for implementing the subsidy and control programs is held by the Principal Bank for Development and Agricultural Credit (PBDAC). In addition to providing the only source of institutional credit to the farmers, PBDAC is the monopoly supplier of fertilizer and several other key inputs, as wheat, rice, and other crops. With 34,000 employees and over 3,000 village agencies, PBDAC has a more extensive network than any other institution in the agricultural sector, public or private. In this situation, agricultural policy reform in Egypt is nearly synonymous with reform of PBDAC.

USAID/Cairo and the Government of Egypt (GOE) are involved in an active policy dialogue on reform of the policies implemented by PBDAC. An important element in the reform package will be separation of input supply from credit, reduction of subsidies and quantitative restrictions on inputs, and privatization of the input market. In response to a USAID/Cairo request for APAP assistance in designing a PBDAC reform project, an APAP staff member was fielded for a one-month period to analyze the policy barriers to privatization and recommended a package of policy reforms and related project activities to support privatization. APAP assistance was closely coordinated with separate analyses of credit and technology transfer issues.

The APAP study reached several major conclusions:

1. Expanded participation of the private sector in input supply will require abolition of the government monopoly in domestic trading in fertilizer and other specific inputs; the potential for expanded input demand "at the margin" is too small to support dynamic private growth;
2. Abolition of the government monopoly will not be enough: reforms must also take place in import regulations and other key policies governing domestic commercial activity to permit private firms to operate profitably; and
3. Removal of subsidies on fertilizer and other inputs is not necessarily a precondition to privatization, although an orderly market must be assured during privatization.

The APAP study made a preliminary evaluation of the feasibility of alternative approaches to reducing PBDAC's role in input supply and recommended a gradual approach beginning with pilot testing of privatization at the retail level in one of the 17 governorates that make up the agricultural area.

Agricultural Policy Analysis Project

EL SALVADOR

Inventory of Policies Affecting Agriculture

In response to a request from USAID/El Salvador and the Government of El Salvador (GOES), a five-person team of economic advisors from the Agricultural Policy Analysis Project (APAP) spent several months in the field preparing an inventory and analysis of policies affecting agriculture in El Salvador. Political and economic disarray in that country harmed the agricultural sector, which dominates the Salvadoran economy. Thus, a comprehensive examination of the factors affecting agriculture was a necessary starting point for efforts to reverse negative trends.

The APAP study's objective was to generate policy alternatives in agricultural marketing for the subsectors of basic grains, fruits and vegetables, traditional export crops (coffee, cotton, sugar), and livestock products. In particular, the report sought to: (1) review the supply and demand characteristics of the subsector; (2) describe and evaluate the subsector marketing structure; (3) evaluate the economic and technical efficiency of the system; (4) examine the marketing support functions; (5) analyze the relevant marketing constraints; (6) determine the foreign trade impacts; and, (7) weigh alternative marketing policies.

The purpose of evaluating marketing policy alternatives was to assist the GOES to achieve its broad food policy objectives, and to improve the efficiency, effectiveness, and equity of the agricultural marketing system. The scope of the analysis included: allocation and pricing of production inputs, production incentives and controls, commodity procurement, storage, transportation, processing, and trade policies. The APAP team also examined relevant marketing policy constraints, including the provision and maintenance of physical infrastructure, private sector investment incentives, availability and price of investment capital and working capital, allocation and pricing of materials used in providing marketing services, market control by the public and private sector, cost and availability of improved marketing technologies, and dissemination of market information.

Regeneration growth in El Salvador's agricultural sector is a primary goal for both the GOES and AID/El Salvador. The APAP Inventory of Policies Affecting Agriculture in El Salvador provides a solid analytical foundation for those efforts.

Guatemala: Seminar on Economic Policies and Their
Relation to the Development of
the Agricultural Sector

The Agricultural Policy Analysis Project

The Agricultural Policy Analysis Project completed an inventory of policies affecting the agricultural sector in Guatemala during the project's third year. As a follow-up to this analysis, APAP was asked to conduct a two-day workshop in Guatemala. The objective of the seminar was to bring together representatives of the major institutions involved in policy-making to discuss the current policy environment and to identify priority areas for possible reform. A central goal of the session was to build coordination mechanisms among the policy-making institutions to lead to greater compatibility between macroeconomic and sectoral policies.

Two APAP staff members who had worked on the initial inventory travelled to Guatemala to serve as facilitators for the seminar. They used a combination of plenary sessions and small working groups to encourage discussion and free exchange of ideas among those attending the sessions, who represented a broad cross-section of Guatemalan institutions involved in policy at the national and sectoral levels.

A simulation exercise that had been conducted during the policy inventory exercise was repeated during the seminar as a means of promoting interaction among members of the various institutions represented. The simulation resulted in a broader understanding of policies prevailing at different levels in the economy and an evaluation of policies affecting agricultural development. Out of this understanding grew an increased awareness of the need to define a consistent policy set that would help achieve future development goals for the agricultural sector and for the Guatemalan economy as a whole.

Year V

Agricultural Policy Analysis Project

Indonesia

Mid-Term Evaluation of the Agricultural Planning Project

USAID/Indonesia designed the Agricultural Planning Project (APP) "to assist the Ministry of Agriculture to institutionalize at the national and provincial level an improved capacity for agricultural policy analysis and planning and to link that capacity more closely with the formulation of agricultural programs and projects." This capacity-building activity was to provide assistance through special studies, planning and analysis training, decentralized data processing and management, technical assistance and the testing of new approaches to local level agricultural planning at three pilot regional locations. Delays affected the startup data of APP resulting in a mid-term evaluation in the fourth year of this five year activity.

USAID/Indonesia requested APAP to provide a four person team to undertake APP's mid-term evaluation. The team consisted of two senior host country consultants and two U.S. consultants. Upon arrival, and following a briefing by USAID, the team developed a work schedule, undertook a broad series of interviews with USAID officials implementation team members and Ministry of Agriculture officials. Visits were made to MOA offices in Jakarta and Bogor and to pilot local level planning KANWIL sites in Central Java, South Sulawesi and Bengkulu.

The evaluation team concluded that project objectives were consistent with and important to the implementation of AID development strategy and that progress was being made toward realizing most of the project's major objectives. On the basis of the evaluation, the team conducted a second five year phase.

With respect to specific findings, the Special Studies component was found to be addressing important issues in Indonesian agricultural planning; that it brought Bureau of Planning and the Center for Agro-Economic Research planners together as well as enabling greater professional involvement at the provincial level; and that there was greater cooperation with provincial universities. On the negative side, greater involvement of the MOA "planning family" through the planning units of the Directorates General was called for.

Planning and Analysis Training, as a component, had mixed results. Degree of training seemed least successful due to inadequate preparation to undertake graduate study and reluctance to those qualified to leave present positions without guarantees of equal or improved positions upon their return. Short courses offered at universities were criticized as not being sufficiently relevant and/or applied. On-the-job training and practicals have been popular and well received.

The evaluation team found that while the concept of Decentralizing and Disaggregating Databases throughout the Ministry of Agriculture was technically feasible, it was not yet operational and lacked an MOA-wide computerization policy which set standards for data formats and priorities for the type of information to be computerized.

The Technical Assistance team was highly rated in terms of personal effectiveness and favorable reactions by counterparts. The evaluation team felt, however, that the TA teams may have suffered somewhat from lack of coordination as an integrated unit; each member worked well as an individual but little group activity occurred.

The Pilot Activities to Strengthen Analysis and Planning at the KANWIL Level component was very well received and supported strongly by the MOA. The evaluation team questioned whether KANWIL would ever have autonomous planning powers, despite assurances from the Deputy Minister of Agriculture that this would take place.

Agricultural Policy Analysis Project

Jordan

Agricultural Policies Affecting Production and Marketing of Fruits and Vegetables in Jordan

USAID/Jordan requested APAP to provide technical assistance to undertake research on agricultural policies affecting production and marketing of fruits and vegetables in Jordan. A four-person team of Abt Associates Inc. professionals undertook a study to: (1) describe the nature and scope of current Government of Jordan (GOJ) intervention in the production and marketing of fruits and vegetables, (2) evaluate both the rationale and efficiency of GOJ policy interventions in light of their objectives, and (3) identify potential improvements and directions for policy reforms. The team, in examining GOJ agricultural policies, identified four major policies which impacted on the horticultural sector.

1. Macroeconomic and international trade policies
2. Policies relating to the wholesale market
3. Policies affecting the retail reference price system
4. Cropping pattern policy

Study of macroeconomic and international trade policy revealed that the Jordanian dinar was not overvalued, and that lowering its value to make Jordan's agriculture more competitive with other LDCs, given that Jordan is not principally an agricultural economy, was not a sound policy. Moreover, parastatal control over horticultural imports occurred within tolerable limits in terms of national income foregone due to government monopoly, although the costs of this monopoly will likely grow over time.

Examination of the wholesale market policy disclosed that centralization in Amman facilitated price discovery, controlled flow of produce and thereby reduced losses, was convenient for most buyers and sellers, enhanced price stability and increased access to credit. Changes recommended to enhance the wholesale market included physically enlarging it, expanding the number of licenses and stalls, and scheduling auctions on a regular basis to increase both the numbers of buyers and sellers.

The study of existing price controls revealed that improved price stability may have been gained at the cost of quality control and lost export opportunities. The APAP team recommended considering removal of retail price controls in order to stimulate production of higher quality produce (which in turn would strengthen Jordan's competitiveness in world markets).

The sudden mid-'80s decline of Jordanian agricultural exports and concomitant surplus brought about the imposition of cropping pattern regulations. In place for over three years, the APAP team recommended doing away with this system, converting the cropping pattern licensing system into an agricultural information dissemination system. Other recommendations included addressing the high delinquency rates in agricultural credit through integrating production, credit and marketing within cooperative organizations, and ending the police-like functions of extension agents imposed by the cropping pattern system so that extension agents could implement more effective programs of assistance to Jordanian farmers.

The results of this study were subsequently presented at an Agricultural Marketing Policy Workshop in Aqaba, Jordan. The Workshop was attended by personnel from the Ministries of Agriculture, Supply and Planning; Faculty of Agriculture, University of Jordan; parastatals and cooperatives; and AID/W and USAID representatives. The Workshop produced lively discussion, general agreement with the findings of the study and the establishment of inter-ministerial, public/private sector study groups to continue dialogue and research in each of the policy areas.

Agricultural Policy Analysis Project

LAC REGIONAL

Evaluation of the Latin American and Caribbean Agricultural Planning and Policy Analysis Project

USAID's Latin American and Caribbean Agricultural Planning and Policy Analysis Project (LACPLAN) was implemented by the Interamerican Institute for Agricultural Sciences (IICA) to further AID's general goals of emphasizing the importance of agricultural planning and policy analysis in achieving increased capacity for food production and increased participation of poor people in the benefits of development. Specifically, this centrally-funded project was intended to: (1) develop methodologies for use on a broad scale; (2) provide technical assistance backstopping to country projects; (3) develop training materials and hold seminars and short courses on a broad scale; and, (4) establish a network across countries of institutions and people engaged in planning and policy analysis.

AID requested that the Agricultural Policy Analysis Project (APAP) perform a final evaluation of LACPLAN (later renamed PROPLAN). Abt Associates had performed an earlier evaluation of LACPLAN. The APAP evaluation of this project centered around five topics:

- o Technical evaluation of PROPLAN;
- o IICA institutionalization of agricultural planning and policy analysis;
- o Demand for services from IICA by the Latin American and Caribbean Governments;
- o Capability within IICA for providing services in agricultural planning and policy analysis; and,
- o Recommendations to IICA, the Bureau for Science and Technology (S&T), and the current S&T Agricultural Policy Analysis Project (APAP).

Among its conclusions and recommendations, the APAP team found that IICA was still considered to be the appropriate institution to implement the project, with the stipulation that it turn to support agricultural policy analysis efforts, as well as sectoral analysis.

Agricultural Policy Analysis Project

LAC REGIONAL

A Strategy for Strengthening CORECA Country Policies in Priority Areas of Agricultural Development

The Ministers of Agriculture and the members of the Technical Coordinating Committee of the Central American Council for Economic Cooperation (CORECA), a seven country consortium of Latin American states, have recognized the importance of public policies in the overall development of the agricultural sectors of their respective countries. They believe that policies must be consistent with development goals and that proposed policies must be evaluated systematically to permit policymakers to choose rationally among alternatives.

The Technical Committee of CORECA identified four priority areas of agricultural development within individual countries and the region as a whole: (1) food security; (2) generation and transfer of technologies for production, storage, processing, and marketing of basic agricultural commodities; (3) promoting increased agricultural product exports through private/public sector cooperation; and (4) promoting processing of agricultural based products for increased rural development.

The CORECA ministers requested the assistance of the Agricultural Policy Analysis Project (APAP) in strengthening CORECA country policies in these priority areas. An APAP team of technical advisors worked with CORECA in developing policies to address these priority areas.

The APAP team's specific purposes were to: (1) establish norms for each of the priority areas of agricultural development; (2) formulate procedures for policy analysis in each of the priority areas; (3) identify, gather, and present data and information needed for policy analysis in each of the priority areas; (4) analyze policy alternatives for each of the priority areas, including those currently in place at the country level; and, (5) recommend alternatives for action in strengthening country policies in the priority areas.

The APAP work proceeded in two phases. Phase I focussed on descriptive analyses of the policy problem areas in question; Phase II consisted of in-depth analyses of these areas.

Guidelines for Supporting Agricultural Development
in Latin America and the Caribbean
Agricultural Policy Analysis Project

APAP was asked by AID's Bureau for Latin America and the Caribbean to provide assistance to the bureau in determining how its strategy for development assistance to agriculture should be revised in light of AID's adoption of a New Focus for Agriculture. Working with LAC bureau personnel, APAP drafted guidelines for LAC programming in agriculture and rural development. The guidelines examine the sources of poverty, malnutrition, and environmental deterioration in the region and consider alternative assistance strategies for dealing with these problems. The evolution of key indices in each of these areas is reviewed for the 1965-1984 period.

The report places assistance to agriculture in the context of the severe macroeconomic policy problems facing many countries in the region, particularly the debt crisis. It argues for continued emphasis on policy reform, with greater consideration of policy impacts on food production and nutritionally vulnerable groups to reflect the poverty concerns of the New Focus.

Five areas of assistance are discussed in detail: support to macroeconomic and policy reform; promotion of commercially viable small family farms; promotion of rural non-farm enterprises and other private sector activities; development of efficient, effective public institutions serving the agricultural sector; and improvement of natural resource management. The guidelines also review important interactions among these assistance themes, particularly between resource management and efforts to expand production by small farmers. The report reviews project and non-project options for programming in each of these areas, with particular emphasis on innovative approaches that have been tried in the region.

In keeping with agency-wide policy emphasizing quantifiable benchmarks to measure progress toward AID objectives, the guidelines suggest a number of benchmarks that can be used by LAC missions and the bureau overall to monitor progress. Benchmarks are suggested in the areas of incomes, food availability, consumption, and the natural resource base, following the four areas of emphasis in the New Focus for Agriculture. The report recommends use of rapid appraisal methods to monitor progress in the areas of income, food availability, and nutrition, despite the lack of data and the limited resources available for the effort, and suggests that greater reliance be placed on remote sensing to monitor changes in resource status.

The guidelines were developed in full recognition of the shrinking resource base for AID programming for agriculture outside of the ESF countries. The report therefore addresses how the strategy can best be implemented in the light of budget and personnel constraints facing LAC regions.

Agricultural Policy Analysis Project

LIBERIA

Increasing Capacity for Agricultural Policy Analysis

Some of the most pressing issues in Liberian agriculture relate to the rice economy and to the formulation of a national agricultural policy. Short-term issues include the impact on domestic rice production of alternative price support levels or FL 480 imports, and the impact on consumer prices of alternative levels of domestic production. These issues are components of the longer-term issue of formulating a cohesive and sensible national agricultural policy.

A team of APAP advisors in Liberia worked with the Ministry of Agriculture (MOA) both to address these issues and to increase the MOA's effectiveness in assisting the Government of Liberia (GOL) to derive and to implement its agricultural policies and programs.

The APAP team in Liberia concentrated on four activities to assist the MOA with these challenges:

- 1) Developed and applied an agricultural policy model -- a preliminary microcomputer-based agricultural policy model was adapted to the conditions and concerns which confront the GOL. The model was particularly well suited for the analysis of alternative rice policies, including producer price supports, storage and import schemes, and the costs and benefits of increased self-sufficiency.
- 2) Evaluated alternative agricultural enterprises and developed a strategy for long-term agricultural development. The team utilized micro farm management approaches to estimate the returns to resources employed in alternative farm enterprises.
- 3) Prepared materials and assisted in conducting an agricultural policy workshop. Increasing the capacity for agricultural policy analysis and implementation in Liberia was a major objective of the APAP team. The workshop with members of the Bureau of Planning provided an opportunity to analyze current policy issues and to work through with Liberian planners the costs and benefits of alternative policy options.

- 4) Provided long- and short-term training in agricultural policy analysis for one Liberian M.Sc. candidate and several officials of the Bureau of Planning.

The activities each contributed to the APAP team's primary objective of assisting the Liberian Ministry of Agriculture to establish a framework for analyzing agricultural policy issues and for developing a strategy for long-term agricultural development.

Agricultural Policy Analysis Project

MADAGASCAR

Inventory of Studies Relating to Agricultural Policy and Seminar on Agricultural Policy

In collaboration with a local Malagasy consulting firm, APAP conducted an inventory of foreign and domestic studies carried out since 1975 which had a bearing on agricultural policy in Madagascar. An annotated bibliography was produced on a data base system with an assignment of key words to facilitate future use of the inventory by researchers and policy analysts. A synthesis report of the studies highlighted the gaps and made recommendations about where future research should be done.

APAP assistance was also provided to USAID in helping to elaborate its strategy in Madagascar, and to identify private-sector-focused programs; and in assessing the Government of Madagascar's progress in economic policy reform, especially in its rice liberalization program. This information was used in updating the CDSS for Madagascar.

Finally, the APAP team was responsible for the organization and implementation of a two and a half day seminar on agricultural policy for Malagasy government officials. The agenda focused on objectives and strategies of agricultural policies, and the influence of the macro policy environment on the success of strategies and subsectoral policies. Experiences in policy reform in Africa and Asia were discussed and compared with the Malagasy experience.

Madagascar: Support to Reform of Rice Marketing
Agricultural Policy Analysis Project

APAP's involvement with rice marketing reform in Madagascar began in the second year of the project and has continued into Year Five. Year IV activities included a visit to Madagascar by a senior APAP policy advisor to review recent progress on the reform and plans for a study tour of Malagashi officials to familiarize them with Asian experience with privatization of rice marketing. The study tour, initially planned for Year IV, has been rescheduled for Year V, due to scheduling difficulties within the Government of Madagascar.

The senior policy advisor's work in Year IV focused on preparations for an upcoming study on private sector participation in the rice market and coordination of AID actions with other donors active in the reform, notably the World Bank. The advisor reviewed plans for the study, including prioritization of study issues, and supported mission plans to focus on a limited number of topics where AID can have the greatest input.

The advisor recommended broadening the scope of the study within each of these topics, however, to expand the search for private sector options as fully as possible and to ensure that the studies address the most pressing requirements for greater private sector involvement. For example, the advisor endorsed a study of road maintenance contracting, inasmuch as poor roads have been found to be a major barrier to competition and smooth marketing functioning in Madagascar, but suggested that the proposed focus of the study (training) be expanded to address financing and equipment needs of the private sector and, if possible, to consider a range of contracting mechanisms, rather than simply examining contractor capabilities.

Finally, the advisor recommended that a number of areas be reconsidered as possibilities for expanded private sector activity, in light of the realistic limits on government expenditures for agricultural services such as extension and irrigation maintenance, at least for the foreseeable future.

**An Evaluation of Madagascar's Food for Progress Program
Agricultural Policy Analysis Project**

The Government of Madagascar has, for several years, been deeply engaged in a program of economic stabilization and reform, particularly in the agricultural sector. Through a first-of-its kind Food for Progress Program, AID is actively supporting these reforms.

The Madagascar Food for Progress program was designed to support the GOM's rice market liberalization by providing rice under Section 416 to supply a rice buffer stock. The purpose of the buffer stock was: (a) to sell rice on the open market during the annual 'lean season' to moderate rice prices; (b) to ensure that the volume of subsidized, publicly distributed rice declined according to the World Bank/COM agreement and; (c) to serve as an emergency stock.

The use of U.S. food resources to support countries that have made commitments to expand free enterprise elements in their agricultural economies through changes in pricing, marketing and other policies is a new use of food aid. The Madagascar Food for Progress Program was conditioned on the GOM's agreement to continue its policy to allow free competition between public and private sectors in the rice market and to reduce direct GOM participation in the processing, transport and sale of domestic rice. The GOM also agreed to expand the licensing of traders and to remove all restrictions on prices, and inter-regional movement of rice.

AID's Food for Peace Office asked the Agricultural Policy Analysis Project (APAP) to assist in evaluating the Food for Progress Program, including the effectiveness of rice buffer stock, GOM progress in implementing rice market liberalization and the need for additional Food for Progress rice in FY'88.

The evaluation team's research included interviews with AID personnel, GOM officials, concerned donor agencies (World Bank, EEC, World Food Program) local authorities, farmers and rice millers and traders. The team analyzed the effect of the buffer stock on seasonal price fluctuation, private rice traders and disadvantaged consumers. The team also investigated the impact that the buffer stock had on private rice wholesalers and retailers and its effect on the market behavior on producers, traders and consumers as the 1987 harvest season began.

The evaluation team found the buffer stock contributed to moderate and declining rice prices during the 1986-87 lean season. In general, the buffer stock had a positive impact consumers and traders, though some traders suffered heavy losses when rice prices did not soar to the record levels of 1986. As a policy tool, the Food for Progress Program had a limited, though positive, affect on GOM implementation of agreed upon policy measures.

Agricultural Policy Analysis Project

Madagascar

An Inventory of Agricultural Policy Studies **and** **A Workshop on Agricultural Policy Reform**

The Agricultural Policy Analysis Project (APAP) carried out six activities for the Madagascar Agricultural Rehabilitation Support (MARS) Project. The first was an inventory of all of the agricultural policy studies done in Madagascar since 1975. The second was a workshop on experiences with agricultural policy reform in developing countries. The third and fourth activities were a study-tour to Bangladesh for a group of technicians and elected officials and a subsequent workshop.

The inventory was undertaken in collaboration with the Malagasy consulting organization, Mamokatra. Studies and reports were searched for in Ministries, Libraries, research institutes, and universities, both in Madagascar and in France. An annotated bibliography of some 200 studies having policy content was prepared. A bibliographic list of more than 600 documents was put into a data base system and published. This inventory will be a valuable tool to agricultural policy analysts, researchers, and designers of projects and programs for years to come.

The first workshop in 1986 was jointly hosted by APAP and the Ministries of Planning and Agriculture. Thirty policy analysts from the Ministries of Planning, Agriculture, Livestock, Supply, and Commerce; the Institute of Planning Techniques; National Development Bank; and a private business group attended. APAP supplied Dr. Elliot Berg to the workshop to speak on "The General Situation of Agriculture in Africa" and "Experiences with Liberalization of Prices and Markets in Africa". Dr. Brian Trung Ngo of APAP spoke on "Experiences with Liberalization of Prices and Markets in Asia". A speaker from the Ministry of Agriculture spoke on "Problems of Malagasy Agriculture and Experiences with Agricultural Policy". The workshop generated a great deal of interest among the Malagasy analysts with regard to how the successes registered elsewhere might be replicated in their country.

The interest generated by the 1986 workshop on experiences with the use of agricultural policy instruments in Asia led to the request for the study tour to Bangladesh in 1988. An APAP economist accompanied technicians from the Ministries of Agriculture, Livestock, and Planning, a Deputy of the National Assembly, and two Provincial Governors, on a week visit to Bangladesh. Visits were made to silos, markets, local government councils, mills, and farms; Ministries of Planning, Agriculture and Food; the Bangladesh Academy for Rural Development; the Bangladesh Institute for Development Studies; and World Bank and USAID Offices.

The participants presented reports on their observations on the applicability of policy instruments used in Bangladesh to Malagasy agriculture to the second APAP/Ministry of Plan workshop. APAP's Dr. Roger Montgomery and Dr. Charles Hanrahan made presentations at the workshop and acted as resource persons. The APAP presentations were updates on experiences with policy reform in Asia and Africa. The workshop was attended by thirty participants, split between agricultural technicians and elected officials.

Agricultural Policy Analysis Project

MALAWI

Agricultural Policy Component of
Country Development Strategy Statement

In its Country Development Strategy Statement (CDSS) for Malawi, USAID identified two primary objectives: (1) increase in the productivity and income of the three-fourths of the population -- predominantly rural -- who live at low levels of income; and (2) continuation and strengthening of Malawi's political and economic stability, and private enterprise orientation. The first of these objectives relies heavily on agricultural development to enhance rural living standards.

AID/Malawi requested assistance from the Agricultural Policy Analysis Project (APAP) in drafting the agricultural policy component of its CDSS. An APAP technical advisor reviewed Malawi's agricultural trends and policies as a basis for diagnosing the problems and priorities for the CDSS.

In diagnosing Malawi's agricultural status, the APAP advisor uncovered problems with domestic policies, as well as with external factors affecting Malawian agriculture. The CDSS focussed on domestic factors, among which the earlier choice to promote estate over smallholder development was identified as a primary source of economic difficulty.

Expanding from this diagnosis, the APAP contribution to the CDSS outlined several major priorities for Malawian agricultural policy, including: diversification of smallholder production; increased efficiency of the estate sector; allocation of greater resources to aquaculture; reduction of the birth rate; substitution of Malawian managers for expatriates where possible; and reduction of imports of luxury goods.

These recommendations were supplemented by a discussion of specific problems and the expected social returns from each.

Agricultural Policy Analysis Project

MALI

Using Food Aid to Promote Cereals Market Reform

In 1981, several food-aid donors joined together in a Cereal Market Restructuring Project (PRMC) to assist the Malian government (GRM) to reform cereals policies, then characterized by an official, but ineffective, state monopoly in domestic cereal trading held by a parastatal, OPAM; producer prices far below market prices; and subsidized consumer prices through official channels, mostly in urban areas. The donor-members of the PRMC made a five-year commitment of food-aid to be sold, generating counterpart funds to underwrite reforms in three areas: liberalization of the cereals market, reduction of OPAM costs, and increasing producer incomes through price incentives. AID joined the PRMC in 1983, by which time the reform was well underway, but far from completed. The market had been officially liberalized, but official prices (baremes) remained in force and OPAM continued to play a large role in both consumer and producer markets. OPAM costs had been cut, but a very large deficit remained to be covered by PRMC funds. The government had not kept up the pace of price reform. Progress during the last two years of the program was limited to a large increase in official prices for both consumers and producers and official, but ineffective liberalization of rice marketing.

USAID/Bamako requested APAP assistance in defining the issues for PRMC/II, in particular, the interaction of cereals prices and OPAM interventions under Mali's highly unstable production conditions. A two-person team was fielded for three weeks in mid-1986 to project OPAM finances under alternative production and policy conditions, analyze constraints to private trade, and define policy benchmarks for PRMC/II.

OPAM's financial performance was projected under five alternative formulations of a reduced-intervention strategy, each of which resulted in an annual deficit on the order of 42 million CFA francs. APAP's analysis demonstrated that OPAM has the financial resources to raise producer prices 10-20% in a good year, but that efforts to achieve large increases (such as the 50% rise sought this year) will only destabilize the market. The team also concluded that OPAM's very high fixed costs are a major barrier to reform, since they make reduction of the OPAM deficit incompatible with reduced OPAM volumes; cutting these costs should be a priority for PRMC/II. The team recommended that AID remain in the PRMC process, but that, in view of the mixed results obtained to date through multi-lateral negotiations on specific reform measures, AID should judge progress independently of the PRMC reforms. The team developed a suggested list of results-oriented benchmarks, such as the differential between OPAM prices and market prices, to enable AID to measure progress toward market liberalization independently of implementation of specific reform packages negotiated with the GRM under PRMC/II.

Year IV

Agricultural Policy Analysis Project

MALI
Evaluation of the Cereals Market
Restructuring Project (PRMC)

The PRMC is a five-year, multi-donor project designed to mobilize food aid resources to promote cereals market reform in Mali. The project is based on an agreement between the Government of Mali (GRM) and a group of donors, including AID and the World Food Program, to undertake a three-part reform program: liberalization of the cereals market, improvement of producer incentives, and reduction of public sector marketing costs. The participating donors made a multi-year commitment of food aid commodities, which were sold through the state marketing organization, OPAM, and the counterpart funds generated were allocated by mutual agreement to support specific reform measures.

To date, APAP has fielded two teams in support of USAID/Bamako involvement in the PRMC. In July 1986, a two-person APAP team assessed progress under PRMC/I to assist in defining appropriate benchmarks for PRMC/II. In January 1987, APAP provided the team leader for a two-person team charged with evaluating the third year of AID's support to the PRMC reforms. Dr. Jennifer Bremer-Fox of APAP's core staff (RRNA) spent two weeks in Mali and submitted a draft evaluation to the mission in February.

The evaluation concluded that the PRMC has reached a turning point in the reform process: events in the next few months could well determine whether the progress made to date is consolidated or whether, on the contrary, the reform is discredited. The public sector marketing parastatal has been immobilized by its inability to sell grain purchased at an artificially elevated price during the 1985/86 season, which in turn has greatly reduced the scope for PRMC action. The private sector has been given an opportunity to move into the market for domestic rice and paddy, but, unfortunately, it is not in a position to do so. The extremely large 1986/87 coarse grains harvest coupled with the non-competitive price of domestic rice relative to imports makes it a virtual certainty that the private sector will not purchase paddy at the official price. This outcome, accompanied by huge OPAM deficits, is likely to be interpreted by many as a failure of the reform to protect the farmers and ensure orderly marketing of domestic grain.

Agricultural Policy Analysis Project

MAURITANIA

An Analysis of the Effects of an Increase in Grain Prices

Grain prices have been widely recognized as a potentially important policy tool for determining the level of a country's domestic food production. Theory suggests that farmers will increase their output in response to increased output prices. However, price policy has proved to be a two-edged sword: increased grain prices also have complicated effects on other aspects of a country's food system.

The Government of the Islamic Republic of Mauritania (GIRM) and USAID asked the Agricultural Policy Analysis Project (APAP) to assist in evaluating the effect of recent Mauritanian efforts to increase grain production by raising domestic sorghum and wheat prices to import parity levels. AID/Nouakchott was particularly concerned about possible harmful effects on its involvement in price policy reforms through its PL-480, Title II, Section 206 program.

In response to these concerns, an APAP team of technical advisors in Mauritania analyzed a wide range of issues related to grain prices: Did increased grain prices cause negative consumption effects? Was there a positive stimulus on domestic grain production? What was the effect on government revenues generated from the sales of internationally donated commodities? How did grain price increases affect the size of the country's food aid bill?

The APAP team's research included interviews with AID personnel, GIRM officials, concerned donor agencies, local authorities, farmers, and consumers to help answer these questions. The team analyzed the existing grain price structure and forecast the relevant import parity prices. To complete its analysis, the team investigated the constraints on traditional and irrigated agriculture, and examined potential consumption effects on grain consumers, including the large indigent population of Mauritania.

The APAP study found that both producers and consumers of grain were relatively unresponsive to changes in prices. Thus, even though import parity prices would not dramatically increase domestic production, neither would they dramatically decrease food consumption. On balance, the APAP team found economic benefits in price policy reforms, since increased prices for donated commodities would augment GIRM revenues available for other badly-needed agricultural uses.

Agricultural Policy Analysis Project

MAURITANIA

Design of a Consumption and Expenditures Survey for Food Policy Analysis

The Government of the Islamic Republic of Mauritania (GIRM) faces difficult policy decisions as it attempts to deal with both consumers and producers needs in a period of continuing drought. While the GIRM has met the population's short-term needs through food aid, concern is rising that the level of food aid, the mix of commodities, and the high degree of free distributions may impede agricultural recovery. The GIRM has made major strides toward liberalizing the grain market, bringing prices to near world levels, but the impact of these reforms on producers and consumers remains unclear. In consequence, the GIRM and the donors have placed a priority on better information on consumption and expenditures, particularly in food-growing regions. This information is needed not only to gauge the effects of past reforms, but also to guide future policy changes and serve as a basis for food aid and import decisions.

The Agricultural Policy Analysis Project (APAP) provided a three-person team in November 1985 to assist AID and the GIRM in designing a consumption and expenditure survey that will meet the government's immediate information needs and improve understanding of the food and agriculture sector. The team identified the issues to be addressed by the survey, developed a survey methodology and a draft survey instrument, and provided an initial survey budget and workplan.

The survey, which will collect data from roughly 1,000 households over a one-year period, will cover nine basic areas: household structure; residential description, assets, and access to water; food consumption and expenditures; non-food consumption and expenditures; 24-hour food recall record; agricultural information and farm income; family member activity record and non-farm income; storage and stocking behavior; and nutrition. The data survey will collect anthropometric data to supplement the data on consumption and expenditures.

To make results available as early as possible, an interim report will summarize results of the first survey round (four rounds will be implemented in all). When completed, the survey and analysis will help policy-makers answer questions on such critical issues as current levels of wealth and income, food production and consumption patterns, the share of the budget devoted to major categories of food and non-food items by various socio-economic groups, the income and price elasticities of demand for food, the expected nutritional impact of price and income changes, differential impact of price changes on urban and rural families, and the role of food aid in meeting Mauritania's consumption requirements.

Agricultural Policy Analysis Project

NIGER

Agricultural Policy and Credit Reforms

The Government of Niger (GON) stands on the brink of a major agricultural policy reform effort oriented towards reversing the negative production trends associated with the present system of agricultural marketing, pricing, and subsidy policies. Niger can no longer afford the large subsidies paid to producers and consumers; nor can the GON continue its heavy involvement in domestic food marketing, while restricting private trade.

The GON and AID/Niger have undertaken a serious policy dialogue and sponsored several studies to chart a new course for the country's agricultural development. AID recently initiated a multi-year Agricultural Sector Development Grant to assist in policy reform. As part of that process, the Agricultural Policy Analysis Project (APAP) was asked to examine the potential for reform in several major areas, including: input subsidies, grain marketing, grain storage, market information, and rural financial markets.

An APAP team working in Niger reviewed numerous policy reforms in these areas, many of which were already in early stages of implementation. The APAP team recommended means to monitor the progress of these reforms, as well as the means to measure the impact of policy reforms on agricultural production and on GON expenditures. Specific measures were proposed to enhance the policy analysis and implementation capacities of the Ministry of Rural Development to permit self-sustaining policy management.

The APAP team also reviewed current proposals for a major study of farm credit at the village level and made detailed recommendations regarding its purpose, methodology, and implementation.

Agricultural Policy Analysis Project

PAKISTAN

Implementating the Economic Analysis Network

Establishing an Economic Analysis Network (EAN) within the Government of Pakistan (GOP) is a high priority for AID/Pakistan. The principal function of the EAN would be to give authoritative expression to the demand for policy analysis. The concept and design of the EAN are innovative, experimental, and politically sensitive; and, they represent a radical departure from the conventional operating methods and style of the GOP bureaucracy. These factors create a complex web of constraints on the implementation of the EAN.

The Agricultural Policy Analysis Project (APAP) was asked to develop a plan for unravelling that web of constraints, and to outline a strategy for implementing the EAN in Pakistan. An APAP advisor worked with AID/Pakistan and the GOP to analyze the political and bureaucratic impediments to establishing the EAN.

The APAP advisor recommended 16 steps to facilitate the EAN. The recommendations entail a wide range of relevant considerations, including: managing political sensitivity; cultivating relationships with policy-making officials; structuring the steering committee and the technical support staff; examining USAID's potential policy leverage; agreeing on internal strategies for AID; funding for the EAN; and, strategies for following up the project if the GOP rejects the proposed design.

Agricultural Policy Analysis Project

PAKISTANDesign of the Agricultural Sector Support Program

Over the past five years, USAID/Pakistan has assisted the Government of Pakistan to make difficult but necessary policy reforms through the provision of financial support and technical assistance. The former has taken the form of a large commodity import program (the ACE Program) and PL-480 food commodities, while technical assistance has been channeled through the Food Security Management Project (FSM).

As the assistance relationship between the US and Pakistan matures, both parties have expressed the desire to combine these two programs. The Agricultural Sector Support Program (ASSP) is designed to accomplish this purpose. Funded initially at a level of \$330 million for three years, with the possibility of a three-year extension and an additional \$270 million in assistance, the program will provide technical assistance to clarify policy issues and promote consensus on the changes to be implemented, training and technical assistance to upgrade analytic institutions and expand the pool of human resources available to the agricultural sector, and funding for balance of payments support. The latter will be divided approximately evenly between cash transfer and commodity imports, representing the first use of cash transfer in Pakistan since assistance resumed in the early 1980s.

APAP was requested to assist in finalizing the program design, drawing on previous experience with FSM and the design of program assistance activities in other countries. A two-person team was fielded by RRNA for a four-week period to draft the Program Assistance Approval Document. The team assisted in clarifying the policy agenda to be addressed over the life of the program, identifying the policy measures to be negotiated for the program's first year, and developing alternative mechanisms for measuring progress by the GOP. The design developed reflects the need for flexibility throughout the policy reform process, in order to adjust to changing circumstances and new information, as well as political factors affecting the ability of the GOP to take major steps at a particular time.

A critical issue that emerged is the degree to which funding levels should be linked to policy reform performance in a given year. The team developed a system that would measure progress against the set of actions agreed upon as a whole, rather than on the basis of individual actions, but would nonetheless provide a clear standard for judging whether reform progress has been adequate to merit continued support, and, if so, at what level. At the same time, the team recommended that such a system be used only if the mission realistically expects to withhold funds in the face of non-performance.

Agricultural Policy Analysis Project

PANAMA

Improvement of Agricultural Information Systems

Information is a basic requirement for decision-making activities of all kinds and levels. Thus, the information systems which support decision-makers must have the capacity to handle a wide variety of types of information, to accommodate changes in that information, and to supply it in useable form on a timely basis.

AID/Panama requested assistance from the Agricultural Policy Analysis Project (APAP) in making recommendation aimed at improving the state of information systems in the Panamanian agricultural sector.

An APAP advisor assessed the Panamanian institutions currently responsible for providing information to agricultural policy makers, diagnosed the problems, and produced a detailed set of recommendations for enhancing the informational capacity of those institutions.

The APAP advisor found the primary problems to be a lack of in-depth problem solving; superficial use of information; few experienced and trained users of information; little experience in data management; and, a lack of readily available information.

In response to these problems, our advisors recommended the creation of an Informational System Framework for the Direccion Nacional de Planificacion Sectorial, and outlined the steps necessary for its creation. In addition to defining the institutional and functional requirements for establishing an Informational System Framework, the recommendations outlined the relevant computer software and the data bank to be created to support the system.

Agricultural Policy Analysis Project

PANAMA

Agricultural Policy Formulation and Management Project

The public institutions in Panama's agricultural sector are weak, unable to perform serious analysis of economic policies, and equally ill-equipped to implement rational agricultural policies once they are announced. Recognizing these deficiencies, the Government of Panama (GOP) and USAID/Panama have undertaken the Agricultural Policy Formulation and Management Project to strengthen the capacity and to improve the performance of Panama's public agricultural institutions.

The Agricultural Policy Analysis Project (APAP) participated extensively in the design of the Panamanian Agricultural Policy Formulation and Management Project, particularly in its institutional analysis and program management aspects. In observing the policy formulation and management process at work, the APAP technical advisors recognized the deficiencies in the current situation, and were thus able to focus their attention appropriately. The APAP institutional and management analyses concentrated on the role and capabilities of the Sectoral Planning Office (DNPS) attached to the Ministry of Agricultural and Livestock Development (MIDA).

The general recommendations for this unit was that it create the capacity for competent policy analysis by identifying and training qualified Panamanians, and restructuring the DNPS and MIDA to retain these trained Panamanians after the AID project ends. Towards this end, the APAP technical advisors provided detailed outlines of the personnel and equipment inputs, training procedures, and institutional support necessary to achieve the project's objectives. These objectives, spelled out in the Project Paper, included: improved overall management of MIDA; improved capacity of the DNPS to design, implement, monitor, and evaluate programs and projects; and, the development of trained personnel in all aspects of administrative, operative and financial management, program and project design, implementation, monitoring, and evaluation of projects and policies.

Agricultural Policy Analysis Project

PANAMA

Private Sector Study for Agriculture

Private sector initiatives have an important role to play in both the agricultural development of Panama and in the process of policy formation which guides that development. The Government of Panama (GOP) and AID/Panama requested assistance from the Agricultural Policy Analysis Project (APAP) in reorienting the public approach to the private sector and to facilitate private sector involvement in agricultural development. This undertaking fit well with the GOP's broad policy reforms, then underway with World Bank support.

An APAP team of technical advisors in Panama examined the existing private sector participation in policy formation, focussing primarily on the role of producers' groups. This perspective was justified by the central role of producers in agricultural development and the fact that Panamanian food policy traditionally favored consumer interests at producers' expense.

APAP advisors evaluated the major producer organizations' capacity to represent producers' interests in the policy formation process. The objective of this exercise was to identify an organization which met a set of criteria (determined by the APAP team) to qualify it to represent producer interests in policy formation.

The APAP team further recommended the formation of a special Policy Analysis Unit to provide continuity of effort in the process of improving both the level and quality of private sector involvement in agricultural policy formation. The team specified that the Policy Analysis Unit's primary responsibilities would be: (1) to help to define and articulate policy positions with respect to individual commodities and agriculture in general; and, (2) to accomplish market analyses and feasibility studies for domestic and export markets which will help Panamanian producers to expand production.

This Private Sector Support Project was part of a broader APAP project involving Agricultural Policy Formulation and Management.

Years IV-V

Agricultural Policy Analysis Project**Panama****Support to the Agricultural Policy Formulation**

As part of its program of support to on-going policy projects, the Agricultural Policy Analysis Project provided the services of a senior policy analyst to advise the Government of Panama, the AID mission, and the technical assistance contractors in implementation of the Agricultural Policy Formulation and Monitoring Project. The APAP analyst made two trips to Panama in year Four, advising on a range of issues relating to both project implementation and specific policy questions currently on the agenda in Panama.

Much of the work revolved around assisting project personnel to apply analytical methods that can be used to generate timely, policy-relevant information with limited data. The advisor provided technical assistance to on-going work to develop a data bank and to compile simple (but useful) economic indicators using data from the bank. He also initiated work on an agricultural policy accounting framework and provided specific examples of policy-relevant analyses to help the analysts focus their work. The latter included use of production and price indices, the interpretation of newly-issued pricing regulations, and the development of a series of product-level studies. The advisor's work helped decision-makers in Panama to recognize that highly policy-relevant information can be generated quickly and with a modest input of resources, paving the way for more effective project work in the future.

Assistance has also focused on supporting project implementation planning. The advisor assisted project staff to develop their work program for Year Four and then, at a later point, drew up a new, detailed work plan for Year Five. The advisor also helped project personnel to develop implementation procedures that permitted closer cooperation with Panamanian private sector interests and in following up a number of initiatives with the Ministry of Agriculture. Finally, the advisor recommended sources of additional technical assistance in specialized areas such as calculation of effective protection rates and assisted the project to make contact with regional institutions that may be able to provide assistance in the future, such as IICA.

Building on experience in other countries, the advisor was helping project staff to develop a proposal for a national foundation for analysis of agricultural policy issues. The foundation, still in the planning stage, would have served as a source of independent analysis and an institutional home for sustained high-quality efforts to examine public policy issues in the agricultural sector. These activities were overtaken by political events which necessitated the termination of this buy-in.

Agricultural Policy Analysis Project

PERU

Agricultural Policy Analysis Dialogue Support

The Agricultural Policy Analysis Project (APAP) sent an economic advisor to Lima to assist AID/Peru in its policy dialogue on a variety of agricultural policy issues. The specific purposes of the trip were to: (1) review and discuss with Peruvian policy analysts their policy research agenda; (2) assist in the design and methodology of research in international trade and pricing policy; (3) discuss with key policy analysts the design of a work plan for agricultural policy analysis; and, (4) recommend appropriate institutional arrangements for implementing the policy agenda.

The APAP advisor identified a number of priority items for the Peruvian agricultural policy research agenda. The detailed list of priority items included determining the effects of: national monetary fiscal policy and attendant macro-indicators; agricultural product and food price interventions (including subsidies, tariffs, and exchange rates); irrigation tariffs and infrastructural development; agricultural land leasing and purchase arrangements; credit programs to mobilize rural savings and investment in productive areas; and, analysis of public investment opportunities. This substantial research agenda had the prerequisite task of developing fundamental parameters (such as supply and demand elasticities) as a basis for the recommended analyses.

The APAP advisor also outlined the institutional context of this work, and laid the foundation for a policy workshop for Peruvian officials, to be run by APAP at a future date.

Year V

Agricultural Policy Analysis Project**Peru****Evaluation of the Agricultural Policy and Institutional Development Project**

USAID/Peru designed the Agricultural Policy and Institutional Development (APID) project to support the Government of Peru (GOP) in the formulation of sound and coherent policies for its agricultural sector. The APID project, begun in 1983, is scheduled to end in December, 1988. USAID/Peru asked APAP to provide a three-person team to evaluate the progress of APID's project activity components and recommend which, if any of these activities, should continue beyond the established Project Activity Completion Date, and which should be discontinued and (an orderly plan to have them smoothly) phased out.

The evaluation was organized into four major components:

1. Policy Analysis Support
2. Information Services
3. Ministry of Agriculture Management Improvement
4. Human Resource Development

The team recommended that APID be extended for at least two more years, but that it be divided into two distinct components: one including policy analysis support and information services; and a separate activity providing support for technical human resource development in agriculture, through the National Agrarian University. The team called for the phase out of the present Management Support component of APID. The team also recommended emphasis on institutionalizing the process of policy analysis rather than institutionalizing policy analysis within public or private entities; and a reduced and more focused project with a broader base of individuals and institutions involved in both policy analysis and implementation.

Agricultural Policy Analysis Project

RWANDA

Situation and Needs in Food and Agricultural Policy

The race between food needs and agricultural production is at a critical turning point in Rwanda, as the Government of Rwanda (GOR) is concerned about the need to increase food production to feed a rapidly growing population. This concern is heightened by Rwanda's rapid urbanization, which will require that fewer and fewer farmers feed a growing urban population.

AID/Rwanda requested assistance from the Agricultural Policy Analysis Project (APAP) in determining the situation and needs of Rwandan agriculture. The APAP team assessed the major food and agricultural policy issues and outlined the analyses needed to support the policy process. The APAP team also extended its analysis to cover the capacity of the GOR to perform economic policy analysis.

The APAP team found that all too often, the GOR was forced to undertake policy initiatives without the foundation of reliable economic data and analysis. The APAP advisors identified five broad policy areas in which analytical support was badly needed, ranging from cost of production studies to analysis of price stabilization programs. The team also provided detailed guidelines as to the data required for the recommended analyses.

Agricultural Policy Analysis Project

SENEGAL

Agricultural Sector Assessment

The Agricultural Policy Analysis Project (APAP) undertook an analysis of the complex policy issues that currently confront the Government of Senegal. The assessment was carried out jointly with the GOS under the aegis of an interministerial committee over a period of six months and was organized so that the information, conclusions, and recommendations could be integrated into the ongoing policy reform processes of the GOS, working with the World Bank Group and a multinational donor committee.

The assessment analysed the performance of Senegal's production system, the links of the agricultural system to the rest of the economy; soil, hydraulic, technical, and institutional constraints on productivity increases; and a general set of incentives aimed at production and structural change in the agricultural sector. The assessment focused on cropping mix, pricing, research, input supply, and marketing policies and ultimately developed policy level recommendations for discussion between the Government of Senegal and AID. The analysis covered the fiscal implications of a number of policy recommendations involving credit and subsidy outlays through the GOS Agricultural program and examined the issues of restructuring the institutions involved.

Agricultural Policy Analysis Project

SRI LANKA

Assistance In Developing a National Agriculture, Food and Nutrition Strategy

In 1982, the lead government agencies involved in agricultural, economic and fiscal affairs in Sri Lanka recognized the need for developing a long-range strategy for the agricultural sector to increase output and productivity and address the nutritional needs of the country's population. In order to develop a National Agriculture Food and Nutrition Strategy (NAFNS), it was necessary to bring together senior technical and managerial staff from seven Ministries involved with the agricultural sector to address issues such as government versus private ownership of plantations and food processing industries, the level of tariffs on certain commodities, the level of subsidies to farm producers, and the effectiveness of the government's extension, credit and food stamps programs.

In order to assist in the development of the NAFNS, the Ministry of Finance and Planning requested that the USAID Mission provide a long-term resident advisor. This advisor was supplied by the Agricultural Policy Analysis Project (APAP) and worked for two years with the Ministry of Finance and Planning and staff in each of these seven Ministries to develop the NAFNS.

The long-term APAP advisor worked on all parts of the NAFNS. This included the preparation of documents outlining the major elements of the Strategy for each of the Ministries; preparation for and carrying out workshops for decisionmakers and technical staff in order to reach consensus on policy and programmatic changes; participation in inter-ministerial working groups to address issues which cut across the agricultural sector, such as agricultural research; and assisting in the development of detailed action plans to implement the Strategy. The APAP advisor, therefore, played an important role in the Sri Lankan Government's efforts to modify and improve agricultural policies and programs.

Agricultural Policy Analysis Project

SRI LANKA

Assistance in Developing Implementation Plans for the National Agriculture Food and Nutrition Study

In June 1985, the Government of Sri Lanka formally published the agricultural development plan known as the National Agriculture, Food and Nutrition Strategy (NAFNS). APAP was instrumental in the preparation of this plan by providing a long-term advisor who worked on all aspects of the NAFNS.

During 1986, the Government of Sri Lanka requested further assistance from APAP to develop detailed implementation plans for the NAFNS. The assistance provided consisted of translating the broad policy reforms and development orientations contained in the NAFNS, into well identified programs and projects. Based on this assistance, the Ministry of Agriculture and other agencies dealing with the agricultural sector were better able to define their future investment programs and to start moving on the analysis and evaluations of projects for future implementation.

Also in 1986, the Ministry of Agriculture requested specific assistance in developing an agricultural diversification plan. APAP contributed to this effort by defining the methodological approach and by identifying the studies that were required to structure a viable and implementable crop diversification action plan.

The long-term relationship that APAP has established with several agencies of the Government of Sri Lanka is likely to continue well into 1987.

Agricultural Policy Analysis Project

THAILANDAgricultural Planning Project Evaluation

The Thailand Agricultural Planning Project (APP) is a three-year AID-sponsored project designed to strengthen the capabilities of the Office of Agricultural Economics to conduct policy advisory, aid in problem identification, and assist in analysis, planning, data management, and integrated project preparation functions.

An Agricultural Policy Analysis Project (APAP) technical advisor and a Thai counterpart were engaged to conduct a mid-term evaluation of the APP's progress after two years. The evaluation team addressed two types of questions -- one set relating to the effectiveness of the project in providing information for policy formulation and planning, the other relating to the appropriateness of the terms of reference of the Iowa State University consultants contracted for the project and their effectiveness in carrying them out.

The evaluation team found that the APP had achieved significant accomplishments in introducing new methods of data collection, analysis, project monitoring and evaluation, commodity analysis, and training. These accomplishments, however, fell short of the expectations for that project, in particular, the policy-related goals.

The APAP evaluation team also examined why the APP had fallen short of its goals, and submitted major recommendations to AID/Thailand and the Royal Thai Government aimed at facilitating the completion of the project.

Agricultural Policy Analysis Project

TOGO

Cereals Export Liberalization

The Government of Togo (GOT) has embarked upon a substantial economic policy reform program under the International Bank of Reconstruction and Development/International Development Assistance (BRD/IDA) Second Structural Adjustment Program. As part of this effort, USAID/TOGO has engaged the government and multilateral and bilateral donors in discussions aimed at supporting Togo's Nouvelle Strategie de Developpement Rural. Agricultural policies, particularly those relating to the export of food products, have a central role in this process.

The GOT and USAID/Togo recently agreed on an \$8 million Cereals Export Liberalization in Togo (CELT) program to privatize and liberalize the cereals export trade by removing legal restrictions on private traders and reinforcing limitations on the parastatal TOGOGRAIN to the management of a national food security stock. The CELT program is a part of AID's 1986 African Economic Policy Reform Program (AEPRP).

The Agricultural Policy Analysis Project (APAP) staff, over a six month period, assisted USAID in the following analyses and CELT program design activities:

1. Identifying the specific policy reforms to be supported by the CELT program.
2. Negotiating the terms of the program with GOT officials.
3. Writing the PAAD document for internal AID approval of CELT.
4. Defining the local currency uses generated by the program.
5. Detailing the technical assistance requirements for implementing CELT.
6. Designing an export licensing system for private traders of cereals.
7. Producing a forecast of the 1986 maize harvest with the Ministry of Agriculture as the basis for issuing export licenses.

The principal policy issues which APAP addressed were:

- o What are the consequences of the GOT policy banning the export of cereals by private traders?

- o What role can exports play in stabilizing producer prices as production expands beyond domestic demand?
- o What policies can ensure food security while providing producers with incentives to increase production?
- o Are cereals exports a danger to food security?
- o What role should the grain marketing parastatal play in price stabilization and cereals exports?

As part of its long-term relationship with Togo, APAP will continue to provide policy analysis support for CELT in Year Four of the APAP project.

Tunisia

TUNISIA: Food Aid in Support of Economic Adjustment ProgramAgricultural Policy Analysis Project

In the face of worsening balance of payments deficits, mounting foreign debt, and increasing government deficits, the Government of Tunisia has undertaken a major program of economic reform. To carry out this program the GOT has sought financial and technical support from the World Bank, the International Monetary Fund, USAID, and other donors.

In support of the Economic Adjustment Program (EAP), USAID plans to provide food assistance under a Section 416 commodity donation program. This "safety net" program intends to target groups of individuals adversely affected in the short-term by the EAP.

Abt Associates, through the Agricultural Policy Analysis Project (APAP), was requested by USAID/Tunis to participate in the first phase of the commodity assistance design. Specifically, Abt's team was asked to evaluate the short-term social and economic impacts associated with structural adjustment, identify the groups of individuals most negatively affected, and recommend a "safety net" program to compensate those individuals.

Data on population, employment poverty and nutrition was collected through interviews with the National Institute of Statistics (INS), Institute of Management (ISC), Ministry of Plan, the National Committee of Social Solidarity and other government agencies. In addition, the team interviewed officials responsible for Food for Work, School Lunch and other welfare assistance programs as well as the Catholic Relief Service to identify successful food assistance projects and establish food distribution channels that might be expanded.

The team identified the unemployed Tunisians and children as targets for the food aid program. A second phase team will design the operational plans for the program.

Tunisia

TUNISIA: Agricultural Policy Implementation ProjectAgricultural Policy Analysis Project

The agricultural sector in Tunisia is presently undergoing a period of economic difficulty: exports have stagnated and food imports have reached record levels. Farm productivity is far below potential, even vis-a-vis other neighboring countries. Management of the agricultural sector is undertaken by an inefficient network of parastatals and agencies responsible for agricultural pricing, supply of essential inputs, and marketing farm produce. In response to these problems the GOT has committed itself to a wide-ranging program of economic restructuring and policy reform.

USAID/Tunis requested technical assistance from the Agricultural Policy Analysis Project to provide a two-person design team for four weeks to assist the Mission and GOT in preparing the project paper for the Agricultural Policy Implementation Project (APIP).

In support of the economic adjustment program, the APIP is designed to contribute to the GOT's capacity in identifying and instituting fundamental reforms in the agricultural sector. It is envisaged to run for four years and will finance long- and short-term technical assistance, short-term training, and commodity analyses for the Planning, Statistical and Economic Analysis Division of the Ministry of Agriculture (D/PSAE). The World Bank and USAID have identified D/PSAE as the key agency for collecting agricultural data, proposing agricultural policy reforms based on these data, and evaluating the effects of the proposed reforms.

Tunisia

TUNISIA: Evaluation of Agricultural Export InitiativesAgricultural Policy Analysis Project

A high priority in the economic policy of Tunisia is the need to develop alternative and additional sources of foreign exchange. Exporting agricultural commodities is one of the more encouraging prospects, and the implementation of the GOT's Structural Adjustment Program is expected to greatly enhance the competitiveness of Tunisian agriculture. Unfortunately, the traditional market for major farm exports, such as olive oil, winter vegetables, nuts, and wines will be challenged by the recent entry of Spain and Greece into the European Economic Community. Thus, it remains for Tunisia to develop alternative outlets for its current and potential exports while continuing to fully exploit the marketing quotas provided under the EEC Common Agricultural Policy.

In order to address this challenge, the GOT in cooperation with the World Bank has proposed a two-phase research effort to study the agricultural export sector in order to develop aggressive strategies for export promotion.

At the request of the GOT and the World bank, USAID/Tunis funded the first phase of this research activity through the Agricultural Policy Analysis Project. A two-person team from Abt Associates analyzed past experiences in farm commodity export expansion, notably for olive oil, winter vegetables, dates, nuts and wine, and developed a comprehensive summary of (1) what the sector looks like in 1987, (2) lessons learned from past export promotion efforts, and (3) what has been recommended by previous research to improve export prospects.

The review of past experiences in the agricultural export sector included evaluating the role and usefulness of export promotion institutions, such as CEPEX, FEDEX, FOPRODEX, interprofessional groups, Office of Oil and Office of Wine as well as measures adopted, results obtained, and practical experiences resulting from past recommendations concerning export market development.

Analysis of the Impacts of Policies on
Women in the Agricultural Sector
Agricultural Policy Analysis Project

While increasing attention has been devoted to the impact of policies on agricultural growth and development, little if any consideration has been given to the possibility that policies--and policy reforms--may have a different impact on women in the agricultural sector than on men or farming corporations.

The Women in Development Office of AID's Bureau for Program and Policy Coordination asked APAP to assist it in beginning to examine this issue. APAP carried out three tasks in support of this effort: 1) adaptation of the policy inventory methodology developed by the project to incorporate policy impacts on women, 2) development of a manual for analysts conducting policy inventories in how to examine gender-differentiated impacts, and 3) presentation of both the methodology and the results of two field tests of the adapted inventory methodology (the field tests were conducted in Senegal and Zaire by Robert Nathan Associates under a different contracting mechanism) at a conference of AID agricultural officers and others working in African agriculture, held at Nairobi in Fall 1987.

The inventory manual provides detailed guidance to agricultural economists and other analysts on how to conduct an inventory of policies affecting the agricultural sector, with particular reference to examining differences between policy impacts on women farmers and traders and impacts on others in the sector. It discusses the techniques used to conduct the inventory, how to expand the basic inventory to look at impacts on particular beneficiary groups of interest to policy-makers (using women as an example), and how to apply the results of the inventory for planning and programming.

The manual presents a three-step approach to examining policy impacts on women: description of the role of women in the agricultural sector; identification of policies that affect the activities in which women's participation is concentrated, and determination of how women's activities are affected by the policies identified. It also reviews women's participation in the agricultural sector, as farmers, traders, laborers, and consumers, and discusses how women in each of these roles differ from their male and corporate counterparts with respect to access to resources, the uses made of their products, and participation in the monetized economy.

The manual makes a case for viewing women as a proxy for low-resource farmers generally. It argues that women generally tend not to be affected directly by government market interventions to the same extent as farmers and traders who are more integrated into commercial markets (who tend to be men or corporations), but that the indirect effects may be larger and often run in the opposite direction from the policy's intended impacts.

Agricultural Policy Analysis Project
Impacts of Economic and Agricultural Policies on Women in
Agriculture

The past few years have witnessed a dramatic increase in the level of attention paid to the involvement of women in development and the benefits they derive from it. This attention has focused almost exclusively on actions at the project and local level. Despite the widespread recognition that policies play a critical role in shaping development, the potential impact of policies on women in the economy has generally not been considered. While it is true that very few policies are designed to differentiate between men and women, gender-based differences in resources, roles, and responsibilities may translate into differences in the impacts that policies have on men and women. As a result, policy analysis that does not go beyond analysis of impacts at the macro level to examine differentials in impacts within the society leaves a gap in the information available to decisionmakers.

This study includes four case studies funded by the U.S. Agency for International Development's Women in Development Office as a first step in remedying this gap. It focuses particularly on policy impacts on women in the agricultural sector, using a rapid appraisal technique called the policy inventory. This technique, developed under the auspices of the Agricultural Policy Analysis Project (a five-year project funded by A.I.D.'s Bureau for Science and Technology), provides an analytical framework for examining policy interventions at the macroeconomic, sectoral, and subsectoral levels and making a preliminary determination of their impact on socioeconomic variables of interest, including women's production and income. An earlier test of the application of the policy inventory to gender issues was undertaken as part of an analysis of policy impacts on the agricultural sector in Senegal and Zaire carried out by APAP in 1987.

The four case studies in this series -- Guatemala, Malawi, Thailand, and Yemen -- were completed between May and September 1988 by a team of five analysts. Following a review of secondary sources including donor documentation available in Washington, two-person teams visited each country for a period of two to three weeks to gather additional information. Analysis and report writing were completed in Washington.

The case studies focused on government policy interventions -- direct actions affecting the market such as taxes and subsidies -- rather than on general policy statements such as those set forth in government planning documents, given APAP's interest in what governments do as opposed to what they say.

Several overall conclusions may be drawn from the four case studies:

- The policy inventory is a useful technique for carrying out a rapid appraisal of policy impacts affecting agriculture, but evaluation of specific impacts, including those based on gender, is hampered by the serious shortage of data and analysis available, including particularly the near total absence of gender-disaggregated data.

- Differentials in policy impacts by gender are most evident in situations where women's activities are highly differentiated from men's in terms of decisionmaking and control over income. Where women derive separate income from their own plots and enterprises -- as in many African countries -- the argument for differential impacts is strong, but where women primarily work jointly with men in family-managed activities -- as in Guatemala and Thailand -- differential impacts appear much less important.
- The policies with the greatest impact on women in the agricultural sector are generally not those affecting agriculture as such (price control on agricultural products and inputs, for example), but instead those policies that affect small enterprise, particularly marketing activities. Women increasingly derive an important share of their income from off-farm employment and from the marketing of semi-processed products produced in rural households and enterprises.
- In general, women have benefited from increased reliance on the private sector to deliver agricultural services such as credit and marketing. Not only have women been able to compete effectively in providing these services at the local level, but private firms have shown greater initiative than government services in their willingness to deal directly with women, to offer them credit, and to match their services to the needs of their women customers.
- The absence of clear title to land is a problem for all small holders, particularly as it affects their access to formal credit, but women have generally not been helped by government titling programs. Instead, these programs have tended to increase male control over land, even where, as in Thailand, land ownership has traditionally been vested in women.
- It can be argued that women have been less affected by government intervention in the agricultural sector, because the most important interventions have concentrated on major cereals and export crops where women's involvement has been primarily in the role of family laborer. Activities where women take a more active role in management and may enjoy greater control over income, such as vegetable production, livestock, local food crops, and specialty products such as silk, have generally not been targets of heavy government intervention.

These conclusions must be regarded as tentative, as they are based on a rapid appraisal of conditions in a limited number of countries. They indicate the value of disaggregating the impacts of policies in the agricultural sector, including analysis of gender-based differentials in impact, and in particular highlight the need for a better understanding of the role of women in the rural sector, their contribution to rural income and production, and the effect of government actions on their well-being.

Agricultural Policy Analysis Project

ZAIRE

Plan to Improve Agricultural Statistics

The lack of adequate statistics on Zairian agriculture imposes a significant constraint on the prospects for improved agricultural policies in that country, since agricultural statistics are necessary to monitor and to measure the impact of various policy initiatives. The improvement of the food and agricultural sector is a fundamental requirement for future economic development and political stability in Zaire.

The Agricultural Policy Analysis Project (APAP) worked closely with AID/Zaire and the Government of Zaire (GOZ) in developing a plan for the improvement of agricultural policy formulation, and, in particular, for the gathering and analysis of the agricultural statistics necessary to guide policy formulation.

An APAP technical advisor in Zaire produced a step-by-step guideline for AID/Zaire and the GOZ suggesting a procedure for implementing a statistics project and keeping it high on the policy dialogue ongoing between USAID and the GOZ. This is consistent with APAP's broader goal of helping to enhance the agricultural policy analysis capacity within the GOZ.

AGRICULTURAL POLICY ANALYSIS PROJECT

ZAIREOverview of Zairian Agricultural Policy Issues and
Recommendations for Policy Research Agenda

This report on policy analysis and research marked the fourth time that the Agricultural Policy Analysis Project (APAP) had provided technical assistance to support USAID Kinshasa's efforts to develop Zaire's agricultural policy and planning capacity. The report, conducted by an APAP team in March 1987, served a dual purpose:

1. To provide an overview of Zaire's agricultural policies; the inventory included agricultural credit, food crops and input marketing, agricultural trade and foreign exchange rate policies, policy environment for private sector investment, and the institutional context of agricultural price formation; and
2. To suggest priorities for policy studies to be pursued under USAID/Kinshasa's Agricultural Policy and Planning Project (Project 119). The topics were selected with a view both to their importance and their feasibility in the context of this project.

AGRICULTURAL POLICY ANALYSIS PROJECT

ZAIREThe Zaire Area Sampling Frame: Status and Requirements for
Completion and Implementation

In 1978, an Area Sample Frame (ASF) for Zaire was designed under Project 052 as a basis for collecting reliable data that would be used to guide agricultural policy and planning decisions, and assess the impact of agricultural projects. Even though the Frame was later abandoned due to the absence of a follow-up project, ASF maps and other materials have been maintained in the Agricultural Statistics Division of the Department of Agriculture.

In April 1987, USAID Kinshasa requested technical assistance from the Agricultural Policy Analysis Project (APAP) to inventory the Zaire ASF and advise on its use. The objectives of the report provided by the APAP team were to:

1. inventory the ASF maps and accompanying documents, and determine their completeness;
2. determine resource requirements for completing the Frame;
3. advise on ASF use for developing an agricultural data base; and
4. define technical assistance and training needs to implement the ASF.