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10. Abstract

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The approach taken in analyzing these projects was to compare and to contrast these projects in terms of their design, implementation, and impacts. Examining the effectiveness of each of these elements provided the basis for drawing numerous lessons learned about the design and implementation of such projects. In general, this study finds that the effectiveness of policy and planning projects has improved significantly over time, and that projects' effectiveness has been enhanced by a greater sensitivity to the importance of institutional location in project design, and to the importance of requiring that technical studies be directly useful to decision-makers. Several innovative approaches to promoting inter-institutional cooperation have also been successful.

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AN EVALUATION OF AID-SPONSORED  
AGRICULTURAL POLICY ANALYSIS  
AND PLANNING PROJECTS

APAP MAIN DOCUMENT NO. 6

August 30, 1988

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ABSTRACT

This study presents a comparative evaluation of USAID-funded agricultural policy and planning projects in Africa, Asia and the Near East, and Latin America and the Caribbean. Work on this study was performed under USAID's Agricultural Policy Analysis Project, and this volume is one of the main deliverables for that project. The projects analyzed in this report have sought to enhance governments' capacity to perform and to implement agricultural planning and policy analysis. The report draws together a wide range of experiences from both the broad written record of policy and planning projects and a group of eight case study projects, and analyzes why some strategies succeeded while others failed. The purpose of this study is to analyze USAID's historical experience with agricultural policy and planning projects and thus to lend guidance for the design and implementation of future projects of this sort.

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## EXECUTIVE SUMMARY

This study presents a comparative analysis of USAID-funded agricultural policy and planning projects in Africa, Asia and the Near East, and Latin America and the Caribbean from 1970 to the present. By examining the historical experience with this type of project, this study seeks to lend guidance for the design and implementation of future policy analysis projects.

Agricultural policies in many developing countries have undermined the performance of those countries' agricultural sectors. Political concerns are clearly an important consideration for these governments. Yet, to some extent, insufficient capacity within these governments to analyze and to implement agricultural policies has contributed to the adoption of unfavorable policies. The projects analyzed in this report have sought to enhance governments' capacity to perform and to implement agricultural planning and policy analysis. This report draws together a wide range of experiences from these projects, and analyzes why some strategies succeeded while others failed.

The findings of this study combine the results from two separate methodologies. The first approach was to summarize the findings of two earlier studies by Abt Associates in which large sets of policy and planning projects were compared in terms of their goals and effectiveness.<sup>1</sup> The second approach was to select eight particularly relevant projects as case studies, and, where possible, to visit those projects to examine in-depth their design, implementation, and impacts, and to assess the factors determining their effectiveness.

Case study projects were selected to reflect regional diversity, as well as to reflect recent or current experience, and only experience with projects that concentrated on agricultural policy and/or planning. The countries represented in the case studies include: Egypt, Sri Lanka, Indonesia, Peru, the Dominican Republic, Niger, Zambia, and Cameroon.<sup>2</sup>

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<sup>1</sup>Abt Associates Inc., Evaluation of Agricultural Sector Planning Activities in Latin America and the Caribbean, Cambridge, MA., June, 1982; and, Abt Associates Inc., A Comparative Analysis of Agricultural Policy and Planning Projects in Africa, Asia, and the Near East, 2 volumes, Cambridge, MA, Oct., 1984.

<sup>2</sup>Each of these projects is the subject of an APAP Staff Paper.

The approach taken in analyzing these projects was to compare and to contrast these projects in terms of their design, implementation, and impacts. Examining the effectiveness of each of these elements provided the basis for drawing lessons learned about the design and implementation of such projects.

### Institutional and Political Context of the Projects

The institutional and political structure of the countries in which these projects were placed varied considerably. Certain countries had reasonably stable, centrally-planned economies with large bureaucracies designed to manage the planned economies. Other countries had much more volatile political systems and rapidly changing institutional structures. The private sector and political parties tended to play larger roles in Latin America than in Africa.

Despite the many unique institutional circumstances across countries, they shared many common institutional features related to the agricultural sector. The state played a dominant role in the agricultural sector of most of the countries (though the degree of intervention varied across countries). Common interventions included fixed commodity prices and state control of agricultural marketing activities.

A second feature common to the agricultural sectors of most of the countries was the existence of large and complex bureaucracies and a multitude of parastatal organizations empowered to implement public policies. Within these complex institutional contexts, responsibility for decisionmaking was often quite diffuse, making coordinated efforts difficult to achieve. The tendency was to find numerous policy fiefdoms, with few institutional incentives to cooperate with other agencies. Typically, however, power within a given ministry was concentrated near the top.

Governments' capacity to undertake agricultural policy and planning at the start of these projects varied widely. The weakest indigenous structures were found in Africa; the strongest in Asia.

### Economic Context and Agricultural Policy

Virtually all of the countries faced serious economic and agricultural issues in the late 1970s and early 1980s. Although the severity and nature of those problems varied considerably by country, the general economic and policy context of the countries was similar. Agriculture dominated the economy of nearly all of the countries, providing income to a majority of the populations and contributing significantly to the GDPs.

The agricultural problems that confronted the countries arose from a combination of external market forces and domestic policies that were not necessarily in the countries' long-term developmental interest. Declining world prices for some countries' primary exports created foreign exchange shortages that made it increasingly difficult to import food and other goods. Questionable internal agricultural policies compounded the problems caused by external forces. To varying degrees, each of the governments controlled agricultural prices, often holding domestic producer prices artificially low. These policies benefitted urban consumers, but often undermined the economic incentives necessary to motivate increased production from farmers. Macroeconomic indicators declined over this period for many of the countries, economic growth slowed, and the governments' ability to sustain large subsidies eroded. The need and the potential for reformed agricultural policies to address these challenges was clear, and provided the impetus for the rapid proliferation of donor-funded agricultural policy and planning projects.

### Principal Findings

From 1970 to 1984, USAID sponsored at least 129 agricultural policy and planning projects (63 in Latin America and the Caribbean, and 66 in Africa, Asia, and the Near East). Over that period, total funding for these projects was over \$465 million: 39 percent in Africa, 26 percent in Asia, 20 percent in LAC, and 15 percent in the Near East.<sup>1</sup>

The earlier Abt Associates reviews of these projects assessed their impacts on: 1) policies and programs, 2) decisionmakers, 3) collaboration between local institutions in policy formulation, and 4) institutional capacity. For all regions combined, 33 percent of the projects were found to have influenced the agricultural policies and programs of the host countries. Decisionmaker impacts (e.g., increases in decisionmakers' demand for and reliance on empirical policy analysis) resulted from 39 percent of the projects. Improved collaboration of host country agencies on agricultural policy formation resulted from 64 percent of the projects, and 95 percent of the projects across all regions contributed to the institutional capacity of the host agency to undertake policy analysis.

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<sup>1</sup>Latin America and the Caribbean is under-represented in these figures, since budget data was available only through 1982. Funding in other regions is reported through 1984; the present total would be significantly higher, though it is not clear that the regional distribution would be significantly different with more current data.

The frequency of these impacts varied widely between regions. Policy and program impacts were most common among projects in Asia (42 percent) and least common in the Near East (none). Similarly, decisionmaker impacts were most common in Asia (50 percent) and least common in the Near East (none). Inter-institutional impacts, on the other hand, were most frequent in the LAC region, where 91 percent of the projects were successful, and were least frequent in Africa, where only 42 percent of the projects had such impacts. Regarding improvements in institutional capacity, Africa (88 percent) was the only region in which less than 100 percent of the projects yielded positive results.

These regional differences require careful interpretation. The above figures suggest that projects in Asia and Latin America were more successful than projects in Africa and the Near East, particularly with regard to decisionmaker and policy impacts. In the Near East, this may simply reflect the fact that our sample contained only three projects from that region, and each of them concentrated on data collection and analysis. In Africa, three other factors contributed to the poorer figures: 1) during this period, African governments tended to under-emphasize agriculture (relative to governments in the other regions), 2) projects in Africa tended to concentrate more on basic institution-building issues than on policy analysis and implementation, and 3) projects in Africa tended to pose greater logistical problems than did projects in the other regions.

The eight case study projects tend to bear out the results of the broader historical analysis, as well as to broaden the perspective on planning and policy projects gained from the document review.

The lessons learned pertain to the design and implementation of agricultural policy and planning projects. The design lessons fall into four categories, regarding: 1) institutional placement of technical assistance, 2) type of contractor, 3) size and length of the project, and 4) training activities.

## DESIGN LESSONS

### Institutional Location

The institutional location of technical assistance is a key consideration in the design of policy and planning projects. One important lesson in this regard is that the project's objectives should strongly influence the choice of institutional location. If the primary objective is to improve an agency's institutional capacity to perform specific line functions, (i.e., data collection and analysis) it is sensible to place the technical assistance directly in the unit responsible for those functions. Such units, however, are rarely involved in policy formation.

The question is much more complicated if the primary objectives are to improve capacity for policy analysis and to motivate short-term policy reform. Clearly, the closer a technical assistance unit is institutionally to senior decisionmakers, the more likely that unit is to influence policy. Yet, many of the countries experienced repeated changes in governments; and, even in countries with stable governments, there is no guarantee that a particular minister will remain in office. There are several examples of technical assistance units that were left un-funded and ignored as a result of political shifts.

The further from senior decisionmakers the unit is, the less likely it is to suffer from political change, yet it is also less likely to influence policies. The closer the unit is to senior decisionmakers, the greater the risk that project effectiveness will not be sustainable. Project designers must carefully assess the stability of local political structures in planning for this issue.

It is also important to plan strategically in placing technical assistance when the bureaucratic environment for policy formation involves multiple agencies. It is not necessarily the case that the Ministry of Agriculture is the most influential seat in complex institutional contexts. In Sri Lanka, for example, the Ministry of Finance and Planning proved to be the most influential partner in coordinating a sector strategy that required the participation of many separate agencies.

Another consideration that emerges from the written record is that institutional location can be less important than the organizational influence of the manager of the unit in which assistance is housed, the analytical capability of the unit's staff, and the level of interaction with decisionmakers.

#### Type of Contractor

There is no clear lesson to draw regarding type of contractor in the sense that one type is sure to bring success and another, sure disaster; however, it is possible to suggest general advantages and disadvantages associated with each type of contractor. The relevant types of contractors are: 1) universities, 2) private firms, and 3) U.S. government agencies in participating agency service agreements (PASAs). The primary advantages of university contractors are that they are particularly well-suited to implement overseas training for host country nationals, and that universities tend to have large pools of in-house technical staff. Yet, university contractors in some of the case study projects had the disadvantage of weak management structures and limited experience in implementing large-scale overseas projects.

Private firms, in contrast, were relatively strongest in terms of their ability to manage projects efficiently, though private firms are clearly less appropriate in general than universities for implementing long-term training programs. Management capabilities were also a weak point for the PASA arrangements among our case studies (Cameroon and parts of Peru). The PASA agreement in Cameroon also led to long delays in project implementation owing to difficulties in filling staff positions and placing a team in the field. For certain specialized technical activities, however, such as census work, PASA contractors are indispensable.

### Size and Length of Projects

Policy and planning projects tend to exist from four to ten years, longer than is typical for other types of USAID projects. Four years is probably the minimum period required to hope for sustainable effects on institutional capacity; and, significantly more than four years may be required for projects with long-term training components. As in the case of type of contractor, it is difficult to attribute a project's success or failure to its size and length. The most important point to make regarding project length is that if long-term training is a part of the design, the project must be long enough to allow for both the training itself and the reintegration of the trainees into their home agencies. Analysis of the case study projects suggests that there is no correlation between a project's size or length and its effectiveness.

### Training

A substantial training component is probably necessary for projects in which institutional capacity building is the primary objective (though the question of whether or not to include training is largely a question of the project's objectives). The case studies and written record indicate that short-term training activities can be an effective means of motivating host agency staff and of improving their capabilities in specific areas. There were, however, instances in which planned short-term training activities did not take place, apparently because the advisors did not make such training a priority in their daily activities.

Three of the case study projects (Cameroon, Peru, and Zambia) included long-term overseas training. This training had generally positive results vis-a-vis institutional capacity. Careful planning, however, is essential for questions regarding selection of students (e.g., training slots should be allocated to the most qualified candidates, rather than to the most influential). Another important lesson that emerges from this experience is that it is not sufficient simply to train people. There

must be a commitment in the host agency to make optimal use of those new skills, and not to bury trainees under a mountain of bureaucratic responsibilities.

## IMPLEMENTATION LESSONS

The written record and case studies are also rich in lessons applicable to the implementation of future agricultural policy and planning projects. These lessons pertain to general project management, as well as to the implementation of institution-building, policy reform, and training activities.

### Project Management

Several lessons for project management emerge from this analysis: 1) the Chief of Party (COP) must be empowered to make the necessary decisions in the field, 2) the COP's terms of reference must be clear and accepted by all parties, and 3) there must be adequate administrative staff support to enable the COP to play a technical leadership role, rather than to be continually tending to administrative minutia. It is also important that projects be implemented in such a way that host country officials have significant responsibilities for project performance. This can encourage them to feel that they "own" the results, rather than to feel that an expatriate management structure has imposed results on them. This may also help to increase host agency support for the project. Historical experience suggests that the level of host country support will often determine the outcome of the project.

The extreme case is one in which local officials actively intervene to impede analysis that could discredit policies in which they have a vested interest. In such cases, project management can probably be most effective by directing project emphasis towards capacity building and away from policy reform.

### Policy Analysis Activities

The effectiveness of policy reform-oriented technical assistance activities is particularly sensitive to implementation issues. Regarding the management of technical studies, one point is that it can take a long time for technical advisors to gain the necessary credibility with host agency staff. Thus, continuity in project staffing is essential for effective implementation of policy analysis activities. In directing technical work, our review suggests that local analysts require strong monitoring procedures to focus their work, that a clearly defined research agenda is essential, and that a strict timetable for products greatly increases the likelihood of their completion.

It is also essential that technical studies and their methodologies be comprehensible to the host country officials who ultimately are responsible for acting on the technical analyses and recommendations. The most effective studies were those requested by host country decisionmakers; the least effective studies were highly abstract and quantitative analyses developed independently by foreign advisors.

The role of short-term technical assistance also requires careful thought. Work performed by short-term technical advisors proved most effective when their activities were integrated into ongoing project activities, and when advisors worked as closely as possible with host country analysts. It is also important that local analysts receive training in the preparation of scopes of work, in situations where significant activities are to be performed by short-term outside advisors.

#### Data-Related Activities

Historical experience with the implementation of data-related activities also yields relevant lessons. One lesson is that data-related activities can support, but not trigger, analytical work. Data activities should grow from, and be directly tied to, the requirements of a specific analysis or series of analyses. Experience also suggests that policy and planning units should generally not have direct responsibility for data-related activities. A final point with regard to these activities is that consistency checks are essential, and should be built into all data-related activities. If errors are not found and corrected before data are presented in statistical reports, the credibility of the entire activity can be undermined.

#### Training

With regard to the implementation of training activities, appropriate criteria for selecting trainees proved an important ingredient for success. Such criteria might include: 1) a fixed period of service in the host agency prior to training, 2) work experience in a discipline that addresses relevant constraints, and 3) a minimum level of academic achievement prior to overseas training. The greatest problems encountered in implementing overseas training activities occurred in cases where these or similar criteria were not adhered to. It is also essential that the training programs themselves be appropriate for the students' backgrounds, and that the training be focussed on relevant problems.

On-the-job training through daily counterpart relations often fell short of expectations. Problems included lack of qualified counterparts, and instability in counterpart relations.

In addition to correcting these problems, successful on-the-job training requires that technical advisors make it a priority to impart technical skills and to include host country staff in their technical work.

## CONCLUSIONS

In comparing the earlier historical record with the more recent group of project case studies, several general observations emerge. One finding is that the effectiveness of policy and planning projects has improved significantly over time. This is probably due to a combination of accumulated experience within AID regarding this type of project, as well as a growing awareness of the importance of policy among both donors and recipient governments

Another general observation is that projects' effectiveness has been enhanced by a greater sensitivity to the importance of institutional location in project design, and to the importance of requiring that studies undertaken through the projects relate directly to important current issues confronting decisionmakers. Moreover, several innovative approaches to improving inter-institutional coordination within complex bureaucracies have been successfully developed.

Despite these improvements, however, the challenge remains for AID and other donors to develop an institutional process for policy analysis that is both sustainable and closely integrated into host country decisionmaking.

## 1. INTRODUCTION

This comparative evaluation of agricultural policy and planning projects in the three USAID regions was performed as part of the Agricultural Policy Analysis Project (Phase I). The projects analyzed in this report have sought to enhance governments' capacity to perform and to implement agricultural planning and policy analysis. This report draws together a wide range of experiences from these projects, and analyzes why some strategies succeeded while others failed. The purpose of this study is to analyze USAID's historical experience with agricultural policy and planning projects and thus to lend guidance for the design and implementation of future projects of this sort.

The findings of this study combine the results from two separate methodologies. The first approach was to summarize the findings of two earlier studies by Abt Associates in which large data sets of policy and planning projects were compared in terms of their goals and effectiveness.<sup>1</sup> The second approach was to select nine particularly relevant projects as case studies, and, where possible, to visit those projects to examine in-depth their design, implementation, and impacts, and to assess the factors determining their effectiveness. Information was also drawn from existing documentation of those projects.

Case study projects were selected to reflect regional diversity, as well as to reflect recent or current experience. Only projects that concentrated on agricultural policy and/or planning were considered. The countries represented in the case studies include: Egypt, Sri Lanka, Indonesia, Peru, the Dominican Republic, Niger, Zambia, and Cameroon.<sup>2</sup>

The organization of this report is based on the two approaches described above. Chapter Two presents the results of the written record of USAID-funded agricultural policy and planning projects from 1970 to 1984. It identifies trends and draws generalizations regarding the projects' designs, goals and purposes, and impacts, both within and across regions. It also identifies factors constraining project success.

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<sup>1</sup>Abt Associates Inc., Evaluation of the Agricultural Sector Planning Activities in Latin America and the Caribbean, Cambridge, MA, June 1982; and, Abt Associates Inc., A Comparative Analysis of the Agricultural Policy and Planning Projects in Africa, Asia, and the Near East, 2 volumes, Cambridge, MA, Oct. 1984.

<sup>2</sup>Each of these projects is the subject of an APAP Staff Paper.

Chapter Three provides a detailed analysis of the case study projects. It compares and contrasts the nine study projects in terms of their context, design elements, experiences in implementation, and their impacts on institutional capacity, decision-makers, and host country policies and programs.

Chapter Four draws together the lessons learned from our analysis of both the written record and the case study projects. The appendices list the projects included in the written record and provide overviews of the case study projects analyzed in Chapter Three.

## 2. RESULTS OF THE WRITTEN RECORD

This chapter synthesizes the findings of two recent studies which reviewed AID-sponsored agricultural policy and planning projects worldwide over the past 15 years. The first was the final report of a study<sup>1</sup> which examined the impacts and effectiveness of AID-sponsored agricultural planning projects in Latin America and the Caribbean (LAC) region between 1970 and 1982. The second was an interim report<sup>2</sup> of a study which examined agricultural planning and policy analysis projects in Africa, Asia, and the Near East between 1970 and 1984. The two studies used essentially the same methodology and therefore provide a consistent way of examining the effectiveness and impacts of AID-sponsored projects worldwide.

### 2.1 Analysis Procedures

Although AID has conducted numerous evaluations of individual projects, relatively little attention has been paid to assessing the overall impact of agricultural policy and planning assistance. The two studies summarized here are an exception because, in the aggregate, they compare and contrast the results of AID-sponsored agricultural planning and policy analysis projects across all three AID world regions. These studies also focus on the impacts of AID-sponsored projects, and the reasons why certain projects have achieved greater impacts than others.

The studies identify four different kinds of impacts that agricultural policy analysis and planning activities can have. The four kinds of impacts are capacity-building impacts (that is, impacts on the capacity of institutions to conduct policy analysis and planning to provide input to policy making effectively), interinstitutional impacts (that is, impacts of policy analysis and planning institutions on other public or private sector institutions), decisionmaker impacts (that is, impacts on the awareness, of or demand by, decisionmakers for policy analysis and planning), policy and program impacts (that is, impacts on

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<sup>1</sup>For more detail see: Abt Associates' Inc., Evaluation of Agricultural Sector Planning Activities in Latin America and the Caribbean, Cambridge, MA, June 1982.

<sup>2</sup>Abt Associates Inc., Agricultural Policy Analysis and Planning Project, A Comparative Analysis of Agricultural Policy and Planning Projects in Africa, Asia and the Near-East, 2 volumes, Cambridge, MA, October 15, 1984.

policy and programmatic decisions).<sup>1</sup> In these studies, the effectiveness of agricultural policy analysis and planning activities is assessed according to the impacts that have resulted from them.

The Agency for International Development's own project evaluations were used to identify these different types of impacts, and in the earlier Latin American study a series of site visits and case studies were used to expand upon the information available in AID evaluations. Data from site visits and case studies conducted in Africa, Asia, and Near-East, and more recently in Latin America are detailed in the next chapter.

These studies attempted to review all agricultural policy and planning projects funded by AID since 1970 or other types of AID-sponsored projects which had had a major policy or planning component. In order to identify all such projects, several sources were queried. First, AID's Development Information Unit (DIU) provided a listing of all AID's agricultural policy analysis and planning projects. Second, country experts in the AID Regional Bureaus were asked to identify relevant projects. Third, experts in providing assistance and research in agricultural policy analysis and planning were consulted. A list of all of the projects included in the two studies is shown in Appendix A.

For each project, information from the review of AID project documentation is summarized and codified in three sets of forms: "Project Summaries," "Activity Descriptions," and "Evaluation Summaries." The forms summarize key information about the objectives, impacts, constraints, and lessons learned in projects and allow for useful comparisons across projects. The forms are, in fact, the primary data base for the analysis, supplemented by early case studies in Latin America. A short description of what is contained in each of the forms is as follows:

- A Project Summary included the title, number, country, date, and level of funding of a project. It also identified the institutions involved and presents the logical framework for the project.

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<sup>1</sup>In the Africa, Asia, and the Near-East study, the socioeconomic impacts of policy analysis and planning projects were also examined, but did not reveal much information. Since this type of impact was not considered in the LAC study, it has not been included here for the sake of consistency.

- An Activity Description consisted of a one-page summary of the content of the project. It was a short description of the activities planned under the project as well as a listing of the policy areas addressed by the project.
- An Evaluation Summary capsulized the conclusions of evaluations of an agricultural policy and planning project. Each summary contained information on achievement of goals, project impacts, constraints to achieving objectives, and lessons learned and recommendations.

The project summary and activity description forms were completed for each of the projects in the data base of the study. For each project with one or more evaluations, an evaluation summary form was also completed.<sup>1</sup> Even though most of the policy analysis and planning projects sponsored by AID were identified, only about half of these projects had been evaluated by them. Thus, the impact analysis considered only those projects which had been evaluated. It is entirely possible that the additional projects had different types of impacts, but the sample was sufficiently large that the major findings are applicable to the universe of policy and planning projects. The type of information available on each of the projects is also shown in Appendix A.

## 2.2 A Description of AID-Supported Agricultural Policy Analysis and Planning Projects

In Latin America and the Caribbean Regions, 63 policy analysis and planning activities were identified, while in Africa and Asia and the Near East, 66 projects were identified from available documentation. The reason that the LAC region had such a relatively large number is that 23 small planning or policy activities which were not formal projects were included, while this type of activity was excluded from the Africa, Asia and Near East study because of the difficulty of obtaining good documentation.

One hundred twenty-nine projects and activities were identified as having agricultural policy analysis and/or planning components. These projects represent assistance to 47 countries

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<sup>1</sup>The full set of forms for Africa, Asia, and the Near-East can be found in: Abt Associates Inc., Agricultural Policy Analysis and Planning Project, A Comparative Analysis of Agricultural Policy and Planning Projects in Africa, Asia and the Near-East, Cambridge, MA, Vol. 2, October 15, 1984.

worldwide. In Africa, 18 countries received assistance compared with 9 in Asia, 16 in Latin America and the Caribbean, and 5 countries in the Near East. Ten of the projects were regional in scope -- 3 in Africa and 7 in Latin America and the Caribbean.

The amount of funds which has been allocated to agricultural policy and planning between 1970 and 1984 amounts to \$464 million, as shown in Table 1. This sum does not include amounts spent on activities other than agricultural planning and policy analysis, such as inputs on commodities or sector loans which were incorporated in some of the projects. It should be noted that we used a broad definition of policy and planning projects and included activities such as data collection, survey implementation and training, which are part of the policy analysis and planning process. AID's contribution has amounted to \$277.8 million, or approximately 60 percent of the total, most of which has been grants. The total amount allocated to policy analysis and planning has been greatest in Africa (\$183 million), followed by Asia (\$119 million), LAC (\$93 million), and the Near East (\$67 million). As this information indicates, AID, host countries, and other donors have made a sizeable investment in agricultural policy and planning since 1970.

### 2.3 Project Goals and Purposes

It is useful to review the goals and purposes in the logical framework of AID-sponsored agricultural policy and planning projects. Project goals tended to be general and called for overall improvement in agricultural sector performance and improvement in the life of rural people. Goals were highly consistent across projects.

Projects' purposes were more concrete and defined the substance of projects in more detail. Analysis of project purposes revealed several generalizations applicable to the entire set of policy analysis and planning projects.

First, all projects stress capacity-building or institution-building associated with agricultural policy making, planning or closely related functions. Almost invariably, long-term and/or short-term technical assistance was to be provided toward this end by outside advisors. Second, almost every project includes training of host country personnel as one of its inputs. More often than not, training was to be provided in the United States, though some projects relied more heavily on third-country training, formal in-country training, or on-the-job training. Third, almost none of the projects were intended to have a direct impact on policies. Rather, projects typically purported to improve the capabilities of host governments to make better or informed policy decisions by improving management or planning capacity, its

Table 1  
 FUNDING OF AGRICULTURAL  
 POLICY AND PLANNING ACTIVITIES

Region	Number of Projects and Activities	Funding in \$000s				
		AID GRANT	AID LOAN	HOST COUNTRY	OTHER	TOTAL
Africa <sup>1</sup>	40	\$121,193	\$5,400	\$41,493	\$15,275	\$183,361
Asia <sup>1</sup>	16	32,850	16,000	65,189	5,684	119,723
Latin America and Caribbean <sup>2</sup>	63	29,986	19,528	38,106	6,011	93,631
Near East <sup>1</sup>	5	52,837	0	11,429	3,606	67,872
TOTAL	124	\$236,866	\$40,928	\$156,217	\$30,576	\$464,587

<sup>1</sup> In Africa, Asia, and the Near East, funding information was available for only 61 of the 66 projects.

<sup>2</sup> The LAC Region contains 23 small policy analysis and planning activities which were not formal AID Projects. The funding for the LAC Region is from 1970-82, while the funding in the other regions is from 1970-84. Thus, the LAC would be higher if the additional two years were included.

capability to collect accurate and useful information, to process it, to use it in analysis or to produce policy-relevant studies.

#### 2.4 Impacts of AID-Sponsored Policy Analysis and Planning Projects

AID-sponsored agricultural policy analysis and planning projects have had a substantial impact on the capacity of host country governments to engage in policy analysis and planning. In fact, capacity-building impacts were, by far, the most prevalent. Fully 58 of the 61 or 95 percent of the projects<sup>1</sup> (see Table 2) have had capacity-building impacts. Capacity impacts usually resulted from the formation of a new policy analysis or planning unit, the addition of new qualified staff to existing units, or the upgrading of staff in existing units through long-term training. In Liberia, for instance, the Agricultural Program Development Project resulted in the formation of a Statistical Division and a Planning Bureau in the Ministry of Agriculture, while in Thailand the Agricultural Sector Analysis Project succeeded in establishing a unit which was able, for the first time, to apply economic analysis to policy problems in the agricultural sector. The presence of capacity impacts did not tend to vary by region. Given the purposes of most projects, it is not surprising that their major impact has been capacity building.

Interinstitutional impacts were observed in 64 percent of the projects reviewed (39 of 61 projects). These impacts have resulted from improved coordination between agricultural policy analysts and planners and their counterparts in other public sector agencies or private sector organizations. The major type of interinstitutional impact has been the establishment of inter-agency boards or commissions, which by their nature improve institutional coordination. In Indonesia, for example, the Assistance to Agriculture Project was responsible for the formation of an interdepartmental fertilizer management board, while in Honduras an Agricultural Policy Commission was established through an AID project and was able to promote common methodologies for policy analysis across institutions involved in the agricultural sector. Improved communications between units in government was also a frequently noted interinstitutional impact. In Tunisia, staff working on the Agricultural Economic Research and Planning Project were responsible for the first effective

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<sup>1</sup>As mentioned earlier in this chapter, a total of 129 projects were evaluated, so this is the number of projects considered in the impact analysis. Appendix A provides a list of all the projects and shows which projects had been evaluated.

Table 2

## DISTRIBUTION OF PROJECT IMPACTS BY REGION

IMPACTS	REGION									
	Africa		Asia		Latin America and Caribbean		Near East			
	Number n=24	Percent	Number n=12	Percent	Number n=22	Percent	Number n=3	Percent	Number n=61	Percent
Policy-Program	5	25%	5	42%	9	41%	0	0%	20	33%
Decision maker	9	38%	5	50%	9	41%	0	0%	24	39%
Interinstitutional	10	42%	7	58%	20	91%	2	66%	39	64%
Capacity-Building	21	88%	12	100%	22	100%	3	100%	58	95%

collaboration between the Ministry of Planning and the Ministry of Agriculture on medium-term investment planning. Interinstitutional impacts were most frequent in LAC projects (91 percent) followed by the Near East (66 percent), Asia (58 percent), and Africa (42 percent).

Decisionmaker impacts were observed in 24 of the 61 projects (39 percent). Decisionmaker impacts have been quite varied, but the most prevalent has been increased demand for information and analysis by decisionmakers. The other relatively common impact has been the development of greater understanding by decisionmakers of the agricultural sector and its relationships with other sectors of the economy. In Kenya, the Rural Planning Project provided a great deal of information to key officials about the needs of small farmers, which eventually translated into the targeting of more assistance to this group in the country's Development Plan. Similarly, in Bangladesh the staff working on the Rural Finance Experimental Program provided key officials with information and insight about the agricultural credit system and possibilities for revising their programs. Asian projects have been slightly more successful than LAC and African projects in this regard; no decisionmaker impacts were observed in the small sample of Near East projects.

Policy and program impacts were observed in 20 of the 61 projects (33 percent). Such impacts result when AID-sponsored projects contributed to actual changes in policies or programs. Some examples included changes in commodity pricing policies, credit policies, marketing policies, and investment policies. In Indonesia, for instance, a flexible fertilizer pricing system and an expanded rice storage program were established because of work on the Assistance to Agriculture Project. In Ghana, the staff working on the National Agricultural Planning Project developed proposals for a National Fertilizer and Seed Program which were accepted and funded by the government. The regional distribution of policy and program impacts follows a pattern similar to those of interinstitutional and decisionmaker impacts. In Asia and Latin America, policy and program impacts were observed in approximately 42 percent of the projects in question. In Africa and the Near East, the corresponding percentages are 22 and zero. It should be stressed, however, that this simple calculation does not account for the differences among the types of policy/program impacts identified. As might be expected, some impacts were more dramatic than others.

While 33 percent of the projects did have policy and program impacts, the converse of this finding must not be ignored. Nearly 70 percent of the AID-sponsored policy and planning projects resulted in no changes in policy or programs, at least as reported in the written record. Many projects encountered technical and institutional problems, and these problems certainly

impeded progress. But another significant factor that contributed to lack of impact was original project design. Projects were simply not designed to examine specific policies and, in fact, policy or program change was not a stated objective in many instances. The project designs tended to be global and lacked specificity. This often led to descriptive reports rather than to focused policy papers assessing alternatives on major issues. It is somewhat ironic that in several of the projects that had policy and program impacts, there was nothing in the corresponding project papers or work plans that was designed to bring about such impacts. In one instance, in fact, it was only when a coup thrust expatriate project staff into positions of responsibility that they were able to contribute to major policy decisions.

The major conclusion of the impact analysis is that in a narrow sense the projects were successful in achieving their purposes, which dealt primarily with capacity building and training. Policy reform and programmatic change were not major purposes of the projects in question, so it is not surprising that these types of impacts were not as common as capacity-building impacts. The projects also had some impact on increasing the awareness of decisionmakers about the importance of analysis and changes in policy, but these were also considerably less frequent than capacity-building and interinstitutional impacts.

Another major conclusion has to do with regional differences in impacts. Projects in Asia and Latin America and the Caribbean have had substantially more policy/program and decisionmaker impacts than African and Near Eastern projects. The reason that the Near Eastern projects have had such little impact is quite straightforward. There were only three Near Eastern projects in our sample, and the projects in question focused on data gathering and analysis. They were not designed to result in decisionmaker or policy impacts. The relatively low level of policy impacts in Africa as compared with Asia and Latin America has three major explanations:

- Asian and LAC countries have placed greater emphasis on agriculture than African countries and have tended to provide more support to AID-sponsored projects.
- AID-sponsored projects in Africa have been more involved in basic institution building and less involved in actual policy analysis and implementation issues than projects in Asia and Latin America.
- The logistics of carrying out projects have been more difficult in Africa than in other regions.

## 2.5 Factors Constraining Project Success

There are many factors that can impede policy and planning projects from achieving their objectives and resulting in identifiable impacts. Interestingly, despite the different sizes (i.e., dollar amounts), foci (i.e., analytical, data gathering, management development), and location (i.e., LAC, Africa, Asia, Near East) of the projects reviewed, the same constraints were repeatedly mentioned. The reasons for the commonality of the problems faced by projects are probably threefold. First, the documents reviewing project progress focused on administrative, management, and institutional problems and constraints rather than on technical problems. Second, technical constraints, when mentioned, were often unique to the project reviewed, and not generalizable for an analysis that attempts to shed light on what to avoid in other activities and what steps might be taken to design and implement better policy and planning projects in the future. Third, and finally, despite the subjective foci of the progress reports, the repeated mention of the same institutional, management, and administrative constraints points to the continuing need to consider the importance of problems that impede the whole or entire implementation of the projects, not just parts thereof.

The constraint that was cited most frequently in all regions (in 25 out of 61 evaluations) was lack of host country support staff. In other words, in 41 percent of the evaluated activities, assumptions were made that the host country would supply support in the form of money, access to policy makers, or commitment to the project; or that they would provide counterpart staffing; some or all of which were not forthcoming as planned. Lack of host country support was mentioned more frequently in Africa than in other regions. This, in part, is to be expected since many of the African governments were either relatively more financially or politically unstable and were more frequently recipients of assistance without requesting it.

Lack of host country support, which also manifested itself as lack of available and adequately trained counterpart staff, was mentioned most frequently in Africa and the LAC regions. Staffing constraints were faced when frequent counterpart agency reorganizations lead to turnover of leadership as well as staff -- as was the case on the Agricultural Sector Analysis and Planning Project in Liberia where repeated turnover of ministers (five in five years) frustrated project progress. Other contributors to high staff turnover included low or disparate salaries for agency staff making it too easy for trained staff to be recruited by the private sector or higher paying government agencies, underutilization of trained staff's skills (sometimes due to lack of adequate demand for skills and sometimes due to mismanagement), poor opportunities for promotion, and/or poor working conditions.

Unclear implementation plan and/or work assignments was a deterrent noted in eight (20.5 percent) of the project evaluations. Represented higher proportionately in Africa (in 25 percent of the evaluations), reviewers often concluded that project papers must have a detailed implementation plan, including a delineation of the roles and responsibilities of counterpart as well as advisory staff; or that such a plan should be thought out and documented prior to actual project implementation. A resulting constraint was the fact that staff (either advisory and/or host country) were forced to spend too much time firefighting and not enough time on implementing the intended project.

Two other common constraints revealed questions about the adequacy of the project design and project assumptions. First, six evaluated projects (five of which were in Africa) noted that, in retrospect, the project design was overly ambitious. Criticisms included questionable socioeconomic assumptions, generally unclear designs, not well thought out designs, and overly ambitious logical frameworks. On the other hand, in the LAC region, 5 out of 22 activities found that the data base creation and model building were ambitious activities that inevitably take longer and require more resources than the project designs anticipate.

Equally as important, though not as frequently noted, four projects found that current government policies were not supportive of guiding project assumptions, and that without either a definitive statement of policy or change in government focus, project objectives could not be met. In other words, although the projects were designed to provide a stimulus for policy change, the stimulus itself was actually impeded by the lack of the very policy being sought to change. For instance, in Ghana, a project was implemented to develop a greater planning and rural development capacity at the district level. The project met only marginal success because district councils had little authority to allocate resources or implement their own programs. Thus, while the project set out to show how a decentralized government could work to help itself, the objectives could never be achieved without the passage and effective implementation of a national decentralization act. Uphill battles were also forged by projects designed to conduct long-term policy analyses for governments with a short-term policy horizons or by advisors sent to conduct agricultural sector analysis (macro level) for agencies with a project (micro level) focus.

Other constraints that were repeatedly cited included start up delays caused by difficulty in getting or keeping AID advisors, especially in Africa; lack of sufficient interagency coordination; lack of coordination with AID, or AID contracting difficulties; commodity procurement problems; and lack of adequate data.

### 3. CASE STUDY ANALYSIS OF RECENT AGRICULTURAL POLICY ANALYSIS AND PLANNING PROJECTS

#### 3.1 Methodology

##### 3.1.1 Purpose of Case Study Analysis

This phase of the comparative evaluation involved visiting a number of project sites to collect additional information on the impact and process of agricultural policy analysis and planning projects. By making these visits we hoped to strengthen and expand on the knowledge gained in the documentation review. While the document review process was informative, it was subject to two circumstantial weaknesses. First, the project evaluation summaries focused primarily on process -- or how well the projects were carried out -- and were rarely designed to address impact issues, or to examine the projects in their macro-economic environment. Second, few final evaluations were available on recently completed projects, and when they were available, they, too, could only reflect the benefits of recent hindsight, and could not assess the staying power of identified project impacts. Thus, the site visits were intended to fill in the gaps left by the document review. Specifically, the objectives of the site visits were:

- to broaden the perspective on planning activities and policy making gained from the document review;
- to gain additional insights on the overall institutional framework in which agricultural sector planning and policymaking takes place;
- to gain information on projects of interest that weren't yet documented and/or finally evaluated;
- to gather information on lessons and constraints that cut across projects in a particular setting/ country; and
- to compare and contrast further the experiences within and across regions.

### 3.1.2 Project Site Selection Criteria

The site selection, made primarily from the universe of projects reviewed in Phase I, was based on the following criteria:

1. The sample had to be minimally representative of the number of AID projects in each region.
2. The sample considered only projects that ended during 1980 and beyond. This was done to maximize the chances that government personnel who will know about the project would be available, and to fill recent information gaps on projects which had not yet been finally evaluated.
3. The sample included only projects which primarily or entirely focused on agricultural policy and/or planning.
4. The sample included projects which appeared to have reached at least some measure of success in implementation. Excluded were projects which were cut off in mid-stream or never got started for political, economic or other reasons.
5. Finally, for cost efficiency, and to the extent possible, the sample "piggybacked" on site visits made by technical assistance staff of the Agricultural Policy Analysis Project.

### 3.1.3 Analysis Procedures

The same procedures used for the review of the written record, as described in Chapter 2, were followed in the case studies analysis. For each of the AID projects evaluated, we examined the initial design of the project and the institutional and economic environment in which the project was designed. We then examined the implementation of the project to determine how effectively it was carried out. This was followed by an analysis of the types of impact the projects had. As before, the following four impacts categories were used:

- Capacity-building impacts
- Inter-institutional impacts
- Decisionmaker impacts
- Policy and program impacts

Finally, we summarized the useful lessons which were learned from each of the projects. This provided valuable information about how to design and implement AID agricultural planning and policy analysis projects in the future.

### 3.2 Overview of Case Study Projects

Based upon the site selection criteria described above, projects in eight countries were examined. In Africa, projects in three countries -- Cameroon, Niger and Zambia -- were reviewed and evaluated (see Table 3); in Asia and the Near East, projects in Indonesia, Sri Lanka and Egypt were examined; while in the Latin American and Caribbean region, projects in the Dominican Republic and Peru were included. This sample provided us with good geographic diversity as well as a good range of initiatives undertaken. The size of these projects varied greatly, however, from a \$700,000 project in Sri Lanka to a \$26,000,000 project in Cameroon.

In order to provide an understanding of the types of projects and their emphases, a synopsis of each project follows.<sup>1</sup>

#### AFRICAN PROJECTS

- Cameroon - The Agricultural Planning and Management Project was a ten-year project funded at a total cost of \$26 million. The project was designed to strengthen both the economics and statistics components of the Ministry of Agriculture. Long-term technical advisors were provided under a Participating Agency Service Agreement (PASA) with the U.S. Department of Agriculture, and long-term training of local county counterparts was also undertaken.
- Niger - The Agricultural Sector Development Grant was initially designed as a three-year project, 1984-87, but it was extended for an additional three years. The project was designed to provide technical assistance and training to the Ministry of Agriculture in agricultural policy analysis. In addition, the project provided

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<sup>1</sup>For more detail, Appendix B includes 8-10 page case study summaries. The original case studies are quite long (up to 20 pages). They are all bound individually under separate covers and were produced under Abt Associates' APAP Staff Paper Series. Complete citations are included in Appendix B.

Table 3: CASE STUDY ANALYSIS PROJECTS

REGION/COUNTRY	PROJECT(S)	DATES	AID FUNDING LEVEL
AFRICA			
Cameroon	Agricultural Planning and Management Project	1979-89	\$13,000,000
Niger	Agricultural Sector Grant	1985-89	\$16,100,000
Zambia	Agricultural Training, Planning and Institutional Development	1980-86	\$9,785,000
ASIA/NEAR EAST			
Egypt	Agricultural Development Systems Projects (ADS)	1977-	\$14,600,000
	Data Collection & Analysis	1980-	\$3,000,000
Indonesia	Agricultural Planning Project	1984-87	\$500,000
Sri Lanka	National Agriculture Food & Nutrition Strategy	1982-86	\$500,000
LATIN AMERICA AND CARIBBEAN			
Dominican Republic	Agricultural Policy Analysis Project	1984-87	\$500,000
Peru	Agricultural Planning & Institutional Development Project	1983-87	\$16,000,000

tranches of local currency tied to policy reform infrastructures within the country. This was the only project which directly tied policy analysis to policy implementation.

- Zambia - The Agricultural Training, Planning and Institutional Development Project was a five-year project which also was extended for an additional five years. The project was designed to improve the government's ability to analyze complex agricultural policy issues, particularly the pricing of commodities and inputs. Long and short-term training were major components of the project.

#### ASIA AND THE NEAR EAST

- Egypt - The Agricultural Development Systems Project and the Data Collection and Analysis Project were examined simultaneously as part of a single case study. The Agricultural Development Systems Project (ADS) started in 1977 with an AID funding level of \$14.6 million. Managed by a U.S. university, this project had an ambitious scope ranging from agronomic research and economic analysis to training, project design, and evaluation. The Data Collection and Analysis (DCA) Project, initiated in 1980 at an AID cost of \$3.0 million, had a limited agenda focusing on the development of data collection and management capability within the Ministry of Agriculture.
- Indonesia - The Agricultural Planning Project was a five-year effort initiated in 1984 with total funding of \$12.9 million. The project was designed to increase the institutional capacity for agricultural policy analysis and planning within the Indonesian Ministry of Agriculture. A significant portion of the project was also targeted at provincial level agricultural agencies in three regions. Project activities consisted of training projects, special policy studies, and computer and technical assistance. Four long-term resident advisors were responsible for providing these services.
- Sri Lanka - The National Agricultural, Food and Nutrition Strategy, initiated in 1982, was a four-year effort funded by AID and the Government of the Netherlands at a total cost of \$700,000. It was designed to produce a consistent set of policies and programs to promote the growth of the agricultural sector. It was also designed to improve the capacity of the government to deal with policy issues that cut across the agricultural sector, to promote inter-agency linkages, and to bolster interaction between decisionmakers and analysts. It involved

one long-term advisor and some short-term assistance, as well as considerable time of GSL officials.

### LATIN AMERICA AND THE CARIBBEAN

- Dominican Republic - The Agricultural Policy Analysis Project was a three-year project funded by a \$500,000 AID grant and \$700,000 in matching funds by the GODR. It was used to establish a policy analysis unit which was outside the normal government bureaucracy. The project was designed to provide long- and short-term technical advisory assistance. The project also had a somewhat unique element which allowed for the subcontracting of studies to private firms, individuals and universities. The project was designed to address varied agricultural policy issues.
- Peru -Agricultural Planning and Institutional Development Project sought to strengthen the Government of Peru's (GOP) capacity to formulate sound agricultural sector policies and effectively manage the implementation of these policies. This five-year project included eleven activities with total funding of \$24 million. Of that total, AID contributed \$11 million in loan funds and \$4.5 million in grant funds. The remaining \$8.5 million was GOP counterpart funding.

It should be noted that the Sri Lanka Strategy was not a formal AID project, but rather an activity funded by AID from discretionary funds and from project funds from worldwide projects. The Sri Lankan activity has enough similarities to the other projects, however, that we refer to it as a "project" even though it had a slightly different structure, funding mechanisms, and reporting requirements.

### 3.3 Institutional and Economic Context for Projects

It is extremely important to understand the institutional and economic context in the countries in which these projects were designed and implemented. The projects should have been, and in many cases, were designed to accommodate the unique institutional, economic and political circumstances within each country. These circumstances are, therefore, discussed below.

### 3.3.1 Institutional Context

The institutional and political structure of all of these countries varied considerably. Certain countries, such as Zambia, Indonesia, and Egypt, had reasonably stable, centrally planned economies with large bureaucracies designed to manage the planned economies. The Dominican Republic and Peru, on the other hand, had much more volatile political systems and rapidly changing institutional structures. The private sector and political parties played a much greater role in these Latin American countries than did those in Africa. Sri Lanka fell somewhere between these two extremes.

Despite the many unique institutional circumstances across the case study countries, there were also some interesting similarities in the institutional structures related to the agricultural sector. First, in all of the eight countries, the state had a large presence in the agricultural sector. The state's role was largest in Zambia and Cameroon where the prices and marketing of commodities was controlled and managed by either the government directly or by a government-owned parastatal. In Egypt, the pricing and distribution of imports was controlled and managed by the government, as was the cropping patterns of farmers. The agricultural sector was also heavily regulated and partially managed in Indonesia, Sri Lanka, Peru, and the Dominican Republic.

Second, the large presence of the government in the agricultural sector of these countries was handled by large complex bureaucracies and a multitude of public-private corporations. In Sri Lanka, for example, eight separate ministries existed to oversee activity in the sector. Some of these were extremely large ministries with many different divisions involved in activities ranging from the setting of prices of subsidies to agricultural research and extension. Even in a very different country, such as the Dominican Republic, five separate institutions (see Table 4) were involved in agricultural policy and planning. These large complex bureaucracies existed in all of the countries in our sample.

Third, the large diffuse nature of the institutions meant that coordination of effort was extremely hard to achieve. Many separate fiefdoms existed with little incentive for the groups to work together. Considerable duplication of effort also existed, particularly with agricultural planning and data collection activities. The power, however, tended to be concentrated heavily at the top of each of these ministries, and this is where major agricultural policy issues were considered. The ministers of agriculture were usually political appointees, and so partisan politics was extremely important, particularly in the policy arena.

Table 4: INSTITUTIONAL CONTEXT FOR PROJECTS

AFRICA

CAMEROON

- Project located within Ministry of Agriculture which had 8 separate directorates and many units within each directorate. Was a large, complex organization.
- Ministry of Economy and Plan had some oversight responsibilities for allocation of budgets across ministries but was not involved in this project.
- Staff within Ministry of Agriculture lacked strong technical skills.
- There had been considerable restructuring of institutions prior to project.

NIGER

- Project located in Ministry of Agriculture, though required collaboration with Ministry of Planning.
- Large parastatal organizations dominated cereals marketing and exports.
- There was little indigenous capacity to perform economic policy analysis.
- Project required the creation of a new Secretariat in the Ministry of Planning to manage the counterpart account generated by the project.

ZAMBIA

- Policy environment was generally open and flexible.
- There were many other institutions involved in the agriculture sector including parastatals, marketing boards and other ministries. Large state involvement in the sector.
- The National Commission for Development Planning (NCOP) coordinated planning across all the sectors but was not involved in the project.
- Ministry of Agriculture and Water Development (MAWD) had broad jurisdiction over projects and programs in the agriculture sector. Minister of Agriculture was a member of the Central Committee and Cabinet and could propose policy changes.

Table 4 (cont.)

ASIA/NEAR EAST

EGYPT	<ul style="list-style-type: none"><li>• Large Ministry of Agriculture with power concentrated at top. Serious policy discussions limited to the Minister and senior advisors.</li></ul>	<ul style="list-style-type: none"><li>• Large bureaucracy in Egypt, including many parastatals and ministries. Controlled product prices as well as input prices and supplies (particularly fertilizer and credit). Government also controlled cropping patterns.</li></ul>
INDONESIA	<ul style="list-style-type: none"><li>• Large Ministry of Agriculture with centralized planning developed and administered by commodity-specific agencies. "Top-down" administration.</li></ul>	<ul style="list-style-type: none"><li>• Policy research and analysis agencies weakly linked to the planning and budgeting process.</li><li>• Planning and administrative authority thinly spread in Province level agencies.</li></ul>
SRI LANKA	<ul style="list-style-type: none"><li>• Heavy state involvement in the agricultural sector, including parastatals and government owned plantations and heavy regulations.</li><li>• Many highly trained and skilled staff within bureaucracy.</li></ul>	<ul style="list-style-type: none"><li>• Large, complex bureaucracy. Eight separate Ministries involved with agriculture. Many duplicative activities.</li></ul>

Table 4 (cont.)

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LATIN AMERICA AND  
CARIBBEAN REGION

DOMINICAN REPUBLIC

- Partisan politics heavily influenced agricultural policy-making.
- Limited technical capacity, however, within the government. Few incentives existed in terms of money or prestige.
- Policy implementation was fragmented.
- At the time of the project, a variety of Dominican institutions formulated and implemented policies and programs. Examples included the Secretariat, the National Planning Office, the National Agricultural Bank, the Agrarian Reform Institute and the National Price Stabilization Institute.

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PERU

- project excessively complex with 11 different activities administered through 4 different agencies
  - Policy analysis components located in Ministry of Agriculture
  - Project coordination of a complex project was a sensitive and political issue.
  - Prior to project policy analysis capacity was limited in the MOA, although a policy analysis unit existed in the Ministry of Economy & Finance.
  - The project built on a reasonable base of technical capacity.
  - The government's ability to pay competitive salaries to retain professional staff was a problem before and during the project period.
-

The governments' capacity to undertake agricultural policy and planning at the start of these projects varied widely. Zambia and Cameroon had the least number of highly trained and experienced agricultural policy analysts and planners, while Egypt and Sri Lanka had many well trained policy analysts and planners located in a number of different institutions. In the Dominican Republic, a strong staff had existed, but many resigned their positions because of the lack of incentives in government employment.

Table 4 summarizes the institutional context in each of the countries. Many similarities exist in terms of the size and complexity of the government's apparatus related to the agricultural sector even though the capability and experiences of staff within governments varied greatly.

### 3.3.2 Economic Context and Agricultural Policy Issues

All of the case study countries faced serious economic and agricultural issues in the late 1970s and early 1980s. Although the severity of those problems varied considerably by country, the general economic and policy context of each country was similar. Table 5 summarizes this context.

Agriculture played a dominant role in the economy of all the case study countries. In the African countries, seventy to ninety percent of the population derived its income from agriculture; and at least half of the population did so in the Asian and Latin American countries. Moreover, agricultural production contributed significantly to the countries' gross domestic products. For most of the countries, agriculture comprised approximately one-fifth of the GDP; in Niger, the figure was nearly one-half.

The agricultural problems that confronted the countries during that period arose from a combination of external market forces and domestic policies that were not necessarily in the countries' long-term interest. Some countries, such as Sri Lanka, Zambia, and Cameroon, were hurt by declining world prices for their primary exports, thus creating foreign-exchange shortages that made it increasingly difficult to import food and other goods.

Questionable internal agricultural policies compounded the problems caused by external forces. To varying degrees, each of the governments controlled agricultural prices. The Government of Sri Lanka presided over a highly controlled, often subsidized economy in which macroeconomic indicators declined during the 1970s. In other countries, including Egypt, Zambia, and Cameroon, government policies penalized agriculture by holding prices below international levels. (Conversely, price policies contributed significantly to Indonesia's increased production of rice.)

Table 5: ECONOMIC AND AGRICULTURAL CONTEXT

AFRICA

CAMEROON

- The 1970s saw declining prices for Cameroon's exports, rising import prices, drought and diminished foreign investment. The growth rate in GDP had dropped from 7 percent to 3 percent.
- Pricing of Commodities controlled at a low level.
- Extensive public sector involvement in agricultural sector included wide-spread price controls and export restrictions.
- Government had made a considerable investment in agriculture.

NIGER

- Recurrent droughts reduced agricultural production by 50 percent.
- 4 years prior to program saw major drop-off in world demand for country's main export (uranium)
- Public debt service ratio had risen to 33 percent.
- Budget deficit reached record high just prior to program agreement.

ZAMBIA

- Nation's economy had experienced significant downturn. Under employment and unemployment had grown sharply. Overall government expenditures had taken up a larger share of GDP.
- In the agricultural sector producer prices were too low and not regionally differentiated. Production shortfalls had been caused by the drought, lack of government investment in the sector and shortages of credit.

Table 5 (cont.)

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ASIA/NEAR EAST

EGYPT

- Agricultural policies had long hindered agricultural productions in Egypt. Problems were caused by input subsidies with limits to their distribution; prices of commodities kept well below world levels and inefficient control of marketing and cropping patterns.

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INDONESIA

- Oil export earnings declined; increased unavailability of foreign exchange for food imports.
- In agricultural sector, wages stagnant. Returns to agricultural labor decline.
- Rice self-sufficiency achieved, freed resources to diversify other crops.
- Increased financial pressure on government forces cutbacks in services and subsidies.

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SRI LANKA

- Agricultural production, particularly for exports, had dropped off.
  - Government shifting from heavily socialist state to greater emphasis on free enterprise because of generally poor economic performance in the 1970s.
  - Increase in rice production had been great because of large investment in Mahaweli project. Investment, though, may have been too large.
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Table 5 (continued)

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LATIN AMERICA AND  
CARIBBEAN REGION

DOMINICAN REPUBLIC

- High inflation and widening import-export gap.
- Agriculture sector growing slower than the other sectors. Production had completely stagnated because of drop in world prices.
- Government unable to sustain large subsidies for agriculture.

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PERU

- Radical changes in political leadership lead to economic instability and loss of coherent economic policies.
  - High inflation, tradition of subsidized prices, natural disaster and worldwide recession.
  - Latest government set limit on debt service to 10% of exports and was unwilling to accept IMF intervention, leading to default on 100 private and public debts.
-

The situation in the Dominican Republic was problematic, as well. The DR was experiencing high inflation and a declining trade balance. The agricultural sector was growing more slowly than other sectors, and the government's ability to sustain large subsidies to agriculture decreased.

Thus, each of the case study countries faced severe challenges in its agricultural sector. Short-sighted and unsustainable agricultural policies in each country contributed to these challenges. The need and the potential for reformed policies to address these challenges was clear.

### 3.4 Design of Projects

The projects in our sample were primarily agricultural policy analysis and institutional development projects. Some of the projects had other components, such as agricultural research on the Agricultural Development Systems Project in Egypt, but their major components were either agricultural policy analysis or institutional strengthening for agricultural policy analysis.

#### 3.4.1 Project Objectives

The goals of these projects were generally similar and included such broad aims as improving the productivity of the agricultural sector and improving the income levels of the rural poor. These sorts of goals are similar for almost all types of projects addressing issues within the agricultural sector.

The major objectives or purpose of these projects, however, are much more concrete. The three major objectives for agricultural policy analysis and institutional development include:

- The training of host country staff to carry out high quality policy analysis to be used in the decisionmaking process;
- The creation of an effective institutional structure to carry out high quality policy analyses;
- The production of high quality policy analysis under the project, to be used in the decision-making process.

All of the projects in our sample had these as their major objectives. One of the projects, the Niger Agricultural Sector Development Grant, included a fourth objective, which was to implement policy reforms directly as part of the project. Large incentives in terms of local currency grants were incorporated into the project to promote these policy reforms.

### 3.4.2 Size and Length

Table 6 presents the project design strategies and issues. For the most part, these projects were designed as long-term efforts and took place over a period of 7-10 years, often in two phases. The length was needed to accomplish the institution-building components of these projects, particularly those which required long-term training of host country staff in the U.S.

The size in terms of AID funding varied greatly, as discussed earlier. Some of the projects, such as in Sri Lanka and the Dominican Republic, were narrowly focused activities, while the larger projects had many different components usually including long-term training, which is extremely expensive.

The projects ranged in size in AID funding levels from \$500,000 in Sri Lanka to \$24 million on Peru's APID project. The projects were either quite large or quite small. The Niger ASDG differed from the other projects in that it was primarily a grant funding mechanism. In that case the transfer was \$29 million, with an additional \$3 million for technical activities.

### 3.4.3 Type of Contractor

While the design of these projects did not always specify what type of institution would implement the projects, the organizations which eventually implemented the projects are shown in Table 6. Five of the projects were implemented by U.S. universities, two more of the projects were implemented by USDA under a PASA agreement with USAID, while two projects were actually implemented by host country organizations. In Sri Lanka the National Agriculture Food and Nutrition Strategy was directed by a key individual with the National Planning Commission of the Ministry of Finance and Planning and given support by a long-term resident advisor. In the Dominican Republic, a separate organization somewhat autonomous from the government structure received AID funds and managed the agricultural policy analysis activities. These two approaches were quite unique among those undertaken on other projects.

### 3.4.4 Institutional Location

The institutional location of assistance is clearly one of the critical design elements of these projects. The issue is which of the many ministries or divisions within the ministries or other entities within the country should be strengthened under the project. From a strategic perspective, the question was in

Table 6 Design Issues

<u>ISSUES</u>	CAMEROON	NIGER	ZAMBIA	EGYPT (Ag. Dev. Systems)
Duration	10 years	5 years	5 years initially with 5 years extension	9 years
Size - AID Funding	\$13,000,000	\$32,000,000	\$9,785,000	\$14,600,000
Implementing Organization	USDA under a PASA agreement	U.S. university with consulting firm subcontractors	U.S. university	U.S. university
Location of Assistance	Ministry of Agriculture • Directorate of Studies and Projects	Ministry of Agriculture and Ministry of Planning	Ministry of Agriculture and Water Development • Planning Division	Ministry of Agriculture
Number of Long-term Advisors	4	4	5	
Level of Short-term Technical Assistance	Moderate	Moderate	Moderate	High
Long-term Training	8	--	20	--
Short-term Training	High	Low	High	High

Table 6 (cont.)

<u>ISSUES</u>	EQYPT (Data Col. Anal.)	INDONESIA	SRI LANKA	DOMINICAN REPUBLIC	PERU
Duration	7 years	5 years	4 years	4 years	5 years with 5 year extension
Size-AID Funding	\$3,000,000	\$9,000,000	\$500,000	\$500,000	\$1,548,000
Implementing Organization	USDA under a PASA agreement		National Planning Commission of Sri Lanka with input from U.S. consulting firm and AID mission	New quasi-government agency with input from USAID	Contact with a U.S. university, and U.S. government agencies (USDA, BUCEN, NOAA) under PASA agreements
Location of Assistance	Ministry of Agriculture • Agricultural Economics Research Institute	Ministry of Agriculture and Province-level agencies	Ministry of Finance and Planning • National Planning Division	Agricultural Studies Unit - separate technical group to the National Agricultural Council	5 agencies; primarily Ministry of Agriculture
Number of Long-term Advisors		4	1	4	6 (maybe more)
Level of Short-term technical Assistance	Moderate	High	Small	Moderate	High
Long-term Training	---	High	N/A	N/A	4 Ph.D.s, 26 M.S.s
Short-term Training	High	High	Moderate	N/A	High @ 400

which unit would technical assistance be most likely to result in lasting improvements in institutional capability and short-term policy reform. A number of different strategies were selected in the projects we examined, as shown in Table 6.

In Cameroon, AID and the GRC selected the Directorate of Studies and Projects within the Ministry of Agriculture to receive assistance. Actually, two separate units within this directorate, the Division of Statistics (DS) and the Division of Studies and Projects (DE) were targeted for assistance. DS was a pure statistics section, and DE was a project planning and studies division. They were mainly technical support units.

In Zambia, two groups were initially targeted for assistance: the Planning Division within the Ministry of Agriculture and Water Development, and the National Commission for Development Planning, which had the responsibility for coordinating planning across all sectors of the economy. When the project began, the National Commission refused to accept the advisors because of the head of the Commission's distrust of outside advisors. Consequently, the assistance ultimately focused on the Planning Division of the Ministry of Agriculture and Water Development.

In Egypt, the ADS project established a new board, the Joint Policy and Planning Board (JPPB), within the Ministry of Agriculture to oversee and manage the projects activities. The Data Collection and Analysis project focused its assistance to two groups in the Agricultural Economics Research Institute within the Ministry of Agriculture, and established its own advisory committee, the Senior Agricultural Policy Advisory Committee (SAPAC).

In Sri Lanka, the project was located outside the Ministry of Agriculture and placed instead in the National Planning Division of the Ministry of Finance and Planning. This highly influential group had the ability to review and approve budgets across the other ministries as well as to coordinate planning.

The AP Project in Indonesia was unique in its emphasis on improving institutional capabilities at the provincial level, as well as in Jakarta. Each of the main project activities had a provincial component in the three project regions.

In the Dominican Republic, a new group was established outside of government to conduct agricultural policy analysis. This was called the Agricultural Studies Unit (UEA) and provided technical support to the National Agricultural Council, a public-private council that provided input to government leaders on agricultural policy. The unit was set up to produce independent analysis and be outside the government's bureaucracy, which had strong disincentives for the advancement of high quality individuals.

The diversity of activities in the Peru/APIID project required the establishment of a separate project coordination unit to be managed by the Project Executive Director. The Director reported to the Vice Minister of Agriculture. The project activities themselves were to be administered through four different institutions and at least nine departments within those institutions.

Thus, many different strategies were tried for the targeting of assistance under these projects. The merits of these different strategies are discussed further in the implementation and impacts sections.

The different types of inputs provided under each of the projects are shown at the bottom of Table 6. Most of the projects had four or five resident advisors, even though Sri Lanka had only one. The projects also had moderate to high levels of short-term technical assistance, again, with the exception of Sri Lanka. Several of the projects, including Cameroon and Zambia, built long-term training at the Masters and Ph.D. levels into their project; all of the projects made considerable use of short-term training.

In summary, it is clear that there was considerable variety in the design of these projects. Several themes, however, cut across the projects. Most of the projects were quite long, and many were managed by either a U.S. university or USDA. The designers hoped to establish a long-term relationship between the country and the U.S. university or USDA. The major focus of all the projects was to build up the governments' capacity to carry out high quality, useful agricultural policy analysis. Most of the projects had large discrete data collection and analysis activities. Many different types of organizations were targeted to receive assistance, even though planning groups within the Ministry of Agriculture received assistance most often. Most of the projects did not build in direct monetary or other incentives to bring about the policy reforms which were analyzed as part of the projects (though the Niger ASDG, in contrast to the other projects, consisted primarily of such incentives).

### 3.5 Project Implementation

The implementation of these projects involve many different associated issues. The major concerns center around how smoothly the projects were managed and carried out; the ability of the long-term advisors to work effectively with the host-country counterparts; the quality and usefulness of the studies produced as part of the project; the effectiveness of both long-term and short-term training; the ability of the projects to deliver planned inputs and provide institutional support activities, such

as the formation of computer centers or libraries. The effectiveness of project implementation often explains how successful the overall project was and what sort of lasting impacts were achieved.

In order to compare the effectiveness of project implementation across these projects, each of these major issues were analyzed separately. Table 7 provides short summaries of the findings from each of the projects in the countries in our sample.

### 3.5.1 Project Management

The first major implementation issue concerns the effectiveness of project management. In that most of these projects were large multi-year undertakings, management competence and initiative were of paramount importance. As Table 7 shows, the performance across these projects was quite mixed. In Cameroon, for instance, there were serious recruitment problems for both technical advisors and the Chief of Party. This caused delays in project start-up and direction. Furthermore, the Chief of Party was responsible for all managerial activities as well as for providing technical leadership. This proved to be too burdensome because the project was so large and complex. The issue was never fully resolved and after seven years of project implementation, despite the mid-project arrival of an administrative aid, the Chief of Party was still spending half of his time on administrative activities, leaving inadequate time for technical direction.

Project management was equally weak on the Agricultural Training, Planning and Institutional Development project in Zambia (ZATPID). In this case, there was considerable turnover in the Chief of Party (COP) position, and the various COPs had relatively little autonomy in the field since the U.S. university coordinator retained all decisionmaking authority. This affected the speed of decisions and caused morale problems in the field. The Zambia project also suffered from the overwhelming administrative burdens placed on the COP.

In Egypt, the Agricultural Development Systems project also had many management problems. The project was managed by a U.S. university that had little experience managing projects of this scale overseas. This resulted in problems with the scheduling of work, the recruitment of staff, and the overall operations of the project. The management steering committee planned for the project was inadequate because of some resistance by the Egyptian government and lack of initiative by the AID mission.

Table 7  
IMPLEMENTATION ISSUES

ISSUES	CAMEROON	NIGER	ZAMBIA	EGYPT (Ag. Dev. Systems)
Effectiveness of Project Management and Monitoring	<p><u>Weak</u></p> <ul style="list-style-type: none"> <li>Was a PASA agreement with USDA, AID provided some project management support</li> <li>No consensus on Chief of Party</li> <li>Too much time spent on administrative responsibilities</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>Counterpart fund management was disorganized and weak</li> <li>Joint U.S./GON oversight committee met regularly to follow progress of program</li> <li>Mid-term program evaluation was poorly done.</li> </ul>	<p><u>Weak</u></p> <ul style="list-style-type: none"> <li>High turnover at the Chief-of-Party level</li> <li>Too many administrative burdens for Chief of Party</li> <li>Not enough autonomy for COP in field, too tight control by university coordinator</li> </ul>	<p><u>Weak</u></p> <ul style="list-style-type: none"> <li>Lack of directed management steering committee for ADS never got off the ground</li> <li>Not enough support provided by AID</li> <li>U.S. university inexperienced at managing a project of this scale.</li> </ul>
Effectiveness of long-term technical advisors	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>Slow recruitment of many advisors</li> <li>good solid advisory help in the statistics component</li> <li>Much less effective in economics, where there was only one advisor</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>Advisors provided important support to policy reform process.</li> <li>Produced numerous technical studies</li> <li>Inadequate inter-action with host country staff.</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>Several of the advisors performed well, while others had problems</li> <li>Advisors generally not at level to carry out high level policy discussions</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>Good at producing technical work and carrying out studies</li> <li>Weak at influencing policy agenda</li> </ul>
Ability of long-term staff to develop close rapport with country counterparts	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>Counterparts not initially assigned to staff</li> <li>Good rapport developed in statistics section</li> <li>Level of counterparts on economics work was weak</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>Economic advisors did not work closely with counterparts partly due to failure of GON to supply them on consistent basis.</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>First COP was able to establish a good rapport with the Planning Division</li> <li>Counterparts often involved in fire fighting and unable to work with advisors</li> </ul>	<p><u>Moderate-Strong</u></p> <ul style="list-style-type: none"> <li>This was apparent outside the normal government system</li> <li>Able to pull together many people from universities and within government to work on project</li> </ul>
Effectiveness of institutional support activities (i.e., setting up data bases, computer centers)	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>Good support in developing statistical section</li> </ul>	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>Good support for use of microcomputers</li> </ul>	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>Able to establish a functional library and computer center</li> </ul>	N/A

Table 7  
IMPLEMENTATION ISSUES

<u>ISSUES</u>	<u>CAMEROON</u>	<u>NICER</u>	<u>ZAMBIA</u>	<u>EGYPT (Ag. Dev. Systems)</u>
Usefulness of short-term technical assistance	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>• Not enough statistical support through USDA with short-term TA</li> <li>• Good uses of outside experts in economics area</li> </ul>	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>• Short-term advisors made numerous contributions to technical studies.</li> </ul>	<p><u>Weak</u></p> <ul style="list-style-type: none"> <li>• Studies produced by short-term advisors were not tailored to the local context and were not especially relevant</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>• Good studies produced but little use made of the work</li> </ul>
Quality, timeliness and usefulness of studies	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>• Statistics survey and census proceeded well</li> <li>• Economic studies not given enough attention</li> <li>• Only one long-term advisor assigned</li> </ul>	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>• Studies were of good quality.</li> <li>• Studies were produced in time to support policy reform process.</li> </ul>	<p><u>Mixed</u></p> <ul style="list-style-type: none"> <li>• A number of studies were carried out and some were used in policy discussions</li> <li>• The more complex academic studies were less relevant than the studies requested by decisionmakers</li> </ul>	<p><u>Mixed-Weak</u></p> <ul style="list-style-type: none"> <li>• Some insightful work but generally the projects studies were academic and did not focus on pressing policy issues.</li> </ul>
Effectiveness of long-term training	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>• Good placement and return record</li> <li>• Some reservations about candidate selection process</li> </ul>	N/A	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>• Good record in terms of students completing overseas programs and returning to programs</li> </ul>	N/A
Effectiveness of short-term training	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>• Organized both short-term training and in-country training effectively</li> <li>• USDA has good capacity in this area</li> </ul>	<p><u>Mixed/Weak</u></p> <ul style="list-style-type: none"> <li>• On-the-job training in economics had little emphasis and little effect.</li> <li>• Planned short courses in policy analysis were never implemented.</li> <li>• Short-term training in microcomputers was quite effective.</li> </ul>	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>• Workshops and seminars were important institution building activities</li> <li>• Effective way to motivate country staff</li> </ul>	<p><u>Strong</u></p> <ul style="list-style-type: none"> <li>• Active seminar, workshops, and short-course program</li> </ul>

Table 7  
IMPLEMENTATION ISSUES

ISSUES	EGYPT (Data Col. Anal.)	INDONESIA	SRI LANKA	DOMINICAN REPUBLIC	PERU
Effectiveness of Project Management and Monitoring	<u>Moderate</u>	<u>Weak</u> <ul style="list-style-type: none"> <li>Principal coordinating committees never functioned. Little documentation of decision process for project management</li> </ul>	<u>Strong</u> <ul style="list-style-type: none"> <li>Project led internally by a Sri Lankan within the National Planning Division</li> <li>Counterpart advisor also provided strong direction and management</li> </ul>	<u>Mixed</u> <ul style="list-style-type: none"> <li>Slow recruitment of project director</li> <li>Lack of experience in managing policy analysis agenda</li> <li>Good technical direction</li> </ul>	<u>Mixed</u> <ul style="list-style-type: none"> <li>Coordination overly centralized leading to friction among implementing agencies.</li> <li>Difficulty with inter-agency cooperation.</li> <li>Project had the eer of the MOA.</li> </ul>
Effectiveness of long-term advisors		<u>Mixed</u> <ul style="list-style-type: none"> <li>Overburdened in responsibilities</li> <li>Did not build links for sustainability in most agencies</li> <li>Did integrate selves well within assigned agencies</li> </ul>	<u>Strong</u> <ul style="list-style-type: none"> <li>Good technical skills, hard working, and interacted well with many people in host country</li> </ul>	<u>Strong</u> <ul style="list-style-type: none"> <li>Funded Dominican staff to set up a new unit somewhat autonomous from government</li> <li>This project did not require long-term U.S. advisors, but Dominicans were effective</li> </ul>	<u>Strong</u> <ul style="list-style-type: none"> <li>Advisors and policy analysis group developed strong credibility in MOA, and their advice was frequently sought in policy dialogue.</li> </ul>
Ability of long-term staff to develop close rapport with country counterparts	<u>Mixed</u> <ul style="list-style-type: none"> <li>Good rapport with the statistics and data collection staff</li> <li>Less rapport established with the economics group</li> </ul>	<u>Strong</u> <ul style="list-style-type: none"> <li>In most relationships good working relationships developed</li> </ul>	<u>Strong</u> <ul style="list-style-type: none"> <li>Advisor able to get along well with country government staff, worked with many different individuals</li> </ul>	N/A	<u>Mixed</u> <ul style="list-style-type: none"> <li>Strong acceptance in policy analysis and information support.</li> <li>Weak acceptance for improvements in personnel management.</li> </ul>
Effectiveness of institutional support activities (i.e., setting up data bases, computer centers)	<u>Strong</u> <ul style="list-style-type: none"> <li>Good support in the data collection and analysis process</li> </ul>	<u>Strong</u> <ul style="list-style-type: none"> <li>Active training, equipment provision.</li> <li>Developed better data storage and processing.</li> </ul>	<u>Mixed</u> <ul style="list-style-type: none"> <li>Contracting difficulties caused some problems with support in terms of computers, software, etc.</li> </ul>	<u>Mixed</u> <ul style="list-style-type: none"> <li>Contracting problems and delays caused by inexperience</li> <li>Once set up the facilities were very good</li> </ul>	<u>Mixed</u> <ul style="list-style-type: none"> <li>Useful economic model established.</li> <li>Project management system support effective.</li> <li>Personnel management support not effectively received.</li> <li>Agroclimatic support very effective.</li> <li>Management support to INIPA provided no results.</li> </ul>

Table 7  
IMPLEMENTATION ISSUES

ISSUES	EGYPT (Data Col. Anal.)	INDONESIA	SRI LANKA	DOMINICAN REPUBLIC	PERU
Usefulness of short-term technical assistance	<u>Mixed</u>		<u>Mixed</u> • Judiciously used, good definition of tasks, mixed results	<u>Mixed</u>	<u>Strong</u> • Short-term studies well received and utilized
Quality, timeliness and usefulness of studies	<u>Weak</u> • Studies program was not directed at critical policy issues	<u>Mixed</u> • Many studies performed expertly and on vital issues • Study process not made known to a sufficient number of agencies	<u>Strong</u> • Concrete studies produced on schedule • Excellent involvement of counterparts	<u>Strong</u> • Targeted to World Bank initiatives and incentives meant that the studies were used • High quality work	<u>Strong</u> • High quality work, but not widely publicized
Effectiveness of long-term training	N/A	<u>Mixed</u> • Good number of participants, well received programs, OJT. Poor completion rate for graduate studies	N/A	N/A	<u>Mixed</u> • Still in progress
Effectiveness of short-term training	<u>Strong</u> • Define seminar, workshop and short course	<u>Strong</u> • High number participants. Well organized and reviewed, with strong support	<u>Strong</u> • Excellent use of seminars and workshops • Very helpful in developing policy agenda	N/A	<u>Mixed</u> • Still in progress

N/A = not applicable

The other project in Egypt, the Data Collection and Analysis (DCA) Project, was managed by USDA through a PASA agreement and went somewhat smoothly. The project was less ambitious than the ADS projects, more focused on the tasks of data collection and analysis, and worked within a reasonably well-defined structure.

In Indonesia, an elaborate project management structure, consisting of a steering committee and a working group, proved ineffective. The steering committee never convened, and the working group never met after the project began. The reason cited was that the members were too senior and did not have time to meet. Two similar management structures in the provinces were somewhat more successful. As in many of the other projects, the COP of the technical assistance team spent virtually all of his time on management, to the exclusion of technical assistance.

The National Agriculture, Food and Nutrition Strategy in Sri Lanka was managed internally by a host country government official. It is hard, therefore, to compare the management of the Sri Lanka activity with the other projects. It is useful to note, however, that the individual who managed the Sri Lanka activity was an extremely skilled and powerful individual within the government, who was able to manage this logistically complex undertaking aimed at improving the coordination of policy making and planning across eight ministries. The strategy ran well because of the initiative and drive of both the host-country coordinator and the long-term advisor.

The Dominican Republic example was also somewhat of a hybrid. A new quasi-public unit was set up and managed by host-country individuals to do agricultural policy analysis. Recruitment was an initial problem, as was the lack of experience of the team in carrying out a policy research agenda. The project director, however, had good technical skills and was able to gain experience in managing the technical work.

The conclusions strongly suggest that the management of the long-term AID policy analysis and planning needs to be bolstered. A clear recommendation is that greater separation of administrative oversight from technical oversight on large projects is needed. The management capability of a COP is extremely important. On large projects strong management skills are needed in the field and have been absent on many projects. On large projects, it may be necessary to have both a management leader and a technical leader. There is also a need for an administrative assistant on large and complex projects.

The ability of universities to manage these large field activities is also a concern raised in the evaluations. Some of the universities were new at managing international projects and did not have the proper structure to provide the backstopping and

general support required. Others failed to provide the autonomy needed in the field to carry out an overseas project effectively. Finally, some of the COPs provided by universities did not have enough skills in management, as opposed to academic skills, to run these efforts.

### 3.5.2 Technical Assistance

There were a number of factors that influenced the effectiveness of the long-term advisors. The most important may have been the degree to which they gained the respect and trust of those in government, particularly at the senior level. In the Zambia project, the five advisors' ability to gain the respect and trust of the government officials varied enormously. In one case, an advisor was so adamant in pressing for work to be done that the Zambians were not interested in that she was asked to leave the country. The other advisors were able to establish a better rapport, but none of the advisors were at a senior enough level that they influenced the thinking of top Zambian decision-makers. In Sri Lanka, the long-term advisor rapidly gained the respect and trust of government officials which led to many important impacts on that project. In contrast, technical advisors in Egypt on the ADS project were kept at a distance from Egyptian officials.

Another factor that influenced the effectiveness of the long-term advisors was their ability to define useful tasks and accomplish them. In Cameroon, for instance, the statistics advisors defined manageable tasks for the agricultural census and had sufficient support to get them done, while the economics advisor was also the COP, and thus never had the time to define and carry out an appropriate agenda of activities on the economics component. The long-term advisors on the Dominican Republic project were hampered by an inability to define a policy research agenda at first. As their ability to do this improved, so did the results of the project. Much of this, of course, depended on the experience, drive and initiative of the long-term advisors working on the project.

The ability of the long-term advisors to develop a close rapport with their assigned country counterparts was also extremely important to the success of project implementation. A common problem across this set of projects was the inability of countries to assign counterparts in a timely fashion. Part of this was caused by the other demands placed on the counterparts' time, which was a particular problem in Zambia and on the economics component of the Cameroon project. This greatly limited the effectiveness of the advisors. In those countries where there were dynamic and dedicated counterparts, the project implementation process was enhanced.

These projects involved a significant amount of institutional support activities. These included the formation of a functional library and computer center in the Ministry of Agriculture in Zambia, the creation of a computer center and the creation of data bases on almost all of the projects. The implementation of these activities was successful across most of these projects. The universities and USDA were particularly skilled at these activities because they represented concrete and clearly defined tasks to carry out. Conforming to AID acquisitions regulations was considered a major problem in Sri Lanka and the Dominican Republic, but aside from this problem these activities were well done and contributed to the projects' success.

A critical element of all of these projects concerned the performance of the agricultural policy studies. These projects were structured to produce studies by long-term advisors, short-term advisors and host country counterparts on pressing agricultural policy issues. Almost all of the projects, after initial start-up problems, were able to carry out many of the initial studies targeted for the project, though there were mixed experiences regarding progress toward enabling host agency staff to perform studies on their own. While studies in Sri Lanka, Peru, and the Dominican Republic were performed with significant local staff participation, the agricultural studies division in Cameroon progressed only to the point of writing scopes of work for studies performed by outsiders; and in Niger, virtually all of the analysis was performed by the technical advisors. The policy analysis group established in Peru was probably the most successful example of local staff and technical assistance collaboration in producing useful studies.

Across the sample of projects, the studies which were used were those that had been asked for by senior government officials or politicians, as was the case with some studies in Zambia and Peru, or those that were required by a development bank, as was the case in the Dominican Republic, or those that fit into a long-run government strategy, as was the case in Sri Lanka. Many of the studies, however, did not fit this mold. Many were academic studies of interest primarily to the long-term advisor or institutions implementing the project and not of direct interest to critical policymakers. In some countries, notably Egypt, the government actively blocked the team from examining critical policy issues so the studies produced were by definition on topics of little real importance in the policy process. The experience, therefore, on the quality and usefulness of studies produced by the projects was extremely mixed.

### 3.5.3 Training

Long-term and short-term training are the final two elements of project implementation. Information on long-term training was obtained from Cameroon, Zambia, Indonesia, and Peru. In Cameroon and Zambia, the projects had high success rates in placing students in overseas Masters and Ph.D. training programs, and in both cases the students had a good record of completing the programs and returning to take jobs in their countries. Of 43 Indonesian students, however, only ten completed their master's training on time, and none were sufficiently fluent in English to receive training in the U.S. Even though this is an extremely small sample from which to draw conclusions, it is not a surprise that both universities and the USDA, which implemented these projects, had their greatest success in implementing long-run training programs. This is where these institutions have their greatest knowledge and expertise.

The Peru experience with long-term overseas training was more disappointing, primarily because initially ambitious plans were found to be impracticable in the time available.

The projects' experience in implementing short-term training was consistently positive. Nearly all of the short-term training was performed in-country; typically, resident advisors presented seminars, workshops, and short courses for host-country personnel. These activities proved to be low cost, effective ways to transfer ideas and to unify work objectives. In countries such as Egypt and Cameroon, where technical assistance concentrated on both economics and statistics, short-term training was more successful in statistics. In Cameroon, for example, workshops in data management were highly useful in improving the techniques practiced by host-country personnel. In Cameroon, however, few of the planned short-term training activities in economics were actually performed. Long vacancies in the advisory positions and onerous administrative responsibilities hampered these activities. Short courses in Indonesia were successfully taught in the capital, as well as in rural provinces. In Sri Lanka, a broader benefit of the inter-institutional workshops was that they facilitated the development of a wide-ranging policy agenda, a necessary input for the strategy. Short-term training also facilitated project implementation by motivating host-country staff. This was particularly apparent in Zambia and Peru, where short-term training activities were highly successful.

### 3.6 Project Impacts

The analysis of impacts examines the case study projects' effects on: 1) institutional capacity in policy analysis, 2) decisionmakers' use and demand for analysis, and 3) policies and programs in the agricultural sector. Table 8 summarizes these impacts.

#### 3.6.1 Institutional Capacity Impacts

Each of the projects examined was found to have positive impacts on the institutional capacity of the host government, though the magnitude and nature of those impacts varied significantly. Technical assistance tended to be concentrated in the fields of agricultural statistics and agricultural economics and planning. In a few cases, such as the Cameroon AMP Project, projects addressed institutional capacity in both statistics and agriculture; in Egypt, two separate projects independently addressed these areas. In each of the other cases, the projects concentrated solely on economic planning (though Niger and Indonesia included training in microcomputer use).

One general observation is that technical assistance in statistics tended to have greater impacts on institutional capacity than did technical assistance in economics. This is seen most clearly in Cameroon and Egypt, the two examples in which technical assistance supported both economics and statistics.

In Cameroon, the AMP Project placed technical advisors in both the statistics division and the studies and projects division within a directorate of the Ministry of Agriculture. Although positive contributions to institutional capacity in both divisions were noted by a 1987 evaluation report, the accomplishments of both divisions clearly reflected the greater effects of technical assistance in the statistics division. While the strongest claim that could be made for the economics division was that it had produced the terms of reference for several studies done by outsiders, the statistics division had completed work on a nation-wide agricultural census, and had instituted improved data collection and management practices. A similar result in terms of the greater relative success of data management capacity building was found in Indonesia, as well.

In Egypt, the DCA project concentrated on statistics and the ADS project concentrated on agricultural policy and planning. As in Cameroon, technical assistance in statistics had greater impacts on institutional capacity than did technical assistance

Table 8  
PROJECT IMPACTS

IMPACTS	CAMEROON	SRI LANKA	EGYPT	DOMINICAN REPUBLIC
1. Institutional Capacity Impacts (and Inter-Institutional Impacts)	<p><u>Economic TA</u></p> <ul style="list-style-type: none"> <li>• Overall positive impact, but fell short of expectations.</li> <li>• Established foundation for doing economic analysis.</li> <li>• Only 1 of 5 subsector studies and 3 special studies done (by outsiders). Special studies followed TOR's produced by DE staff.</li> <li>• Didn't produce studies internally (as planned in PP).</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term impact on participating analysts.</li> <li>• Strengthened analytical abilities of technical officers in ministries.</li> <li>• Formed new working relationships across different area within ministries.</li> <li>• Capacity for long-range coordination unclear.</li> <li>• Improved working relations between decisionmakers and analysts</li> </ul>	<ul style="list-style-type: none"> <li>• Greater progress in developing host-country analytic capacity than in accelerating policy program reform. Both projects made considerable contributions.</li> <li>• ADS project's capacity building impact was diffused over a wide range of institutions, with virtually no impact on MOA capacity.</li> <li>• DCA had lasting impact on MOA's capacity to collect, manage, and analyze data; but no impact outside MOA.</li> <li>• Joint U.S.-Egyptian execution of studies may have long-term payoff in terms of training of local analysts.</li> </ul>	<ul style="list-style-type: none"> <li>• Support concentrated on small policy analysis unit -- money and people -- that succeeded in playing an influential role in DR agric. policy.</li> <li>• Studies produced by UEA improved capability of GODR to work with donors</li> <li>• Nine staff reports (and 6 contractor studies) completed by UEA.</li> <li>• Improvement of Ag's attention to UEA decreased MOA's internal analysis unit's willingness to cooperate with UEA (e.g., increased institutional rivalries).</li> <li>• Contributed to ability of private Dominican contractors to perform policy analysis.</li> </ul>
	<p><u>Economic Training</u></p> <ul style="list-style-type: none"> <li>• Unclear: 2 long-termers back, but no opportunities to use new skills</li> <li>• Little use had been made of other types of training (overseas S&amp;T, in-country seminars).</li> </ul>	<p><u>Inter-Institutional</u></p> <ul style="list-style-type: none"> <li>• Strategy promoted a great deal of interaction among participating ministries</li> <li>• Improved relations between donor and line agencies.</li> </ul>		

Table 8  
PROJECT IMPACTS

IMPACTS	CAMEROON	SRI LANKA	EGYPT	DOMINICAN REPUBLIC
1. Institutional Capacity Impacts (cont.)	<p><u>Statistics</u></p> <ul style="list-style-type: none"> <li>• Much more successful than in economics.</li> <li>• Completed 1984 census.</li> <li>• Instituted better data management and collection.</li> </ul> <p><u>Training</u></p> <ul style="list-style-type: none"> <li>• Little effect: one returnee, assigned to tasks that didn't use skills.</li> <li>• No in-country seminars in statistical methods.</li> <li>• Survey phase benefited from data collection schools.</li> </ul>	<ul style="list-style-type: none"> <li>• Helped GSL in project identification &amp; discussions with donors.</li> </ul>	<ul style="list-style-type: none"> <li>• ADS project established no institutional base where analytic activities can continue after the project ends.</li> <li>• Apparent tradeoffs between focusing on organizational units, where project is more likely to be institutionalized (e.g., DCA), and having policy impact, since such units rarely play a large role in policy debates.</li> </ul>	<ul style="list-style-type: none"> <li>• UEA staff engaging in technical training of staff at related line agencies.</li> <li>• Uncertain future for independent analytical units, such as UEA.</li> </ul>
2. Decisionmaker Impacts	<ul style="list-style-type: none"> <li>• Little, if any -- no clear indications of any.</li> </ul>	<ul style="list-style-type: none"> <li>• Clear impacts -- new long-term policy reform.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of decisionmaker demand for analysis -- impeded policy reform.</li> <li>• MOA decisionmakers consistently directed analysis away from sensitive topics.</li> <li>• ADS may have greater long-term impact through its effect on thinking of people who will later set policies.</li> </ul>	<ul style="list-style-type: none"> <li>• New Secretary of Ag. turned directly to UEA for policy advice; new President looked more to line-agencies.</li> </ul>

Table 8  
PROJECT IMPACTS

IMPACTS	CAMEROON	SRI LANKA	EGYPT	DOMINICAN REPUBLIC
3. Policy and Program Impacts	<ul style="list-style-type: none"> <li>No indication of any program and policy impacts -- decision-makers impacts would be prerequisite.</li> </ul>	<ul style="list-style-type: none"> <li>Refer list of policy and program recommendations (p. 12-13) in report.</li> <li>New coordination permit more broad-based GSL input in donor project selection.</li> <li>Focus on constraints directs policy priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Neither project brought significant policy reform in short-run.</li> <li>DCA's institutional location (operations level) severely limited its ability to address high-level policy issues.</li> </ul>	<ul style="list-style-type: none"> <li>Dairy price adjustments to improve producer incentives.</li> <li>Extension of government credit risk coverage to local banks.</li> <li>Reform of pricing imports industry.</li> <li>Price incentives for corn production (which contributed to greater output).</li> </ul>

Table 8  
PROJECT IMPACTS

IMPACTS	ZAMBIA	INDONESIA	PERU	NIGER
<p>I. Institutional Capacity Impacts (and Inter-Institutional Impacts)</p>	<ul style="list-style-type: none"> <li>• Positive effect on capacity to engage in empirically-based policy analysis.</li> <li>• Successful long-term training.</li> <li>• Development of library and computer centers (well used by all staff).</li> <li>• Established Data Processing Center</li> <li>• Complex modelling efforts were done by ISU, and were not institutionalized.</li> <li>• Sophisticated quantitative analysis had little impact.</li> <li>• Returnees from U.S. graduate training were well placed -- all had potential to affect policy process.</li> </ul>	<p><u>Inter-Institutional Impacts</u></p> <ul style="list-style-type: none"> <li>• Weak impacts in Central agencies because of failure of Project Steering Committee to function and enforce interdependence on policy analysis.</li> <li>• Agencies retained proprietary attitude toward data collection.</li> <li>• Opportunities for policy studies were not properly communicated to all policy actors.</li> <li>• At provincial level, initial impacts strong because of active participation of policymakers in utilizing the project.</li> </ul> <p><u>Institutional Capacity</u></p> <ul style="list-style-type: none"> <li>• Mixed. Very extensive and well implemented activities in training, computerization, policy studies at central and provincial level has increased the abilities of agencies and personnel in improving planning and policy analysis.</li> </ul>	<p><u>Capacity Building</u></p> <ul style="list-style-type: none"> <li>• Socioeconomic reports and production-imports model provided information for a constructive dialogue between MOA &amp; MEF.</li> <li>• The Project Management System was widely applied to over 180 institutions.</li> <li>• The Agroclimatic Impact Assessment improved the capacity of MOA and others to anticipate weather impacts on the ag. sector.</li> <li>• A permanent Division of Tech. Training was created in the MOA.</li> <li>• Numerous students were enrolled in long-term and short-term training.</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional capability to perform economic policy analysis was <u>not</u> greatly improved by ASDG program. Late in program, local staff was still unable to play a significant role in technical studies.</li> <li>• Capabilities in use of microcomputers was significantly improved by training under ASDG.</li> </ul>

Table 8  
PROJECT IMPACTS

IMPACTS	ZAMBIA	INDONESIA	PERU	NIGER
1. Institutional Capacity Impacts (cont.)	<ul style="list-style-type: none"> <li>• In-service training (workshops and seminars) were found to be very effective institution-building tools.</li> <li>• Day-to-day training through counterpart relations didn't work well. Too few Zambians, and best ones were too busy "fighting fires."</li> <li>• Decisionmakers did depend on newly-trained staff.</li> <li>• Counterpart work relations were <u>ad hoc</u>.</li> <li>• Improved inter-institutional coordination.</li> <li>• Specific studies were used by GRZ decision-makers (groundment, finance, tractor hire, IRD, etc.).</li> <li>• Studies contributed to active debate.</li> </ul>	<p>Only at provincial level has new capacity been linked with the planning and administration process.</p>	<p><u>Interinstitutional</u></p> <ul style="list-style-type: none"> <li>• GAPA maintained cooperative dialogue with many public and private agencies; dialogue that provided input to policy considerations and legislation, and interagency cooperation (especially between MOA &amp; MEF that lead to various shared outputs (statistics, surveys, reports, models).</li> <li>• Agroclimatic impact assessment well coordinated by MOA and Min. of Defense.</li> </ul>	

Table 8  
PROJECT IMPACTS

IMPACTS	ZAMBIA	INDONESIA	PERU	NIGER
2. Decisionmaker Impacts	<ul style="list-style-type: none"> <li>Specific studies were used by GRZ decisionmakers (groundment, finance, tractorization, IRD, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>No clear indications; better reception by decisionmakers in provinces. Decisionmakers in central agencies were either uninterested or did not work for sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>GAPA maintained close communication with the minister of Ag. GAPA provided info for decisionmakers to prevent inadequate policy decisions.</li> <li>Production of studies and models was used in policy dialogue by MEF and MOA jointly.</li> <li>National Rural Household Survey results used by GAPA in development of Highlands Development Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Program increased decisionmakers awareness and understanding of the need for policy reform.</li> <li>Supreme Military Council included ASDG reforms in its Three-Year Plan for agricultural development.</li> <li>No information regarding changes in decisionmakers' demand for policy analysis.</li> </ul>
3. Policy and Program Impacts	<ul style="list-style-type: none"> <li>Some specific policy changes attributed to project.</li> </ul>	<ul style="list-style-type: none"> <li>No information was available regarding policy and program impacts.</li> </ul>	<ul style="list-style-type: none"> <li>GAPA staff had significant input to numerous major legislative actions; and they had input, as well, in advising decisionmakers on what policies and programs to avoid.</li> <li>Support to the MEF lead to improved org. of sectorial data by the MEF in policy efforts.</li> </ul>	<p><u>Macroeconomic Impacts</u></p> <ul style="list-style-type: none"> <li>ASDG transfers improved slightly the balance of payments deficit; transfers never covered more than 10 percent of the gap between imports and exports.</li> <li>Transfers did ease foreign exchange shortage and contributed indirectly to foreign exchange earnings.</li> </ul>

Table 8  
PROJECT IMPACTS

IMPACTS	ZAMBIA	INDONESIA	PERU	NIGER
3. Policy and Program Impacts (cont.)				<ul style="list-style-type: none"> <li>• Transfers contributed to closed budget deficit, ranging from 5 to 10 percent of deficit.</li> <li>• Funding contributed to GON's ability to meet investment targets under IMF Standby-Agreement.</li> </ul> <p><u>Policy Dialogue</u></p> <ul style="list-style-type: none"> <li>• Positive impact on GON policies and on USAID/GON policy dialogue. GON produced program document that incorporated ASDG conditions precedent into three-year sector plan.</li> <li>• Progress in meeting conditions precedent for grant transfers was mixed, but progress was significant.</li> </ul>

in economics. The ADS project's institutional impacts were diffused over a wide range of institutions, and the project established no institutional base where analytic activities could continue after the project's end. In contrast, the DCA project had a lasting impact on the Ministry of Agriculture's capacity to collect, manage, and analyze data, but had no impact outside the MOA.

The projects in Sri Lanka, the Dominican Republic, Niger, and Zambia concentrated primarily on strengthening institutional capacity in agricultural economics and planning. Among these projects, support for the Dominican Republic's Agricultural Studies Unit (UEA) appears to have registered the greatest improvement in institutional capacity. With AID technical assistance and funding, the UEA took root and developed into a productive and influential policy analysis unit. During the course of the project, the UEA demonstrated a marked improvement in the quality of its agricultural subsector reports.

The UEA was an independent unit, not attached to a particular ministry. One unintended consequence of technical assistance to the UEA was that it attracted the most qualified analysts away from the Ministry of Agriculture's internal analysis unit. This may have had detrimental effects on institutional capacity within the MOA itself. When a new minister of agriculture turned his attention primarily to the UEA for policy analysis, not only did it detract from the MOA's internal unit, but it undermined the MOA unit's willingness to cooperate with the UEA. Thus, increased institutional capacity in the Dominican Republic came at some cost to cooperation among government agencies.

Evidence of positive contributions to institutional capability was seen in all aspects of the Peru APID project. Of particular note was the introduction and training of 1300 Peruvians in the Project Management System, a set of managerial tools built around AID's logical framework methodology. This training significantly improved indigenous capabilities in project design and monitoring.

In contrast to the negative effect on inter-institutional coordination seen in the Dominican Republic, most of the projects contributed to improved inter-institutional cooperation and coordination.

Development of Sri Lanka's National Agricultural, Food and Nutrition Strategy was inherently an inter-institutional activity. Thus, the institutional impacts were more diffused in Sri Lanka than in the Dominican Republic. Development of the strategy required unprecedented interaction among the eight separate ministries involved in agriculture in Sri Lanka, though the sustainability of that improved interaction was unclear. The exercise was also found to have strengthened the analytical abilities of technical offices within several ministries.

The impacts on institutional capacity in Zambia also included improvements in inter-institutional coordination, a largely unintended consequence of the project. The most striking example of this was the collaboration between MAWD/PD and CSO on an agricultural survey: previously, both organizations independently collected the same data. Within the MAWD itself, some of the ZATPID project's most tangible impacts on institutional capacity were the creation of a library and computer center, both of which were heavily used by technical advisors as well as local staff.

In Indonesia, project designers had intended to improve inter-institutional coordination through the creation of inter-ministerial project management committees. The failure of these committees to meet is indicative of the lack of inter-institutional impacts resulting from the AP Project.

Another aspect of improved inter-institutional coordination that resulted to at least some degree from each of the projects was improved coordination of host government and donor activities. This was particularly evident in Sri Lanka, where the Strategy exercise served to clarify GSL priorities and provided a clear framework within which the GSL and donors could discuss potential projects.

In Niger, the only training component that contributed significantly to institutional capacity was in microcomputers. The policy studies prepared under the ASDG were undertaken solely by the outside consultants.

### Training

Four of the projects -- the AMP Project in Cameroon, the ZATPID Project in Zambia, the AP Project in Indonesia, and the APID project in Peru -- had training as a major input. Cameroon and Zambia projects included long- and short-term overseas training, as well as short-term in-country training. Training in the Indonesia project was all in-country (except for several short courses in Thailand). The institutional impact of training activities varied significantly between these projects.

Long-term overseas training clearly contributed to institutional capacity in the ZATPID Project. Virtually all of the Zambians who had received graduate training in the U.S. had returned to the agency from which they had departed, and all of them occupied positions from which they could influence the policy process. Several of these returnees occupied senior positions in their divisions; indeed, one of them served as Acting Section Head of MAWD/PD and was a close advisor to the Minister.

In contrast, long-term training under Cameroon's AMP Project had much less impact on the MOA's institutional capacity. Of the nineteen Cameroonians who had gone to the U.S. for graduate training, the few who had completed training by the time of the evaluation had returned to the Ministry, but were not assigned responsibilities that used their new skills. This was true for both the economics and statistics aspects of the project.

In Indonesia, since less than 25 percent of the students in Master's programs had received their degrees on time, it is unlikely that training contributed greatly to institutional capacity.

Short-term in-country training was more effective in Zambia than it was in Cameroon. The series of in-service workshops and seminars presented by technical assistants in Zambia were found to be very effective institution-building tools. Workshops and seminars were presented in areas such as public administration and agricultural pricing. These conveyed knowledge on specific subjects, and also allowed for feedback and participation in policy and program activities. In contrast, few of the planned in-country training activities under the AMP Project in Cameroon actually took place. Endemic vacancies in the advisor positions may have contributed to this lack of in-country training. Day-to-day training through counterpart relations in both projects was disappointing. In the case of Cameroon, host government staff was distracted by administrative responsibilities and advisory positions were too often vacant. In the case of Zambia, similar conflicts for local staff and a shortage of qualified Zambians in the Ministry combined to undermine the effectiveness of day-to-day training through counterpart relations.

### 3.6.2 Decisionmaker Impacts

"Decisionmaker impacts" refers to the effects of the project in increasing decisionmakers' awareness and understanding of the role of empirically-based policy analysis and in stimulating demand for it. The case study projects present mixed experiences with respect to decisionmaker impacts.

All but one of the projects -- Cameroon's AMP Project -- were cited as having at least some positive impact on decisionmakers. Evaluations of the Cameroon project made no reference to decisionmaker impacts. The lack of institutional capacity impacts in the economics division, both in terms of the technical assistance and training, may have contributed to the lack of decisionmaker impacts in Cameroon. Despite progress in Cameroon's statistical capabilities, the lack of policy-oriented analysis of the statistics by the economics division may have muted the potential decisionmaker impacts.

The decisionmaker impacts of the projects in Niger and Indonesia are unclear. Neither project appears to have had a dramatic impact on decisionmakers' understanding of or demand for policy analysis.

Decisionmaker impacts were more apparent in Egypt, though still far from adequate. The policy-oriented ADS Project was plagued by a lack of decisionmaker demand for policy analysis, and failed to stimulate that demand. Indeed, decisionmakers consistently directed analysis away from sensitive topics. The DCA project, as well, had little decisionmaker impact. The only respect in which the ADS Project was cited as having made decisionmaker impacts was the possibility of long-term impacts, since it brought in the participation of mid-level people who might later be in responsible policymaking positions.

The projects in Sri Lanka, Zambia, Peru, and the Dominican Republic were more successful in terms of their decisionmaker impacts. In Sri Lanka, work on the Strategy forced decisionmakers to take a long-term policy perspective, and to take action on the Strategy's recommendations. This process also forged new working relations between analysts and decisionmakers, both within and across ministries.

In Zambia, a number of direct impacts on decisionmakers resulted from the project. Specific studies were used by GRZ decisionmakers in the policy process. Prime examples were the groundnut study, the agricultural finance markets study, the tractor hire study, and the study of integrated rural development. Whether or not each study translated directly into actual policy, the studies did contribute to active debate on significant policy issues.

In Peru, the newly created policy analysis group developed a close working relationship with the Minister of Agriculture, who frequently sought its analytical support for decisionmaking. The project's success in this regard was evidenced by the consistency of its role in the decisionmaking process, despite several changes in ministers and governments during the project.

Evidence of decisionmaker impacts in the Dominican Republic is seen in the role accorded the UEA in the policymaking process. When a new Secretary of Agriculture took office during the course of the project, he turned directly to the UEA for policy advice. The demand for analysis was there, and the UEA became a major supplier of that analysis. There are doubts, however, as to the permanency of those impacts, as later observers had commented on the declining role in UEA in the policy process.

### 3.6.3 Policy and Program Impacts

These planning and institution building projects ultimately sought to influence policies and programs of the host government. Policy and program impacts are unlikely to occur in the absence of either institutional capacity impacts or decisionmaker impacts. Improved institutional capacity is not only an important ingredient of decisionmaker impacts, but in the absence of decisionmaker impacts, improved institutional capacity has no channel through which to influence policies and programs.

The degree of impacts on policies and programs resulting from the projects examined varied widely. Projects in two countries -- Cameroon and Egypt -- had little or no impact on policies and programs. These were the same cases that registered the least decisionmaker impacts, although the reasons for this lack of impacts were different in each case. In Cameroon, the connections are fairly clear: limited improvements in institutional capacity undermined potential decisionmaker impacts. This combination virtually precluded the AMP project from having a significant impact on policies and programs.

While these factors may have colored the situation in Egypt as well, other elements contributed to the lack of policy and program impacts. As noted above, decisionmakers in Egypt consistently directed analysis away from sensitive topics. In addition, in the case of the DCA project, its institutional location reduced the likelihood that it would affect policies and programs. Officials in the DCA project's institutional home did not hold key policymaking positions, and policymakers tended to seek policy advice elsewhere.

The projects in Sri Lanka, Peru, the Dominican Republic, and Zambia were more successful in achieving policy and program impacts. In Sri Lanka, the National Agricultural Food and Nutrition Strategy became national policy. Thus, a wide range of policy recommendations were adopted as a result of the Strategy exercise. These recommendations included: revised investment, priorities, reforms in the rural credit structure, reforms in the rice marketing system, agro-industrial development incentive programs, and a re-designed subsidy scheme for tea production, among others.

In Peru, the policy analysis group provided significant input to nine legislative actions; moreover, the results of several of their studies provided support for several ministerial decisions.

In the Dominican Republic, staff reports and contractor studies that emerged from the UEA played a significant role in supporting GODR requests for World Bank funding for agriculture.

The studies also had more direct policy and program impacts. A study of milk production costs contributed to the upward adjustment of milk prices to producers; a study of agricultural credit delinquency helped to develop a program to extend government credit risk coverage to local banks; and a study of the pork/swine sector led the GODR to refinance a program for that sector and contributed to the later decontrol of pork prices.

Policy and program impacts in Zambia were more modest, yet positive. The studies produced with project assistance formed the basis of specific policy recommendations presented by the Minister of Agriculture. In some cases, these recommendations resulted in specific policy changes, such as price increases for groundnuts and reduced subsidies for tractor rentals.

The Niger ASDG presents a unique and important contrast to the other case study projects with regard to its policy and program impacts. In each of the other projects, policy and program impacts emerge as indirect results of policy studies and training programs. For the Niger ASDG, policy reforms are conditions precedent for transfer of the grant. The GON would receive no funds without certification that it has implemented pre-determined policy reforms. Evidence of positive impacts in this respect was seen in a 1986 program document in which the GON incorporated most of the ASDG's conditions precedent into a three-year sector plan.

The project impacts described in this chapter were the results of the complex interaction of project design and project implementation characteristics described in previous chapters. The successes and failures of these projects, measured by their impacts, shed light on the entire category of policy and planning projects, and provide guide posts for the design of future projects of this type. The following chapter highlights the lessons learned through this comparative evaluation.

## 4.0 CONCLUSIONS AND LESSONS LEARNED

### 4.1 Principal Findings

From 1970 to 1984, USAID sponsored at least 129 agricultural policy and planning projects (63 in Latin America and the Caribbean, and 66 in Africa, Asia, and the Near East). Over that period, total funding for these projects was over \$465 million: 39 percent in Africa, 26 percent in Asia, 20 percent in LAC, and 15 percent in the Near East.<sup>1</sup>

The earlier Abt Associates reviews of these projects assessed their impacts on: 1) policies and programs, 2) decisionmakers, 3) collaboration between local institutions in policy formulation, and 4) institutional capacity. For all regions combined, 33 percent of the projects were found to have influenced the agricultural policies and programs of the host countries. Decisionmaker impacts (e.g., increases in decisionmakers demand for and reliance on empirical policy analysis) resulted from 39 percent of the projects. Improved collaboration of host country agencies on agricultural policy formation resulted from 64 percent of the projects, and 95 percent of the projects across all regions contributed to the institutional capacity of the host agency to undertake policy analysis.

The frequency of these impacts varied widely between regions. Policy and program impacts were most common among projects in Asia (42 percent) and least common in the Near East (none). Similarly, decisionmaker impacts were most common in Asia (50 percent) and least common in the Near East (none). Inter-institutional impacts, on the other hand, were most frequent in the LAC region, where 91 percent of the projects were successful, and were least frequent in Africa, where only 42 percent of the projects had such impacts. Regarding improvements in institutional capacity, Africa (88 percent) was the only region in which less than 100 percent of the projects yielded positive results.

These regional differences require careful interpretation. The above figures suggest that projects in Asia and Latin America were more successful than projects in Africa and the Near East, particularly with regard to decisionmaker and policy impacts. In

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<sup>1</sup>Latin America and the Caribbean is under-represented in these figures, since budget data was available only through 1982. Funding in other regions is reported through 1984; the present total would be significantly higher, though it is not clear that the regional distribution would be significantly different with more current data.

the Near East, this may simply reflect the fact that our sample contained only three projects from that region, and each of them concentrated on data collection and analysis. In Africa, three other factors contributed to the poorer figures: 1) during this period, African governments tended to under-emphasize agriculture (relative to governments in other regions), 2) projects in Africa tended to concentrate more on basic institution-building issues than on policy analysis and implementation, and 3) projects in Africa tended to pose greater logistical problems than did projects in the other regions.

The seven case study projects tend to bear out the results of the broader historical analysis, as well as to broaden the perspective on planning and policy projects gained from the document review.

The case studies examined in this volume yield many lessons for the design and implementation of future policy and planning projects. The lessons described in this chapter crystallize the most salient aspects of APAP's experience with the design and implementation of agricultural policy and planning projects, described in the preceding chapters. The lessons learned can be grouped into two broad categories, those pertaining to project design and those pertaining to project implementation.

## 4.2 Design Lessons

Several lessons emerge from the case studies regarding the design of agricultural policy and planning projects. (Table 9 summarizes these design lessons.) Perhaps the most general of these lessons pertains to the institutional placement of technical assistance projects of this sort.

### 4.2.1 Institutional Placement

The institutional location of technical assistance is a key consideration in the design of policy and planning projects. The cases examined here demonstrate that institutional placement strongly conditions a project's overall effectiveness, as well as the types of effects. One important lesson in this regard is that there appears to be a tradeoff between an institutional location in which technical assistance is likely to result in sustainable improvements in institutional capability and one in which it is most likely to result in decisionmaker impacts or short-run policy reform. This lesson emerges most clearly in the case of Egypt.

Table 9

	<u>CAMEROON</u>	<u>SRI LANKA</u>	<u>EGYPT</u>	<u>DOMINICAN REPUBLIC</u>
<u>LESSONS LEARNED</u>				
1) Project Design	<ul style="list-style-type: none"> <li>• Host government must make policy analysis a priority for project to have impact. DEP's commitment was lukewarm.</li> <li>• Type of contractor may affect implementation. USDA PASA was slow to fill TA positions.</li> <li>• Configure staff with adequate administrative support, so that the COP doesn't need to spend all his or her time on administration.</li> </ul>	<ul style="list-style-type: none"> <li>• Selection of the right agency to direct the strategy was an important factor in the project success.</li> <li>• The product-oriented structure of the strategy contributed to its success.</li> <li>• The technical advisor worked for the Technical Director of the NDP, allowing him to be considered part of the process and to work as an insider.</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient host government support for policy change undermined efforts to strengthen policy analysis capabilities. This consideration should have been part of project design.</li> <li>• Placing the project within the MOA unit responsible for economic analysis increases the change of lasting institutional impact, but hampers the involvement of personal and institutional resources outside the MOA. This tends to limit access to policymakers.</li> <li>• Creation of new institutions to coordinate policy review is only likely to succeed if factors external to the project instigate the need for greater coordination.</li> </ul>	<ul style="list-style-type: none"> <li>• Size of an analytical unit need not be a constraint on its productivity and effectiveness.</li> <li>• Smallness may increase the analysis unit's probability of receiving political support.</li> <li>• Local private and academic consultants need training as much as their public-sector colleagues.</li> </ul>

Table 9

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CAMEROON

SRI LANKA

EGYPT

DOMINICAN REPUBLIC

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- Don't underestimate TA staffing requirements - AMP implementation was impeded by long delays in filling positions that were created in mid-project.

- For U.S. long-term training, a domestically based organization is essential for placement and support of students. In this case, USDA/OICD played that role.

- Technically qualified economists and statisticians are not necessarily qualified to do institutional development.

- Where governments are highly sensitive to outside involvement in policy issues, donor projects may be more effective if they limit their focus to long-term capacity development than if they attempt to use the project to achieve immediate policy change.

- A small, less expensive unit may be more sustainable.

- Small UEA-type independent policy analysis units are less attractive as employment targets for empire-building and patronage employment.

- Adequate supplies of local analytical ability, and favorable collaborative relationships between public officials and private agencies are prerequisites for this type of project.

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Table 9

	<u>CAMEROON</u>	<u>SRI LANKA</u>	<u>EGYPT</u>	<u>DOMINICAN REPUBLIC</u>
2) Implementation	<ul style="list-style-type: none"> <li>• Terms of reference for each technical advisor must be specific and agreed upon both by host agency officials and by technical advisor/AID. Disagreement over COP's role hampered AMP project implementation.</li> <li>• Host country inputs, such as office space, are essential components.</li> <li>• Stable counterpart relationships are an important condition for capacity building.</li> </ul>	<ul style="list-style-type: none"> <li>• Project is most likely to be effective when it meets the perceived need of the host government.</li> <li>• Project success was enhanced by the fact that it was led entirely by GSL officials.</li> <li>• Full-time commitment of Technical Director and the Project Director's position as Director of the National Planning Division provided continuity and guaranteed the attention of senior policymakers.</li> </ul>	<ul style="list-style-type: none"> <li>• A policy project can be successful in building analytical capacity but <u>not</u> be an effective method of promoting short-term policy reform. Host government support for policy reform is essential.</li> </ul>	<ul style="list-style-type: none"> <li>• A free-standing policy analysis unit must be flexible in the work it takes on and willing on occasion to work on topics outside its mandate.</li> <li>• Sub-contracting of analytical work requires that staff be trained in how to prepare scopes of work, procure services competitively, and negotiate contracts.</li> <li>• Policy analysis subcontracting requires efficient and responsive financial management by donor agencies and recipient governments.</li> </ul>

Table 9

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<u>CAMEROON</u>	<u>SRI LANKA</u>	<u>EGYPT</u>	<u>DOMINICAN REPUBLIC</u>
<ul style="list-style-type: none"><li>• Host agency staff must be intensively involved in technical activities, to promote institution building.</li><li>• A clearly defined research agenda is essential.</li><li>• Strong inter-divisional links are necessary to maximize the effectiveness of an inter-disciplinary project.</li><li>• Technical personnel must have time for technical activities.</li><li>• Host agency technical staff require strong monitoring and tracking procedures to focus their work.</li></ul>	<ul style="list-style-type: none"><li>• Strict time-frames for producing each aspect of the strategy were adhered to, contributing to the exercise's success.</li><li>• Workshops were a useful vehicle for communication.</li><li>• The strategy proved to be a good mechanism for drawing line ministries into policy and program formulation.</li></ul>		<ul style="list-style-type: none"><li>• Small independent units come under less pressure to take on routine tasks unrelated to policy analysis.</li></ul>

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Table 9

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CAMEROON

SRI LANKA

EGYPT

DOMINICAN REPUBLIC

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• Computer equipment requires special provisions and facilities for maintenance.

• Technical assistance is more likely to be effective in areas in which the host government is already working.

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Table 9

	<u>ZAMBIA</u>	<u>PERU</u>	<u>NIGER</u>	<u>INDONESIA</u>
<u>LESSONS LEARNED</u>				
1) Project Design	<ul style="list-style-type: none"> <li>• Workshops and seminars were effective means of in-service training.</li> <li>• Highly quantitative models may be less appropriate in settings where they are incomprehensible to the end users.</li> <li>• The use of short-term advisors must be carefully integrated into the project activities to be effective.</li> </ul>	<ul style="list-style-type: none"> <li>• A strategy that encourages the institutionalization of the <u>process</u> of policy analysis is stronger than a strategy that calls for institutionalizing a policy analysis unit.</li> <li>• The policy analysis group should be one entity in a system where broad dialogue leads to policy decisionmaking.</li> <li>• The institutionalization of a policy analysis group hinges on ministerial willingness to accept advice, availability of funds to pay professionals competitively, and acceptance by other bureaucrats.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy reform programs require broad consensus between the host government, USAID, and other donors involved in the reform process. Simultaneous donor-sponsored reform programs must be compatible.</li> <li>• Reform programs must strike a balance between firmness and flexibility in defining and enforcing specific reforms. Too much flexibility can undermine the credibility of conditionality; yet, too firm a program that is unable to respond to unforeseen events may also lose credibility under changed conditions.</li> <li>• If donor projects are dependent on counterpart funding that is subject to conditionality, the host government can hold those projects hostage by refusing to implement given reforms.</li> </ul>	<ul style="list-style-type: none"> <li>• Overestimated ability of the single data processing facility to handle the size of data base proposed.</li> <li>• Erred in believing that Bureau of Planning would effectively utilize increased analytical capacity, and that structural changes within Ministry of Agriculture would permit better analytical input in the policymaking process.</li> </ul>

Table 9

	<u>ZAMBIA</u>	<u>PERU</u>	<u>NIGER</u>	<u>INDONESIA</u>
	<ul style="list-style-type: none"> <li>• Long-term training was successful, in part due to appropriate criteria for selecting candidates.</li> </ul>	<ul style="list-style-type: none"> <li>• The success of the project depended on the quality of the staff. Finding a means to competitively pay that staff is essential.</li> </ul>	<ul style="list-style-type: none"> <li>• Institutionalization of the reform process requires significant emphasis on training and on direct involvement of decision-makers in the program.</li> <li>• The technical advisory team's contributions to policy reform may have been limited by their relative isolation within the Ministry of Agriculture.</li> <li>• Commodity procurement made more efficient use of funds because geographic origin of procurements was not restricted.</li> </ul>	
2) Implementation	<ul style="list-style-type: none"> <li>• The COP must be able to make independent management decision in the field.</li> </ul>	<ul style="list-style-type: none"> <li>• Firefighting and responding to short-term policy demands is a realistic role for policy analysts, but some provision must be made to ensure that long-term policy analysis is incorporated in project implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• The program's credibility and effectiveness depends on the rigor of the <u>process</u> through which satisfaction of the conditions precedent are certified. Automatic certification can undermine the program.</li> </ul>	<ul style="list-style-type: none"> <li>• Main Steering Committee was not activated, and never formally functioned. This fragmented the project into its component activities-- training, studies and computerization--and did not achieve a holistic approach to building institutional capacity.</li> </ul>

Table 9

ZAMBIA

PERU

NIGER

INDONESIA

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|--|---|--|
| <ul style="list-style-type: none"> <li>• Skilled administrative support is essential for this type of project.</li> </ul>  | <ul style="list-style-type: none"> <li>• It is important for some policy reports to be published and widely distributed so that other agencies may learn of the policy work and, so that the policy staff can gain wider credibility and acceptance.</li> </ul> | <ul style="list-style-type: none"> <li>• Lack of integration of advisors into MOA and lack of interaction between advisors and counterparts has minimized institution-building impacts of program.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• It can take a long time for any technical advisor to establish credibility.</li> </ul>  | <ul style="list-style-type: none"> <li>• Information activities such as the National Household Survey, that utilized expertise from various departments, even those headquartered outside the activity, tended to have greater success.</li> </ul>              | <ul style="list-style-type: none"> <li>• Government proclamations that particular reforms have been adopted can be meaningless if administrative and other barriers to implementing the reforms are not removed.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Studies generated from outside political pressure or by the interest of senior government officials are more likely to result in impacts than internally generated projects.</li> </ul> | <ul style="list-style-type: none"> <li>• The placement of TA in a lowly regarded office, and the provision of TA as an external initiative without accompanying resources will yield no lasting results.</li> </ul>   | <ul style="list-style-type: none"> <li>• Programs should strengthen the ties between policy analysis and decisionmaking. Reforms are more likely to be implemented if decisionmakers appreciate the importance of analysis and understand its objectives.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Unstable counterpart relations can undermine on-the-job training.</li> </ul>  |   |  |
| <ul style="list-style-type: none"> <li>• Other institution-building activities, such as establishing libraries and computer centers can have lasting results.</li> </ul>   |   |  |

The DCA project had a lasting effect on the MOA's capacity to collect, manage, and interpret data in useful ways; however, it had little effect on analysts and decisionmakers elsewhere in the sector. In contrast, the ADS project had a greater impact on analysts from a wide range of institutions and a greater impact on decisionmakers; yet, it had virtually no impact on institutional capacity in the MOA.

The explanation for these diametrically opposed impacts lies largely in the different strategies taken regarding institutional placement of the technical assistance. The ADS project operated as a special project unit outside the established ministry structure (though still within the MOA). This special status enabled the unit to mobilize a wide range of Egyptian analysts. The ADS project thus had a positive effect on the analytical capabilities of a wide range of Egyptian agricultural professionals, many of whom later went on to senior policymaking positions in the GOE. However, the ADS project failed to establish an institutional home for continued collaborative research, none of which continued after the project's termination.

In contrast, the DCA project was concentrated within the established statistical unit, and focused its attention on data collection and management. Despite the likelihood of lasting improvements in the unit's capabilities in statistical analysis, the DCA project's institutional location severely limited its potential to address high-level policy issues. One reason for these limitations was that MOA leadership did not support serious policy analysis by staff as junior as that of the AERI. Moreover, policymakers commonly looked outside AERI or outside the ministry entirely for advice on policy issues. The underlying lesson is that institutional placement of policy and planning projects strongly conditions their prospects for success, and there may be a tradeoff between improving institutional capacity and accelerating policy reform.

The APID project in Peru demonstrates a similar lesson. Institutionalizing the policy analysis group established by the project presented significant challenges beyond merely establishing the group. Institutionalizing it would depend on the minister's openness to analytically based (rather than politically based) advice, as well as on funding after the project's completion (at salary levels greater than was typical for ministry staff), and acceptance by the existing bureaucracy.

Other projects illustrate different lessons regarding institutional placement. Technical assistance in the Dominican Republic demonstrates that a small independent analysis unit can be effective under the right circumstance. The primary requirement is that there be sufficient talent in national academic institutions and private firms to complement a "core" public staff.

Several of the advantages of a UEA-type unit demonstrated in the Dominican Republic are that: 1) a small unit can be less expensive to set up and to maintain, 2) size need not be a constraint on the unit's ability to produce useful policy analysis, given a talented and motivated staff, 3) an independent unit may be relatively free of ministerial organizational imperatives that can otherwise inhibit objective analysis, 4) an independent unit is less likely to be drawn into routine administrative tasks unrelated to policy analysis, and 5) a small independent unit may be a less attractive target for political patronage jobs. The primary disadvantages of this type of unit are that: 1) the lack of an established institutional base may leave it without logistical support, 2) its impact on policies and programs may depend almost entirely on decisionmaker support that it must earn and keep without the advantages of an established ministerial home, and 3) the lack of an institutional base may require that unit staff leave more secure career paths in permanent institutions.

Institutional placement was perhaps the most crucial decision contributing to the success of the Sri Lanka project. The objective in this case was to define a broad strategy that required inter-ministerial consensus in its design and coordination in its implementation. Of the eight separate ministries responsible for formulating agricultural policy in Sri Lanka, the GSL chose the Ministry of Finance and Planning to lead the strategy based on the notion that participating ministries would be more likely to accept leadership from the agency whose approval was necessary for new projects and new investments. This proved a successful strategy, despite the fact that other ministries housed greater agricultural expertise. The parallel implementation of training at the central and provincial levels in Indonesia provides an interesting example of how institutional placement may contribute to policy reforms that require decentralized implementation.

#### 4.2.2 Type of Contractor

There is no clear lesson to draw regarding type of contractor in the sense that one type is sure to bring success and another, sure disaster. The projects examined here employed one of three types of contractors: 1) private firms (Sri Lanka), 2) land grant universities (Zambia and Egypt), and 3) U.S. government organizations in participating agency service agreements (Cameroon). The variety and complexity of the project's settings and experience make it difficult to attribute specific outcomes to the type contractor employed; however, it is possible to suggest general advantages of and disadvantages associated with each type of contractor.

The primary advantage of contracting with a university as compared with a private firm (and probably with a government agency as well) comes in the experience and institutional capability that universities bring to the training components, often incorporated into these project. Training components usually involve various forms of in-country training (e.g., seminars, workshops, day-to-day contact with technical advisors), as well as long-term overseas training. A direct university-host country link, such as in the ZATPID project with Iowa State University, provides the most direct access and coordination between the project and the overseas training. Overseas training can also be arranged at U.S. universities indirectly by a U.S. government agency, as was attempted in the Cameroon AMP project through USDA; yet, several of the problems associated with the overseas training aspects of the AMP project (regarding placement of students and monitoring of students' progress) can be traced to the indirect connection between the project/host agency and the training institutions. University contractors also offer the advantage of a large pool of in-house technical staff from which both long-term and short-term technical advisors can be drawn.

The principal weakness demonstrated by university contractors, at least in the Zambia case, was weak and inefficient management structure. In contrast, the private firm involved in the Sri Lanka assistance provided strong management support and backstopping for its resident advisor. The weakest technical backstopping among these cases came from the USDA participating agency service agreement (PASA) in the Cameroon project. Project evaluations cited this lack of integration of technical support (despite its availability) as a significant shortcoming of the project. The PASA also left a poor record with regard to timely staffing of technical assistant positions. The AMP project suffered from delayed implementation and long gaps in technical assistance during the project owing to recruitment problems.

#### 4.2.3 Size and Length of Project

As in the case of type of contractor, it is difficult to attribute a project's success or failure to its size or length. The most important point to make with regard to length is that if long-term training is part of the design, the project must be long enough to allow for both the training itself and the reintegration of the trainees into their home agencies. The two shortest projects in this group -- Sri Lanka and Dominican Republic -- did not include long-term training, and, at four years each, were less than half the length of the projects with significant training components. These also happened to be the projects with the clearest impacts on policy reform.

There does not appear to be a strong correlation between a project's effectiveness in building institutional capacity and its length, though this is a qualitative assessment based on a small sample size. The Sri Lanka project (one of the shortest) was found to have a significant impact on institutional capacity, as well as on decisionmakers and policies. The two longest projects -- in Cameroon and Egypt (ADS) -- were probably the least effective projects in terms of their institutional impacts. This is not to suggest that there is a negative correlation between length and effectiveness, but simply to suggest that it is not necessarily the case that the longer a project lasts, the more effective it is. The same analysis applies to project funding levels (which are strongly positively correlated with length of project).

#### 4.2.4 Training

With the exception of the Dominican Republic, each of the projects included some type of training as a main project input. The question of whether or not to include training in project design is largely a question of the project's objectives. If institutional impacts are the primary project objectives, a substantial training component is essential. The relevant lessons from the case studies pertain to what types of training have proven most effective, and under what circumstances.

The basic training options available are: 1) long-term overseas training in a degree program at a U.S. university, 2) short-term overseas training, 3) short-term in-country training (e.g., workshops and seminars), and 4) day-to-day training through on-the-job counterpart relations. The projects examined here represent experience with each of these training structures, with varying results.

The projects with long-term overseas training were the ZATPID project in Zambia, the AMP project in Cameroon, the Agricultural Planning Project in Indonesia, and the APID project in Peru. The AMP project trained eight Cameroonians in the U.S., and the ZATPID project trained twenty. This training was found to have had positive effects on institutional capability in both cases; however, the effects were more tangible in Zambia. One reason for this may have been the greater number of trainees. Yet, a comparison of these cases yields another lesson about training. In Cameroon, and to a lesser extent in Zambia, the returned trainees were not given responsibilities that utilized their newly acquired skills, while the Zambian returnees were better integrated into the policy process. Thus, it is not enough simply to train people. There must be a commitment in the host agency to make optimal use of those new skills, and not to bury trainees under a mountain of bureaucratic responsibilities.

It is difficult to compare the Indonesia experience in this regard, since the long-term training was not particularly successful. One reason for the lack of success was the inadequate English language skills of the candidates (none of whom could have been trained in the U.S.). Similar problems (along with time constraints) undermined the long-term overseas training components of the APID project in Peru.

Most of the projects also were designed to make substantial use of short-term training. This training typically consisted of seminars and short courses presented by resident advisors, though short-term overseas training was also performed in some cases. From a design perspective, the case studies show that short-term training has the potential to make significant contributions to a project's institutional impacts. Each of the case studies showed positive effects from short-term training.

#### 4.3 Implementation Lessons

The case study projects are also rich in lessons applicable to the implementation of future agricultural policy and planning projects. These lessons (summarized in Table 9) pertain to general project management, as well as to the institution building, and policy reform aspects of project implementation.

##### 4.3.1 Project Management

Several general lessons emerge from the case studies with regard to project management. The Chief of Party's role was problematic in several of the projects, Zambia and Cameroon in particular. In Zambia, the primary problem was that the university contractor attempted to manage the project from its home campus, leaving its COP unable to make the necessary management decisions in the field. This both impeded decisionmaking and hindered the procurement of goods and services. Two years into the project, formal management authority was transferred to the COP in Lusaka.

In Cameroon, project management was hampered by a lack of consensus between the project and the MOA regarding his duties, as well as by myriad administrative responsibilities that kept him from playing an effective technical role.

The lessons for project management that emerge from these examples are clear: 1) the COP must be empowered to make the necessary decisions in the field, 2) the COP's terms of reference must be clear and accepted by all parties, and 3) there must be

adequate administrative staff support to enable the COP to play a technical leadership role, rather than to be continually tending to administrative minutia.

The Sri Lanka project provides different lessons for project management. In that case, the primary project input was a long-term technical advisor. Yet, the expatriate advisor did not serve as director of the Strategy exercise. Indeed, one of the most important reasons for the success of the Strategy exercise was that it was led entirely by GSL staff. The heavy involvement of several senior Sri Lankan decisionmakers, with USAID support and encouragement, were responsible for many of the accomplishments. The technical advisors served mainly as a communication link within the GSL. The lesson is that policy reform is more likely to succeed when local decisionmakers feel like they "own" the results, rather than when an expatriate management structure attempts to push local decisionmakers from outside. The Zambia case presents a mixed example of this.

In Zambia, the project supported the production of a number of policy-oriented studies. In this case it was clear that studies generated from outside political pressure or from the interests of senior government officials were more likely to result in impacts that those generated internally from the project. Egypt provides the most negative illustration of this notion.

The policy reform projects in Egypt demonstrate the futility of outside efforts to promote policy reform through institutional development, when senior policymakers are unsupportive of policy reform. In both of the Egyptian projects (ADS in particular), senior policymakers consistently directed analysis away from sensitive policy issues. This undermined both policy reform and efforts at strengthening local policy analysis capacity to support that reform. The lack of support among senior Egyptian policymakers for reform also debilitated the high-level advisory committees established by the projects to coordinate reform efforts. This lesson is reinforced by the Indonesia project, in which senior policymakers' inability to coordinate their activities made it impossible for the project oversight committee to convene.

That negative lesson is reinforced by the case of the UEA in the Dominican Republic, an independent policy analysis unit that was quite influential and successful during the time of a Secretary of Agriculture who turned to it for analysis, but which has lost most of its influence and funding under a subsequent Secretary of Agriculture with different priorities. Conversely, the consistent support from Peruvian decisionmakers for the APID policy analysis group led to a strong and productive role for analysis in policymaking.

#### 4.3.2 Economic and Statistical Analysis for Policy Reform

The case studies also yield several lessons for the implementation of technical assistance to strengthen institutional capacity in economics and statistics. One set of lessons pertains to the management of a technical studies unit. The first point is that it can take a long time for technical advisors to gain the necessary credibility with host agency staff. This was clearly demonstrated in Zambia and in Cameroon. Evaluations of the ZATPID project noted that it took two to three years for the technical advisors to develop a solid working relationship with local analysts. In Cameroon, the junior statistician on the advisory team was seriously hindered in his work by a lack of credibility because there were long vacancies in position of senior statistician.

In directing the work itself, three lessons emerged. The first, noted in the Cameroon case, was that staffs of local analysts required strong monitoring and tracking procedures to focus their work. Experience in Sri Lanka yields the additional note that a clearly defined research agenda is indispensable, and that a strict timetable for products greatly increases the likelihood of their completion.

The studies themselves, particularly if they are performed by expatriate advisors, must be of a nature that the products and methodologies are comprehensible to the end users. In Zambia, several models were constructed and reports written that were complex quantitative exercises. Those activities proved to be the least effective, in part, because local decisionmakers had little interest in or understanding of such activities. If such efforts are undertaken, they should be in response to a clear demand for quantitative modeling, and they should be kept at a level that host country analysts can apply and sustain (though that level may vary widely between countries).

All of the projects reflect the pressure often placed on policy analysts to respond continually to emergency situations and to devise short-term solutions. Recognizing the need to incorporate long-term planning into policy analysis, specific mechanisms for ensuring that must become part of project designs.

The role of short-term technical assistants also requires careful thought. Evaluations of the ZATPID project noted that the results of short-term consultancies were disappointing. Short-term advisors were found to be inherently limited in their effectiveness by their unfamiliarity with the local situation, and the fact that they do not remain in the country to follow through on their recommendations. This situation can be improved if care is taken to integrate the work of short-term advisors into ongoing project activities, and if those advisors work as closely as possible with host country analysts.

Additional lessons pertain to the subcontracting of analytical work by the unit receiving support. Experience with the UEA in the Dominican Republic shows that the sub-contracting of analytical work requires that the staff be trained in how to prepare scopes of work, procure services competitively, and negotiate contracts. Policy analysis sub-contracting also requires efficient and responsive financial management by donor agencies and recipient governments to facilitate its implementation.

The value of training in the preparation of scopes of work was demonstrated even more clearly in Cameroon. In that case, it was apparent that capacity building efforts would fall short of enabling the Division of Studies to perform policy analysis internally. Yet, the fact that studies were completed based on terms of reference written by local staff was seen as an important step in the right direction.

A final lesson with regard to the implementation of economic and statistical studies is that adequate facilities are an essential project input. The Cameroon project best illustrates the consequences of inadequate facilities. Several evaluations cited the lack of sufficient space to carry out the project's statistical component. Two years into the project, statistical activities were nearly halted due to this problem. This input is generally the responsibility of the host government, and situations where it is not forthcoming may reflect a more general lack of enthusiasm for technical assistance.

#### 4.3.3 Training

The case studies yield lessons for the implementation of training activities, as well. Two of the projects with long-term overseas training components, Zambia and Cameroon, found it to be a successful aspect of their activities. An important part of the success of this activity was the application of appropriate criteria in selecting candidates. In the Zambian case, these criteria included: 1) a fixed period of service in a Zambian institution before departure for training, 2) work in a discipline that addressed agricultural constraints identified in the project paper, and 3) a minimum level of academic achievement prior to overseas training. Similar criteria should be incorporated into all overseas training projects.

The greatest problem cited with regard to long-term training was that the coursework often required a level of quantitative sophistication for which the trainees were unprepared. Particularly in the Zambian project, this hindered the training activities. The problem in Indonesia (and to some extent in Peru) was even more acute: planned overseas training never occurred due to inadequate English ability of potential trainees. The solution

to this problem lies in some combination of special preparation for overseas training and placement of students in courses of study that are taught at an appropriate level of quantitative sophistication.

With regard to on-the-job training through counterpart relations, the Zambia, Cameroon, and Niger projects demonstrate a negative lesson. In these cases, this aspect of training fell short of expectations. In Cameroon and Niger, the primary explanation was a lack of stability in counterpart relations; in Zambia, the problem was a lack of qualified Zambians to pair with expatriate counterparts. The lesson in both cases is that the host agency must make a commitment to support counterpart relations by making a qualified staff available on a consistent basis. The Peru project was more successful in this regard.

As the preceding discussion demonstrates, the case studies analyzed in this report yield many valuable lessons regarding the design and implementation of policy and planning projects. These lessons pertain to such topics as project management, technical assistance in economics and statistics, and training of host country staff. By drawing together a wide range of experiences and analyzing why some strategies succeeded and others did not, this study seeks to provide guidance for the design and implementation of future agricultural policy and planning projects.

#### 4.4 Conclusions

As the preceding discussion demonstrates, the case studies analyzed in this report yield many valuable lessons regarding the design and implementation of policy and planning projects. These lessons pertain to such topics as project management, technical assistance in economics and statistics, and training of host country staff. By drawing together a wide range of experiences and analyzing why some strategies succeeded and others did not, this study seeks to provide guidance for the design and implementation of future agricultural policy and planning projects.

In comparing the earlier historical record with the more recent group of project case studies, several general observations emerge. One finding is that the effectiveness of policy and planning projects has improved significantly over time. This is probably due to a combination of accumulated experience within AID regarding this type of project, as well as a growing awareness of the importance of policy among both donors and recipient governments.

Another general observation is that projects' effectiveness has been enhanced by a greater sensitivity to the importance of institutional location in project design, and to the importance

of requiring that studies undertaken through the projects relate directly to important current issues confronting decisionmakers. Moreover, several innovative approaches to improving inter-institutional coordination within complex bureaucracies have been successfully developed.

Despite these improvements, however, the challenge remains for AID and other donors to develop an institutional process for policy analysis that is both sustainable and closely integrated into host country decisionmaking.

APPENDIX A

A LISTING OF AGRICULTURAL POLICY AND PLANNING PROJECTS

## APPENDIX A

## AGRICULTURAL POLICY AND PLANNING PROJECTS INCLUDED IN THE TWO STUDIES

Project <sup>1,2</sup>	Project Paper	Mid-term, Interim, or Special Evaluation	Final Evaluation
<b>AFRICA</b>			
<u>Botswana</u>			
1. Agricultural Planning (633-0067)	X	X	
<u>Cameroon</u>			
2. Agricultural Management and Planning (631-0008)	X	X	
<u>Ethiopia</u>			
3. Agricultural Advisory Services (663-0111)	X	X	
4. Agricultural Sector Planning (663-0172)	X	X	
5. Drought Recovery and Rehabilitation (663-0187)	X	X	
<u>Gambia</u>			
6. Mixed Farming and Resource Management (635-0203)	X	X	
<u>Ghana</u>			
7. National Agricultural Planning (641-0048)	X	X	
8. District Planning and Rural Development (641-0073)	X		X
<u>Kenya</u>			
9. Agricultural Planning (615-0133)	X	X	
10. Rural Planning (615-0162)	X	X	X
11. Rural Planning II (615-0189)	X	X	
12. Arid and Semi-Arid Land Development (615-0172)	X	X	
<u>Lesotho</u>			
13. Agricultural Sector Analysis (632-0064)	X	X	
14. Agricultural Planning (632-0218)	X	X	
<u>Liberia</u>			
15. Agricultural Program Development (669-0123)	X	X	X
16. Agricultural Cooperative Development (669-0127)	X	X	
17. Agricultural Sector Analysis and Planning (669-0137)	X	X	
18. YMCA Agricultural Training and Development (669-0141)	X		
<u>Mali</u>			
19. Livestock Sector I (668-0203)	X	X	
<u>Mauritania</u>			
20. Renewable Resources Management (682-0205)	X	X	
21. Rural Assessment and Manpower Survey (682-0211)	X		X
<u>Niger</u>			
22. Evaluation Assistance to Ministry of Planning (683-0229)	X		
23. Forestry and Land Use Planning (683-0230)	X		
24. Integrated Livestock Production (683-0242)	X		
25. Agricultural Production Support (683-0234)	X		
26. Cereals Research (683-0225)	X		
<u>Rwanda</u>			
27. Agricultural Survey and Analysis (696-0115)	X		

<sup>1</sup>In a number of instances, sector assessments or other activities (usually funded by the PDS mechanisms) were included. These did not have project papers or evaluations, but all available documentation on these activities was obtained.

<sup>2</sup>Numbers in parentheses following each project title are the numbers AID has assigned to each project.

## APPENDIX A (continued)

Project	Project Paper	Mid-term, Interim, or Special Evaluation	Final Evaluation
<u>Senegal</u>			
28. Casamance Regional Development (685-0205)	X	X	
29. Agricultural Research and Planning (685-0223)	X		
<u>Sudan</u>			
30. Agricultural Planning and Statistics (650-0047)	X		
31. Rural Development Planning (650-0012)	X		
32. Southern Region Agricultural Development I (650-0046)	X		
<u>Tanzania</u>			
33. Livestock Marketing Development (621-0122)	X	X	X
<u>Upper Volta</u>			
34. Grain Marketing Development (686-0243)	X		
35. Eastern REgion Food Production (686-0244)	X		
<u>Zaire</u>			
36. Agricultural Economic Development (660-0050)	X	X	X
37. Agricultural Sector Studies (660-0070)	X	X	
<u>Zambia</u>			
38. Agricultural Training, Planning, and Institutional Development (611-0075)	X	X	
<u>AFRICAN REGIONAL PROJECT</u>			
39. Gambia River Basin Development (625-0010)	X		
40. Niger River Development Planning (625-0011)	X		
41. Entente Food Production (626-0203)	X	X	
<u>ASIA</u>			
<u>Bangladesh</u>			
42. Agricultural Sector Assessment			
43. Rural Finance Experimental Project (388-0025)	X		X
<u>Indonesia</u>			
44. Assistance to Agricultural Planning (497-0189)	X	X	
45. Agricultural Development Planning and Administration (497-0625)	X		
<u>Korea</u>			
46. Rural Policy Plan and Development (489-0594)	X	X	
<u>Laos</u>			
47. Agricultural Development - Administration & Planning (439-0065)	X	X	
<u>Nepal</u>			
48. Strengthening Institutional Capacity (367-0144)	X		
49. Administration and Management (367-0101)	X		
50. Resource Conservation and Utilization (367-0132)	X	X	
<u>Pakistan</u>			
51. Agricultural Research (391-0296)	X	X	
52. Agricultural Inputs (391-0419)	X	X	

## Appendix A (continued)

Project	Project Paper	Mid-term, Interim, or Special Evaluation	Final Evaluation
<u>Philippines</u>			
53. Small Farmers Income and Production (492-0259)	X		
54. Integrated Agricultural Production and Marketing (492-0302)	X	X	X
55. Agricultural Research (492-0280)	X	X	
56. Agricultural Research II (492-0286)	X	X	
<u>Sri Lanka</u>			
57. Agricultural Sector Assessment			
58. Development Services and Training (383-0044)	X	X	
<u>Thailand</u>			
59. Agricultural Planning (493-0317)	X		
60. Rural Off-Farm Employment Assessment (493-0306)	X		
61. Agricultural Sector Analysis (493-1084)	X	X	X
<u>LATIN AMERICA</u>			
<u>Bolivia</u>			
62. Basic Foods Production and Marketing (511-0451)	X	X	
63. Agriculture Sector Loan (511-0455)	X	X	X
64. Agriculture Sector II (511-0465)	X		
65. Rural Development Planning (511-0471)	X		
66. Farm Policy Study (511-0485)	X	X	
67. Departmental Development Corporations (511-0511)	X	X	
68. Agricultural Sector Assessment			
69. Southern Valleys Assessment			
<u>Chile</u>			
70. Agricultural Production Credit (513-0294)			
71. Agricultural Sector Assessment	X	X	
<u>Columbia</u>			
72. Colombian Agricultural Sector Analysis		X	
<u>Costa Rica</u>			
73. National Development Information System (515-0139)			
74. Agricultural Sector Assessment	X		
<u>Dominican Republic</u>			
75. Agricultural Sector Loan II (517-0116)	X		
76. Agricultural Sector Analysis Phase II (517-0117)	X		
77. National Employment Policy (517-0121)	X	X	
78. Agricultural Sector Analysis (598-0554)	X	X	
79. Comprehensive Resource Inventory & Evaluation System (931-0236)	X	X	X
80. Agricultural Sector Assessment	X	X	X
<u>Ecuador</u>			
81. REE Baseline Study			
<u>El Salvador</u>			
82. Development Planning (519-0166)			
83. Multi-Purpose Household Survey (519-0176)	X		
84. Reform and Policy Planning (519-0260)	X		
85. Rural Poor Survey (931-0236)	X		
86. Progress Indicators for the Rural Poor (931-0236)			
87. Agricultural Sector Assessment	X	X	

Exhibit A (continued)

Project	Project Paper	Mid-term, Interim, or Special Evaluation	Final Evaluation
<u>Guatemala</u>			
88. Small Farmer Development (520-0233)	X	X	
89. Integrated Area Development Studies (520-0249)	X	X	
90. Farm Policy Analysis			
<u>Guyana</u>			
91. Agriculture Sector Planning (504-0077)	X		
92. Agriculture Sector Assessment			
93. REE Baseline Study			
<u>Haiti</u>			
94. Agricultural Development Support II (521-0092)	X		
95. Agriculture Sector Assessment			
<u>Honduras</u>			
96. Agriculture Sector Program (522-0100)	X		
97. Agriculture Sector II (522-0150)	X		X
98. Agriculture Sector Assessment		X	
<u>Jamaica</u>			
99. National Planning (532-0039)	X		
100. Agricultural Planning (532-0061)	X	X	X
101. Agriculture Sector			
102. REE Baseline Study			
<u>Nicaragua</u>			
103. Agricultural Planning and Statistical Services (524-0105)	X		
104. Rural Development Sector Loan (524-0118)	X		
105. Agriculture Sector Assessment			
<u>Panama</u>			
106. Agriculture Sector Assessment			
<u>Paraguay</u>			
107. Agricultural Planning and Statistics (526-0104)	X	X	
108. Agriculture Sector Assessment			X
109. Small Farmer Survey			
<u>Peru</u>			
110. Integrated Regional Development (527-0178)	X		
111. Agricultural Research, Extension and Education (527-0192)	X		
112. ONERN -- Land Use Inventory Environmental Planning (527-0202)	X		
113. Iowa - Peru Program			
114. REE Baseline Study		X	X
<u>Caribbean Regional</u>			
115. Caribbean Institutional Development (538-0016)	X		
116. Caribbean Agricultural Planning (538-0033)	X	X	
117. Project Development Assistance (538-0042)	X		
118. Agriculture Development Survey			
<u>ROCAP</u>			
119. SIECA Institutional Assistance (596-0040)	X		
120. Agriculture Research and Information Systems (596-0048)	X	X	X
121. Agriculture Secretariat (596-0094)	X		
<u>LAC Regional</u>			
122. Agriculture Sector Analysis Support (598-0554)	X		

## Appendix A (continued)

Project	Project Paper	Mid-term, Interim, or Special Evaluation	Final Evaluation
<u>S&amp;T/AGR/EPP</u>			
123. Latin American Planning Network (931-0236)	X	X	
124. A Framework for Appropriate Agricultural Planning in LDCs			
<u>NEAR EAST</u>			
<u>Egypt</u>			
125. Agricultural Development System (263-0041)	X	X	
126. Data Collection and Analysis (263-0142)	X		
<u>Jordan</u>			
127. Agricultural Economics and Planning (278-0137)	X		
<u>Tunisia</u>			
128. Agricultural Economic Research and Planning (664-0237)	X	X	
<u>Yemen</u>			
129. Agricultural Development Support (279-0052)	X	X	

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APPENDIX B

CASE STUDY SUMMARIES

THE CAMEROON AGRICULTURAL MANAGEMENT  
AND PLANNING PROJECT:  
SUMMARY CASE STUDY<sup>1</sup>

1. OBJECTIVES AND SUMMARY OF LESSONS LEARNED

The Cameroon Agricultural Management and Planning (AMP) Project was built around two broad goals:

- 1) to strengthen the capability of the agricultural economics and planning unit within the Ministry of Agriculture to plan, design, implement, and evaluate agricultural and rural development projects; and,
- 2) to strengthen the economic planning capacity of the Department of Studies and Projects (DEP) within the Ministry of Agriculture.

More specifically, the project sought to enhance the Ministry's capacity to produce a solid statistical base from which to plan and analyze projects and to produce economic analyses of the rural sector.

The AMP project was initiated in 1979, in the midst of an ambitious five-year development plan in Cameroon (the Fourth Plan, 1979-1981). The Fourth Plan called for high levels of public investment in directly productive sectors -- agriculture in particular. To reach planned investment targets, the Government of Cameroon needed to strengthen its ability to design and to implement rural development projects. The AMP project was designed to assist the GRC's efforts to strengthen its rural project implementation capacity by providing technical assistance, training local staff, and financing high priority studies.

The project was located in the Directorate of Studies and Projects (DEP) within the Ministry of Agriculture (MINAGRI). Economic analysis and statistical capacity in DEP were to be strengthened through developing the skills of professional and technical staff. The staff would receive on-the-job-training from USAID-funded agricultural economists and statisticians, and participate in a comprehensive training program.

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<sup>1</sup>Based on: Block, Steven and Marcia Weaver, Agricultural Management and Planning in Cameroon, APAP Staff Paper No. 15, Abt Associates Inc., Cambridge, MA, February 1988.

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The project was informally divided into two components to conform to the structure of DEP. An economics component was located initially in the Division of Agriculture Economics, and later in the Division of Studies and Projects (DE). The statistics component was located in the Division of Statistics (DS).

The project design distributed the technical assistance and training evenly between the economics component and the statistics component. Half of the USAID-funded technical advisors and roughly half of the participants in the training programs were from each division. The statistics component received the majority of vehicles and equipment purchased under the project, because they were required for data collection and processing.

In practice, USAID's investment concentrated mainly on building capacity to generate agricultural statistics and, to a lesser extent, on economic analysis. The statistics component received approximately 90 percent of the project resources. Although the statistics component's larger share was partially attributable to its larger share of procurement, it was also attributable to better management and clearer priorities for the statistics component relative to the economics component.

The evaluation's principal findings included the following:

- Progress in the statistics component had been significant. The major accomplishment was the completion and publication of the 1984 Census.
- The hands-on experience of completing the statistical activities proved valuable for development of the DS staff.
- Progress was less dramatic in the project's economics component. Little in-house analysis was performed, although some studies were carried out in collaboration with other donors or agencies.
- An important explanation for the greater relative success of the statistics component was the bias of project management in favor of the statistics component, where primary responsibility for project implementation was placed.
- Factors that hampered progress in the economics component included: vague management and monitoring mechanisms, lack of a work plan, lack of integration of the AMP project into

the operation and structures of the Division of Studies, and a lack of consensus regarding priorities for project objectives and outputs.

## 2. PROJECT BACKGROUND

The AMP project was initiated during the Fourth Plan (1976-1981). The Fourth Plan called for a two and one half-fold increase in public investment over the level achieved under the previous plan. In addition to the substantial need for foreign capital inflow (\$1.3 billion) required to support the plan, the GRC would also need to strengthen its ability to prepare and to implement rural development projects. The AMP project was thus launched with the objective of supporting the GRC's ambitious initiatives under the Fourth Plan.

The AMP project's home was the Directorate of Studies and Projects (DEP), one of eight directorates created within the Ministry of Agriculture (MINAGRI) as a result of a reorganization in July, 1976. At the time the AMP project began, DEP consisted of four units: Administration, Studies and Projects, Agricultural Statistics, and Agricultural Economic Survey. The Agricultural Economics Survey unit had not yet become operational when the AMP project began.

The DEP was charged with seven principal responsibilities:

- 1) Making studies of a general nature in cooperation with the services in charge of agricultural research and the services responsible for overall economic planning;
- 2) Determining objectives and means for agricultural policy;
- 3) Designing, evaluating and programming of agricultural activities;
- 4) Recommending government intervention in the agriculture sector;
- 5) Defining sector programs by commodity;
- 6) Planning rural development; and,
- 7) Identifying, preparing and monitoring of agro-industrial projects in cooperation with the technical departments concerned.

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Each of the four units within DEP had its own mandate. The agricultural statistics unit (DS) was responsible for all data collection activities, primarily the agricultural census. Under the Fourth Plan, this unit was to establish a permanent system for collecting agricultural statistics. The DS had nine professional staff in the capital, and a network of permanent and intermittent staff in the rural areas.

The Agricultural Economics Unit existed only on paper. A Cameroonian, the Deputy Chief of DEP, had been assigned to work with a junior-level expatriate; yet, specific operations of the unit awaited a reorganization pending the receipt of U.S. technical assistance.

The Studies and Projects Unit (DE) consisted of 23 employees as well as three World Bank advisors and one advisor from the FAC, a French development funding agency. This unit was responsible for rural project design, monitoring, and evaluation, as well as general agricultural sector studies and agricultural planning. The Administrative Unit provided secretarial and other administrative support to DEP.

### 3. PROJECT DESIGN

The AMP project took a two-pronged approach, supporting both the DS and the DE. The AMP project's dual objectives in these units were to strengthen institutional capacity, as well as to generate directly the technical analyses necessary to implement the country's Fourth Development Plan.

As recommended by the project design team, the AMP project was structured as a Participating Agency Service Agreement (PASA) operated by the U.S. Department of Agriculture (USDA) in conjunction with USAID. USAID was to serve as project monitor and evaluator, with the Agricultural Development Officer as Project Manager responsible for approving the long-range and annual work plans for technical assistance.

AID originally funded the AMP project for five years, beginning in FY79 with a \$3,250,000 contribution. AID later extended the project for five years, with a project completion date of FY 1988, and a \$9,700,000 contribution. The Government of the Republic of Cameroon (GRC) invested an equal amount. USAID's investment included technical assistance from long-term personnel, in-country and overseas training for GRC personnel, and procurement of items such as vehicles for the annual agricultural surveys, and computer hardware and software. The GRC's contribution to the project was to be personnel and office space.

### 3.1 Technical Assistance

With respect to the technical assistance team, the project paper called for two agricultural economists to be placed in the Division of Agricultural Economics for 60 months each. One of them was to specialize in planning and the other in marketing. It also called for two statisticians, including one senior statistician and one survey statistician to be placed in the Division of Statistics. The senior statistician was to stay for 36 months and the survey statistician for 60 months.

As the project was extended, additional positions, as well as additional months of the initial long-term technical assistants were added. An agriculture extension and training specialist was placed in the Division of Studies, and a data processing specialist was placed in the Division of Statistics. Table 1, drawn from the 1987 evaluation, summarizes the project's resident technical assistance.

### 3.2 Training

The project designers envisioned training as a vital component of institution building and the primary vehicle for technology transfer within the project. The design called for four basic approaches to training: 1) on-the-job training, 2) in-country training, 3) U.S. non-academic training, and 4) U.S. advanced degree training. Returned participants were expected to return to jobs in DEP upon completion of their studies.

## 4. IMPLEMENTATION

A brief description of the AMP project's implementation provides essential background to any discussion of its impacts and lessons learned. The following discussion of project implementation is divided by categories of project inputs and outputs.

### 4.1 Technical Assistance

Implementation of the AMP project was seriously delayed by the excessively long period taken to staff the project and place a team in Yaoundé. (The COP did not arrive until fourteen months after the Project Agreement was signed). Lack of consistent counterparts, a vague workplan for the technical advisors, and disagreements with DEP management over the COP's responsibilities further hampered project implementation.

#### 4.2 Technical Assistance in Economics

The 1987 evaluation found that, because of administrative conflicts and incomplete staffing, the actual amount of technical assistance that had been directed toward accomplishing the economic objectives of the project was less than needed.

Though the ultimate economic goals of the AMP project were to build institutional capacity to do economic analysis, the proximate indicators were the set of sub-sector and "special" studies. By 1987, only one of the seven planned sub-sector studies and three of nine planned "special" studies had been completed. All of the special studies had been performed by outside experts, though the studies had been initiated by terms of reference produced by DE personnel.

#### 4.3 Improved Agricultural Statistics

Within the Division of Statistics initial efforts focused on developing an area sampling frame and on demonstrating a data collection capability in the 1984 census and the 1985-86 surveys. A limited amount of statistical analysis had been carried out, primarily by the USDA statistician, but the responsibility for such analyses did not appear to have been clearly assigned, and it was not clear that the capability existed within the DS.

The 1984 evaluation found that in general, both the area sampling frame and the sample design had been carried out satisfactorily and were working well; however, efforts at data quality control and process control in the field, had been minimal, and served more to demonstrate the nature and extent of the problems than to resolve them.

The 1987 evaluation found that the progress of technical assistance in the DS was impeded by a two and one-half year vacancy in the position of senior statistician, beginning in May 1985.

#### 4.4 Training

With relatively minor problems, the project's training components were implemented as planned. By 1987, nineteen Cameroonians had departed for long-term training in the U.S., and ten had returned to positions within MINAGRI. Nineteen other participants had attended short courses and study observation tours in the U.S. These tours had been well-organized by OICD/USDA. The major problem cited with the long-term training was that progress reports on the participants were irregular.

A number of in-country training courses and seminars were held by the DEP staff, the advisors, and outside specialists. The importance of on-the-job types of training was clearly noted in project documents. Within the project itself, the Survey and Data Collection section unquestionably showed the effectiveness of regular in-service training. The evaluation team found a continuing need for greater amounts of this type of training to develop the skills of DEP personnel in data processing, statistical analysis, economic and sector analysis, and planning.

## 5. PROJECT IMPACTS

Project impacts are evaluated in terms of its effects on: 1) institutional capacity, 2) decisionmakers, and 3) policies and programs.

### 5.1 Institutional Capacity Impacts

In discussing the AMP project's impacts on institutional capacity, it is necessary to differentiate between the economic studies division and the statistics division.

The 1987 evaluation found that the technical assistance to the DE had an overall positive impact, despite the under-supply of technical assistance directed toward the project's economic objectives. The evaluation team felt that the DE had clearly made progress in producing information that would ultimately be useful in comprehensive sectoral planning, though that progress did not meet the project objective of enabling the DE to produce studies internally.

The contribution of training to the analytical and planning capacity of the Division of Studies was unclear at the time of the 1987 evaluation, since the participants who had returned had not yet had an opportunity to make use of their newly acquired skills.

### 5.2 Impact on the Division of Statistics

In contrast to its effects on the Division of Studies, the AMP project had substantial impacts on the Division of Statistics. By the time of the 1987 evaluation, the 1984 Census was completed, tabulated, and published in both French and English, the annual surveys were carried out in 1985 and 1986 (and the 1987 survey was underway), and processing of the data for the annual surveys (though delayed) was underway. This experience had given the DS staff confidence in being able to continue to refine and to implement the system.

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The AMP project's training component had had little effect on the DS at the time of the 1987 evaluation, since the sole returnee had been placed in the surveys service, but had been assigned no duties that utilized his statistical training.

### 5.3 Decisionmaker Impacts

Decisionmaker impacts refers to the project's effects in increasing decisionmakers' awareness of the value of statistical and economic analysis as a basis for policy, and in stimulating their demand for analysis. The decisionmaker impacts of the AMP project were quite limited. The evaluations cite no evidence of involvement by decisionmakers outside (or above) the DEP with developments fostered by the AMP project.

### 5.4 Policy and Program Impacts

Policy and program changes have as prerequisites both institutional improvements and decisionmaker impacts. Enhanced institutional capacity in the absence of decisionmaker interest has no channel to affect policies and programs. Such was the case in the AMP project. The 1987 evaluation makes no reference to policy or program changes that resulted from the AMP project.

## 6. LESSONS AND RECOMMENDATIONS

The AMP project provides many lessons from its experience that can be generalized to improve agricultural policy and planning projects in other countries. These lessons are evident throughout this case, and are summarized below.

### 6.1 General/Project Management

- The Chief-of-party's role needs to be clearly defined and agreed upon by all parties to the project. Disagreement and misunderstanding between the COP and the Director of DEP regarding the COP's role continually impeded project implementation.
- The COP's administrative responsibilities should be relegated largely to an administrative officer if the COP is to provide technical leadership to the project. Originally, the AMP project had no administrative officer, and the COP was so burdened by administration, that he played virtually no technical role. Even after

the hiring of an administrative officer, the COP spent half his time on administrative matters, undermining his effectiveness as technical director of the project.

- Strong project management requires particular attention to coordination and interaction among host agencies directors, local division heads, the TA team, and USAID. The lack of such coordination and interaction in Cameroon reduced the AMP project's effectiveness.
- The host agency must demonstrate a commitment to the economic analysis objectives. The economic component of the project suffered from its lack of emphasis by DEP. DEP's commitment to economic analysis could have been expressed by a clear statement of priorities and by directing resources to support economic analysis.
- Stability in counterpart relations is an important condition for capacity building. Most relations between technical advisors and local counterparts were temporary and unstable. Local counterparts were often overwhelmed with "firefighting" activities, and thus tended not to benefit fully from their contact with the TA team.
- The host agency must support project activities with adequate facilities. The AMP project's statistical component was nearly halted two years into the project by insufficient space. This clearly reduced project effectiveness.

## 6.2 Economics Component

- Host agency staff must be intensively involved in technical activities. The 1987 evaluation recommended that the execution of a sector review be a top priority, and that it be performed by DE staff at an appropriate level of sophistication or through a collaborative effort with project staff in which DE personnel play a central role.
- A clearly-defined research agenda is essential. Studies prepared in the DE lacked clear definitions of sub-sectors and special studies also required greater specification emphasizing simple, broad-based analysis.
- Strong inter-divisional links are necessary to maximize the effectiveness of an inter-disciplinary project. Statistical information generated by the DS was under-utilized by analysts in the DE, reducing overall project effectiveness.

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- Technical personnel must have time for technical activities. A specialized administrative group within the DE would have helped to free technical staff from the administrative firefighting that took up much of their time and minimized their technical activities.
- Strong monitoring and tracking procedures are important for directing local agency technical staff. The 1987 evaluation found that clearer direction regarding short-term objectives, immediate steps, data requirements, and appropriate analytical methodologies would have increased project effectiveness in economics.

### 6.3 Statistics Component

- Special attention must be paid to quality control of the annual surveys. The 1987 evaluation team found that the DS, the Ministry, and field staff were increasingly aware of the importance of quality control.
- Special provision must be made for maintaining computer equipment. Computer hardware requires a dust-free, air-conditioned environment not always forthcoming in hot, dusty countries.
- Technical assistance is more likely to be effective in areas in which the host government is already working. The AMP project was more effective in the Statistics Division than in the Studies Division, in part, because the GRC already had experience and interest in statistical analysis. Economic analysis was a new activity for MINAGRI. These factors should condition project objectives.

TABLE I: Summary of Resident Technical Assistance  
(Person Months)

<u>Position</u>	<u>PP</u>	<u>ProAg</u>	<u>ProAg Am #5</u>	<u>Actual 1-31-87</u>	<u>Projected**</u>
1. Ag Economist/Planning	60	60	-	71	76
2. Ag Economist/Marketing	60	48	-	42	42
3. Senior Statistician	36	60	-	27	27
4. Survey Statistician	60	48	-	75	80
5. Data Processing	-	-	*	12	17
6. Ag Extension	-	-	*	22	25
Total Resident	216	216	+155	249	267

\*Total Person-months of long term technical assistance was increased by 155 person-months in the fifth ProAg amendment which added the services of an agricultural extension specialist and a data processing specialist. This makes a total of 371 pm for the project (216 PMs in the ProAg plus 155 PMs in ProAg Amendment No. 5).

\*\*Projected to current PACD 6/30/87.

INTERIM ASSESSMENT --  
THE DOMINICAN REPUBLIC AND AGRICULTURE POLICY ANALYSIS:  
SUMMARY CASE STUDY<sup>1</sup>

1. SUMMARY OF LESSONS LEARNED

In the late 1970s and early 1980s, the Dominican Republic's agricultural sector had virtually stagnated. While it is difficult to overestimate the affliction to the DR wrought by the international economic climate, some problems clearly originated within the country as well. The slow growth of the agricultural sector relative to other sectors of the economy belied flaws inherent in the policies of the Government of the Dominican Republic (GODR), which had tried to stimulate growth specifically in that sector. And so, the GODR sought better institutional capacity to analyze and develop effective agricultural policies.

Because policies affecting agriculture are influenced, formulated and implemented by a range of institutions, there are trade-offs in deciding where to build the capacity for policy analysis that can effectively support the policy process. To build such capacity in a single institution, such as a line ministry, planning office, or central bank, may ensure access to adequate logistical support, but the resulting analysis may be too heavily biased by the sponsoring agency. To build such capacity in a small, free-standing unit will improve the chances for objectivity and scope of the analysis, but the unit will be left without an institutional "home" that can give a sense of continuity and security to its professional staff.

The GODR chose the second option, and in 1983 established a special agricultural policy analysis unit to serve a national consultative body composed of public and private sector representatives. This consultative body periodically convened to make recommendations on Agriculture policy directly to the President of the Republic. In 1984, AID provided a grant to build the capacity of the policy analysis unit to undertake timely, accurate and relevant policy analyses.

Three years of experience has shown that this arrangement yields sound policy analysis. Although, certain conditions are required to ensure the effective performance and sustainability of this independent unit. There must exist, for example, a pool

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<sup>1</sup>Based on: Church, Phillip E., and Roberto Castro, Interim Assessment -- Formulating Agricultural Policy in a Complex Environment -- The Case of the Dominican Republic, APAP Staff Paper No. 16, Abt Associates, Cambridge, MA, January 1987.

of domestic talent outside the public sector that can supplement the policy analysis unit's own capacity, and a means to tap this resource in a timely fashion. Equally important, the unit must be sufficiently resilient to withstand inevitable changes in political control of the government apparatus.

## 2.0 THE INSTITUTIONAL CONTEXT AND ITS CONSTRAINTS

The Dominican Republic had many agricultural, public sector institutions, with little effective coordination among them. Examples include the Secretariat for Agriculture, the Office of National Planning (ONAPLAN), the National Agricultural Bank (BAGRICOLA), the Agrarian Reform Institute (IAD), and the National Price Stabilization Institute (INESPRE).

In the 1960s and 70s, as it developed the institutions to manage its agricultural policies, the DR also engaged a number of programs to expand its human resource capacity for agricultural development. While these programs succeeded in developing this human resource capacity, many of these resourceful people left the public sector for the prestige and incentives of the universities and private sector. The government found itself strapped by limited technical capacity to formulate coherent agricultural policies and translate them into effective action.

What technical capacity did exist in the GODR was underutilized in the process of policymaking. Technical experts usually focused on programs and projects, and not on creating a coherent and effective policy environment. The policymaking process was influenced more by broader political and social debate than by technical analysis.

Policy implementation was fragmented by the multiplicity of agricultural institutions in the public sector. The responsibilities of the institutions were ill-defined, and communication among them was poor. There was very little coordination and less ongoing, systematic monitoring and evaluation of policies.

### 2.1 Policy-Making Institutions and Their Coordination

To address these constraints, the GODR revitalized a set of policymaking agencies and set about coordinating their activities. They were:

- The National Agricultural Council (CNA), which was the head of public sector agencies in Agriculture and the place where all agricultural policy was formulated. Chaired in person by the

President of the Republic, the CNA had broad interagency representation and included representatives of the private sector as well.

- The Agriculture Policy Analysis Committee (CAPA), lying within CNA, consisted of seven members of CNA, three from the public sector, including the Secretary of Agriculture, and four from the private sector. CAPA met regularly to define, in detail, the scope of agricultural policy issues for study and to instruct the Agricultural Studies Unit (UEA; below) to arrange for these studies. It also arranged for CNA's deliberation of recommendations and findings resulting from UEA studies.
- The Agricultural Studies Unit (UEA) provided the administrative and technical support to the CNA and CAPA. It housed the "core" of brainpower for policy analysis. It was the UEA that was the focus of USAID financial and technical support for policy analysis in the Dominican Republic. The unit consisted of five individuals: a coordinator (trained at the Ph.D. level), an agricultural policy analyst (Ph.D. agricultural economist), a technical agriculturalist (MS agricultural economist), a research assistant (MS financial specialist) and a secretary/administrator officer. The UEA was designed to be small to avoid becoming another bureaucratic office usurping the responsibilities of the line ministries.

UEA's additional task was to provide support to the other Agriculture agencies in their policymaking roles. In turn, as the executive and technical arm of CAPA, UEA drew on support, as needed, from ONAPLAN, BAGRICOLA, IAD, INESPRES, and from SEA. UEA's functions included the following:

- As directed by CAPA, arrange for studies of agricultural policies to be conducted. Studies were performed either in-house (if resources permit) or contracted to Dominican universities, Dominican firms, or, if necessary, to expatriate sources.
  - Evaluate the technical quality of studies that were performed under its auspices prior to delivery to CAPA or public release.
  - Draft action memoranda outlining policy alternatives for CNA and CAPA deliberations.
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- Monitor CNA decisions for consistency in actions taken, and document inconsistencies for either further study or consideration by CNA.

### 3. AID TECHNICAL AND FINANCIAL ASSISTANCE

USAID provided a \$500,000 grant under the Agricultural Policy Analysis Project (matched by a \$700,000 GODR counterpart in local currency) to be used over three years for hiring and equipping a professional analysis staff for the UEA, and also for procuring technical advisory assistance and staff training, and for subcontracting private firms, individuals and academic institutions.

This project to build policy analysis capacity in the UEA encountered many typical problems. The project design called for a senior level, long term advisor, but few candidates so qualified were willing to accept a long term assignment. The Unit could have benefited more from a junior advisor experienced in policy analysis with microcomputers and prepared to work side by side with UEA staff.

Other problems involved scheduling difficulties. Lead-time for obtaining short term advisory help was greater than expected because of advisors' other commitments and because of the project coordinator's constraint requiring short term expatriate advisors to submit an outline of their reports prior to arriving in the country. Moreover, the processing of funds in local currency took longer than planned and delayed contract negotiation and completion of studies, and in some cases these delays reduced the usefulness of the studies.

Despite these difficulties, a highly motivated and qualified Dominican Republic staff was recruited and established in an adequate environment for fulfilling their tasks.

### 4. POLICY STUDY AND ANALYSIS ACTIVITIES

During its first two years of operation under the AID project, the UEA produced nine staff reports and an additional six contractor studies. An additional eight staff and six contract reports were also underway at the time of this study. UEA staff played a noteworthy role in preparing materials to support GODR's requests to the World Bank for funding of the agricultural sector. Many of the studies led directly to reforms of interest to the IBRD.

- A study of milk production costs led to more realistic prices. The price of milk to the producers was raised. The price of molasses -- used in dairy feed -- was adjusted up to the world market level.
- A study of agricultural credit delinquency helped develop a program extending government credit risk coverage to local banks.
- A study of the effect of changing exchange rates on pork/swine produced led to the elimination of price controls on the commercialization of pork/swine products.
- A corn study justified upward guaranteed prices to producers, thus increasing corn production without increasing demand for government assistance (e.g., extension, credit, seed).
- The increase in corn production immediately benefited poultry production, by increasing supplies of domestic poultry feed and reducing demand for imported feed ingredients, which were inflated by high exchange rates.

Moreover, UEA developed an internally managed database and a soon-to-be operational social and economic accounting framework. UEA could now lend support services and coordination to donor agencies and private consultants analyzing agricultural policy in the DR.

The UEA also encountered some problems. The Unit received requests for studies from CAPA on an ad hoc basis, where CAPA should have developed a detailed agenda for studies, as was called for in the original design. To anticipate likely studies, the UEA held frequent "brainstorming" sessions with CNA staff and other policy researchers.

Study contracts issued by UEA to outside consultants could not be signed until funds were released by AID of GODR. This took about six months, and delayed many studies.

UEA encountered problems from lack of experience in policy analysis, both in GODR staff and with outside consultants. Contractors hesitated to participate in pre-study policy analysis training sessions unless, as UEA discovered, those sessions were included in the project work-order itself.

In summary, UEA had a track record for productive, and effective policy analysis, and had shown a promising ability to adapt to, if not evade, the bureaucratic environment.

## 5. SUSTAINABILITY

UEA had to confront the issue of whether a small, flexible, independent policy analysis unit could survive un-entombed in a large ministry.

In 1986, a change in President of the Dominican Republic brought a change in priorities, among which the CNA, CAPA, and UEA were not included. The new President relied mostly on the line ministries for policy advice. The Secretary of Agriculture, however, did turn to UEA for guidance and analytical support, although this generated rivalry with the Ministry's in-house analytical staff. To cultivate compatibility and resource sharing, UEA began involving staffs of other relevant agencies in its activities.

In order to produce high-quality reports, UEA paid higher than standard salaries and provided better perks to its staff. Unfortunately, this also could have attracted less-qualified but politically well-connected candidates, while more qualified candidates may still have preferred the job security of the ministries. Fortunately, UEA overall seems to attract well-trained, young, motivated technicians with "missionary zeal" unrelated to these material considerations.

Besides cultivating good staff and inter-agency diplomacy, UEA assisted its sustainability by winning the support of a large constituency of private consulting firms and academic institutions, which was a side benefit of UEA's increasing ability to tap private sector resources.

Outside donors could have also played a significant role in sustaining the UEA by recognizing the Unit's importance in formulating plans for donor assistance, or donors could have helped more directly by establishing endowments for the Unit or in further training and aprising its staff of new techniques and methods in policy analysis, especially methods for performing more short term, "overnight" assessments rather than medium term studies.

## 6. SUMMARY OF LESSONS LEARNED

The Dominican Republic experience shows it is possible to support policymakers effectively with a small policy analysis unit linked contractually with collaborating academic institutions and private firms. The following lessons have been learned in securing the effectiveness of this approach to institutionalizing the policy analysis:

- Small policy analysis units will be less pressured to assume routine tasks unrelated to policy analysis. Such units are less attractive to empire-building or security-seeking bureaucrats, and may attract better motivated technical personnel.
- Smallness will increase probability of political support, especially if seen to complement existing agencies. A small unit can still produce effective work.
- A free-standing unit must be flexible in responding to diverse requests without overtaxing its resources. Quick response is essential.
- Subcontracting of analytical work means the unit must be well trained in preparing scopes of work, negotiating, and monitoring contracts.
- Subcontractors may also need periodic training in current techniques and issues, and such training sessions may need to be included and budgeted in their contracts.
- The unit needs responsive and efficient financial management by donor and recipient agencies.

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PRIORITIES AND POSSIBILITIES IN A DIFFICULT ENVIRONMENT;  
SUPPORT TO POLICY ANALYSIS IN EGYPT: SUMMARY CASE STUDY<sup>1</sup>

1. SUMMARY OF LESSONS LEARNED

Since 1977, AID and the Government of Egypt (GOE) have cooperated in implementing two projects in which analysis of agricultural policy issues and development of in-country analytic capacity were central to the project strategy. The Agricultural Development Systems Project (ADS), initiated in 1977 with AID funding of \$14.6 million, was intended to mobilize a U.S. university and senior staff in the Ministry of Agriculture (MOA) to provide the technical, analytic, and institutional underpinning for AID's agricultural program. The project sought to identify constraints and opportunities in the agricultural sector, develop policies, projects, or programs to address them, and implement activities ranging from agronomic research and economic analysis to training, project design, and evaluation. The Data Collection and Analysis Project (DCA), initiated in 1980 with AID funding of \$3 million, had much more limited goals focused on development of MOA data collection and management capability, and increasing the use of analysis in agricultural policy development and planning.

Although the two projects are still underway, both are sufficiently far along to permit an assessment of their experience and tentative conclusions regarding the implications for other policy projects. Despite significant achievements to their credit, in both projects the outcome of the policy analysis activities has generally fallen short of what AID hoped to achieve when it funded the projects. AID has hoped that the projects would lead to policy reform, but the policy-related components in general performed less effectively than the non-policy elements of the two projects (such as data collection in the case of DCA and horticulture production in the case of ADS). Within the policy analysis component of each project, greater progress has been registered in developing host-country analytic capability than in accelerating agricultural reform, an experience common to many AID-funded agricultural policy projects.<sup>2</sup>

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<sup>1</sup>Based on: Bremer, Jennifer, Priorities and Possibilities in a Difficult Environment: Support to Egypt, APAP Staff Paper No. 7, Abt Associates Inc., Cambridge, MA, November, 1986.

<sup>2</sup>See, for example, John S. Tilney, Jr. and James T. Riordan, Agricultural Policy Analysis and Planning: A Summary of Two Recent Analyses, APAP Staff Paper No. 1, Abt Associates Inc., Cambridge, MA, May, 1986.

This case study expands on the major conclusion of earlier assessments of AID experience with policy projects<sup>3</sup> which found that more attention is needed to stimulate decision-maker demand for and support of policy analysis, rather than concentrating wholly on the "supply side" where analysis is generated. Policy analysis, in other words, cannot be used as a trojan horse for reform. Specifically, the experience of these two projects provides four lessons regarding the design and implementation of a policy project, particularly where there is a perceived need to accelerate reform in the short term as well as strengthen analytic capacity for a long-term improvement in agricultural policies. These four lessons are presented below, following background on the agricultural policy environment in Egypt and the designs of the projects.

## 2. BACKGROUND: AGRICULTURAL POLICY IN EGYPT

Decision-makers and analysts in the Government of Egypt (GOE) and the donor community have recognized for over a decade that agricultural policies pose a major barrier to rapid growth in agricultural production and incomes in Egypt. Price issues were highlighted in a major USDA study of Egyptian agriculture completed in 1976,<sup>4</sup> for example, and again in a World Bank study of price policy in Egypt.<sup>5</sup> Concern has repeatedly been expressed in various forums regarding the need to reduce input subsidies, bring product prices more closely into line with world levels, and reduce state control over agricultural production and marketing. Implementation of reforms has proven elusive, however.

Although political and institutional barriers are widely regarded as the main roadblocks to reform, lack of adequate information on the costs and benefits of reform has also been regarded as retarding the pace of policy change. To address this problem, and the related need for improved GOE capacity to perform timely and policy-relevant analysis, AID and other donors have funded a number of initiatives aimed at strengthening GOE capacity in policy analysis in the long run and contributing to a better understanding of policy issues and options in the short run. The two projects discussed here represent the largest such efforts.

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<sup>3</sup>Tilney, Riordan, op. cit.

<sup>4</sup>USDA Egypt - Major Constraints to Increasing Agricultural Productivity, Foreign Agricultural Economic Report No. 120, Washington, D.C., 1976.

<sup>5</sup>William Cuddihy, Agricultural Price Management in Egypt, World Bank Staff Working Paper No. 388, Washington, D.C., 1980.

In both cases, AID viewed the projects as means of promoting changes (in programs and institutions, as well as in policies) that AID regarded as necessary for agricultural growth, but AID and the GOE had very different expectations regarding the two projects. The GOE viewed the projects primarily as means of strengthening existing institutions and systems. As shown by the absence of major movement on agricultural policy in the past ten years, the GOE has never been fully committed to changing the prevailing approach to management of the sector and its development.

## 2.1 The Design of the ADS Project

The ADS design was an innovative early attempt to create a flexible and powerful tool that would be used jointly by AID and the GOE to structure assistance to the agricultural sector. The project strategy relied on establishing a collaborative relationship between a US land grant university contractor (UC) and the MOA.

As envisioned by AID, the UC would provide senior advisors to the ministry to assist in programming the ministry's agricultural development activities, including in particular development of programs for AID funding. The collaborative relationship was to be cemented by assigning overall project management to Egyptian and American co-directors under the supervision of a Joint Policy and Planning Board (JPPB) comprised primarily of GOE officials but including representatives of the UC and AID (the latter non-voting). The JPPB was also envisioned by AID as a mechanism for focusing discussion of policy and program planning issues, as shown by its first two objectives: 1) "to identify policies that affect the agricultural sector and its development in Egypt; [and] 2) to advise the GOE on questions of current policy and the development of policies affecting the agricultural sector," (ADS Project Paper, p. 8.).

Three main project activities (sub-projects) were identified during the design: horticulture production and marketing; agricultural economics; and agricultural extension. Planning for these sub-projects was left deliberately vague during initial project design, in the expectation that it would be preferable to allow the JPPB and the project's co-directors to develop a program suited to their respective needs and capabilities during implementation.

Improvements in both institutional capacity for analysis and changes in existing policies were expected as outputs of the project. The project paper describes "an agricultural economics organization capable of: a) continued and comprehensive analyses of the agricultural sector, and b) planning action programs" as

outputs, to be demonstrated by the number of critical policy or other studies undertaken: (ADS Project Paper, p. 15).

### 2.2.2 The DCA Project Strategy

The design of the DCA Project was both more modest and more traditional than the ADS design. The project had two basic components: data collection and analysis. While clearly linked, these two components were viewed as by and large separate. The data collection activity focused primarily on the direction and staff of the Agricultural Economics Research Institute (AERI) and the Agricultural Economics Undersecretariate. By contrast, the analysis component was intended to extend beyond the institutional borders of the AERI, in two key respects:

- a. Although technical direction was to be provided by the Undersecretary for Agricultural Economics, a much broader spectrum of senior management personnel were to be involved in determining analytic priorities and reviewing results through a Senior Agricultural Policy Advisory Group (SAPAG), including representatives from outside MOA as well as from outside AERI; and
- b. Egyptian analysts outside the MOA were to be involved in carrying out the analysis itself, including personnel from the National Institute of Planning and universities

The project's policy reform strategy was based on expanding the availability of policy analysis to individuals involved in agricultural decision-making, both inside and outside MOA. While AID staff recognized that political and practical considerations presented major barriers to reform, they hoped that improved analysis could help identify means of overcoming these barriers, as well as strengthening the case for reform on economic grounds. "Some improvement in policies was explicitly expected as a result of project activities, in the form of "additional agricultural sector policies and programs [with] an analytic and rationally planned basis" (DCA PP, p. 5).

## 2.4 Comparative Analysis of ADS and DCA Design Strategies

Viewed as a whole, the two projects were broadly similar in their approach to policy: both applied technical assistance and training to increase analytic capacity within MOA and to generate policy analysis intended to be useful to policy-makers and planners in the short term. Both included policy and non-policy

activities (horticulture and data collection, respectively), and both sought to establish new policy review boards within MOA to serve as catalysts for change.

The strategy and design of the projects differed in two key respects:

- a. ADS was implemented by a special project implementation unit established within MOA, whereas DCA was more closely tied to the existing AERI structure;
- b. The technical assistance contractor shared a decisionmaking role in ADS, whereas expatriate contractors were strictly advisory under DCA.

These differences reflect an evolution in AID's understanding of the GOE and perceptions regarding the acceptability of donor involvement in policy reform in Egypt. AID defined a detached role for itself in both projects--relying on host country contracting, for example--but its degree of detachment was somewhat greater in DCA than in ADS.

### 3. POLICY ANALYSIS AND SUPPORT FOR POLICY REFORM

These projects demonstrate that support for policy analysis is not by itself a promising tool to speed reform in situations where the need for reform and the value of analysis are not recognized by the host government. Not only will policy analysis produced have little impact on decision-making, but it is likely that little analysis will be produced in the first place.

In the case of ADS, many pressures impelled the agricultural economics sub-project away from analysis focused on measuring the impact of current and alternative policies. Principal among these were: GOE sensitivity on policy issues, the research orientation of some University of Cairo personnel, and lack of clear guidance from AID on the policy agenda.

As a result of these problems, the ADS analytic program suffered from being overly academic and too diffuse to grapple effectively with the complex and sensitive policy issues in Egypt. Although the project produced some of the best and most insightful papers on economic analysis available in Egypt, and many of the papers are policy relevant, only a handful of the 180 papers produced can be considered policy analysis such as an explicit consideration of viable policy alternatives, their costs and benefits, or measurement of the impact of existing policies.

DCA's experience reinforces the difficulty of carrying out analysis of policy alternatives without active support from decisionmakers. In the project design, it was envisaged that analysis would proceed through two channels:

- An agenda of policy issues was to be formulated by a high-level committee in MOA, translated into an analytic agenda, and implemented by mobilizing a combination of in-country and expatriate analytic expertise.
- An expanded array of analytic products were to be produced by the regular staff of the MOA's statistical and economic unit, based on improved data collection and skills upgrading.

Although activities in the second channel are achieving considerable success in improving the data collection and management functions of the ministry, neither channel has been effective in producing analysis to address the central issues of Egyptian agricultural policy--pricing, subsidies, and marketing controls. On the contrary, MCA decision-makers have consistently directed the analysis away from sensitive issues and toward descriptive or technical questions (such as the most cost-effective pumping technology for reclaimed areas). Rather than mobilizing in-country expertise to address high-priority policy issues with small, targeted pieces of analysis, project management has repeatedly commissioned omnibus studies of general topics (red meat production, seed production) that were only marginally related to policy issues of immediate concern.

#### 4. PROJECT INSTITUTIONAL LOCATION AND IMPACT ON CAPACITY: A HIDDEN TRADEOFF

Both DCA and ADS have enjoyed a measure of success in generating increased analytic activity, broadly defined, thus by developing the skills of in-country analysts through collaboration with more experienced expatriate analysts. This analytic activity has been supplemented with formal and informal training, both in the U.S. and Egypt, and, in the case of ADS, with an active program of seminars and workshops that gave analysts an opportunity to develop professionally and present their work before a broader audience. It is reasonable to expect that this capability will lead to selection of better policies and more effective implementation in the future. The two projects have affected Egyptian policy analysis capacity in very different ways, however, because of the different strategies taken with regard to institutional placement.

ADS's program emphasized small economic research projects executed jointly by U.S. and Egyptian analysts, including many from local universities, institutes of planning, and other institutions outside the MOA. The main success of the ADS analytic program is its positive impact on the analytic expertise and awareness of policy issues among a broad range of Egyptian agricultural professionals, through their participation in the research projects and follow-on activities such as workshops and seminars. Many of these individuals have since gone on to assume important policy-making positions in the GOE, where their improved understanding of policy issues and increased appreciation for analysis may pay off in better agricultural policies over the long term.

The ADS analytic activities themselves, however, will terminate with the project in almost all cases. The project did not establish an institutional base for continuing collaborative research, with or without expatriate involvement, or for supporting this work financially.

The DCA's location at the MOA operational level has led to the opposite effect: the project appears likely to improve long-term data collection and management capability, but has had little success in reaching outside the ministry or the AERI itself to involve senior advisors, university professors, or personnel from other ministries. The institutional location of the project has severely limited its ability to address high-priority policy issues because MOA leadership is not supportive of serious examination of existing policies by junior civil servants. Also, when policy-makers inside or outside the MOA seek advice on policy issues, they turn to personally trusted advisors; with some important exceptions, these advisors are drawn from outside the AERI.

By focusing on these organizational units such as AERI, AID may increase the likelihood that project activities will be institutionalized, in the sense that specific data collection or analytic activities will continue after the project. But this gain may come at the cost of less real impact on the actual policymaking process, the informal "institution" consisting of a network of influential analysts, advisors, and decision-makers and having only limited overlap with the staff of the official analytic unit.

5. ESTABLISHING A MECHANISM TO COORDINATE POLICY REVIEW:  
CONDITIONS FOR SUCCESS

In both the ADS and DCA projects, the AID project designers recognized the critical role of decision-maker demand for analysis, and the need to ensure adequate decision-maker input into

the shaping of the analytic agenda. They also viewed decision-maker involvement in the design process as a means of increasing decision-maker interest in and support for analysis and better information in general.

Both project designs therefore incorporated a committee composed of high-level GOE officials, drawn primarily from the MOA, as a means to channel existing demand and direct analysis toward priority topics. Neither committee functioned as AID had hoped. The ADS committee (the JPPB) simply never got off the ground. It met on a formal basis once a year and never served as a forum to discuss serious policy issues. The DCA committee (the Senior Agricultural Policy Advisory Committee or SAPAG) seemed at first to be heading in the same direction. In the past few months, there have been signs that the SAPAG is evolving into a more active body. This appears to be due to changes in the environment in which the project operates, rather than to project activity. (Indeed, the expanded role of SAPAG in consideration of policy reforms has not yet resulted in an increase in policy analysis within DCA.) First, AID and the other donors have stepped up the policy dialogue with the GOE through other measures. Second, the continuing deterioration of export earnings and unsatisfactory growth performance in the agricultural sector and the economy as a whole have raised the pressure for change within the GOE.

Given the experience of the two committees, it is clear that AID originally misdiagnosed the problem. Whereas AID designers believed that decision-makers wanted better information on the impact of alternative policies, in fact GOE decision-makers were not interested in better information because they were not ready to consider serious policy changes. The demand for policy analysis flows not primarily from increased appreciation of the value of analysis, but from increased awareness of the need for reform, and therefore to understand more fully the options available and the costs and benefits associated with each.

#### 6. SELECTING A POLICY PROJECT STRATEGY TO MATCH THE POLICY ENVIRONMENT: SHORT- VS. LONG-TERM OBJECTIVES

In both the DCA and ADS projects, AID tried to combine two distinct objectives: long-term capacity development and short-term generation of policy analysis to accelerate reform. The experience of the two projects demonstrates that these two objectives are not as mutually supportive as AID hoped, in the absence of GOE support for change. AID assistance was welcome in such neutral areas as analytic techniques and data collection, but not in the analysis of policies. Expatriate analysts were acceptable in a training role or as participants in analysis of relatively neutral issues such as evaluation of production technologies, but analysis of difficult policy questions was not acceptable.

Clearly, AID should have made a greater effort during design to determine whether sufficient GOE support for change existed to make policy analysis a feasible proposition. Given that such support did not exist, AID had three alternatives:

- Limit the projects' objective to long-term improvements in policy analysis capacity, which implies an increased emphasis on long-term training and other capacity-building activities and reduced funding for analysis as part of the project;
- Complement or replace the projects with non-project actions to raise the priority of policy reform, such as high-level policy dialogue and AID-funded analysis, aimed at generating demand for change and therefore greater receptivity to analysis; and
- Direct project and non-project assistance to GOE decision-makers, to demonstrate the need for change and pave the way for later analysis of the shape that change should take.

A fourth alternative would be simply to refrain from funding policy projects at all, until such time as the climate favored serious consideration of policy reforms.

THE INDONESIA AGRICULTURAL PLANNING PROJECT:  
SUMMARY CASE STUDY<sup>1</sup>

1.0 SUMMARY OF PROJECT AND LESSONS LEARNED

The Agricultural Planning (AP) project in Indonesia was designed and implemented to increase the institutional capacity for agricultural policy and planning analysis within the Indonesian Ministry of Agriculture (MOA), and to link that analysis with the planning and budgetary process. Signs of pervasive stagnation and inefficiency had beset Indonesia's agricultural sector in the early 1980s, at a time when productive and diversified agriculture was needed to reduce the nation's demand for food imports and ease the pressure for scarce foreign exchange. The AP project's designers believed that a major obstacle to revitalizing and diversifying the agricultural sector was Indonesia's process of centralized planning. The achievement of rice self-sufficiency and grain-price stabilization was the legacy of centralized planning in previous decades, but by the 1980s, this planning became increasingly characterized by its "top-down" administration, narrow, compartmentalized focus on single commodities, unresponsiveness to regional and village-level conditions, and its lack of current and accurate economic analysis.

The Agricultural Planning project was designed to increase the capacity for effective and timely economic analysis in existing offices of the MOA, and to incorporate this capacity into the functioning of the Ministry's Bureau of Planning (BOP) as well as incorporating this capacity into the decisions of chief policymakers and planners for Indonesian agriculture. The project also was designed to disseminate the capacity for planning and analysis to agricultural agencies working in the provinces, and to make such agencies more effective in planning and addressing the needs of local agriculture.

The capacity building activities of the project included extensive training tailored to the needs of agency personnel, the performance of policy studies by Indonesian personnel on issues of agricultural planning, and assistance with data processing and management for use in economic analysis. Capacity building efforts were targeted at MOA offices at the national level and within three "pilot" provinces.

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<sup>1</sup>Based on: Decentralized Policy Planning in Indonesia. APAP Staff Paper No. 20, Abt Associates Inc., Cambridge, MA. August, 1988.

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The ongoing project is succeeding in enhancing the capacity of the agency staffs and offices in agricultural planning and analysis; however, the project's extensive and well-implemented activities have been insufficient in linking this enhanced capacity for policy analysis with the actual administration of the planning process, or otherwise producing impacts on chief MOA decisionmakers. This has happened primarily because an inter-agency committee structure designed to direct the project was never implemented, and the opportunity for a profound impact on overall MOA management was lost.

The project has accomplished far more success in the target provinces, where the capacity building activities of training, policy studies, and computerization have met well-motivated administrators, and established links between planning agencies. The project has not yet reached its scheduled date of completion, and its impacts are still difficult to gauge. To date, lessons learned have included:

- A very large administrative agency will not easily absorb a research and analysis capacity, or base its functioning on that analysis. The Bureau of Planning was essentially an administrative agency, and not a project or research oriented department.
- For large, multi-agency capacity building projects, management and coordinating committees must function properly if the project wants to enhance the interdependency of each agency on another. In the case of the AP project, the failure of the Project Steering Committee to meet weakened any link between improved policy analysis and decisionmaking agencies.
- If such management and coordinating committees do function properly, institutional planning capacity can be increased and utilized among several agencies which do not even share the same administrative authority, as in the case of the province, Bengkulu, where the Steering Committee did function. Evaluators noted an increased use of quantitative analysis in Bengkulu's project proposals, and better cooperation between the Kanwils and regional planning boards.
- Efforts to decentralize policy analysis and planning capacity can take advantage of changes in technology. Advances in microcomputers allowed the project to disseminate data processing and management capability in a way that could not have been envisioned by the project paper.

- Program evaluators and other personnel in the MOA have considered the advantages of a free-standing policy analysis unit attached directly to the Secretariat of Directorate General for Agriculture. A free-standing unit would be able to evade the bureaucratic inertia of line agencies.

## 2.0 PROJECT BACKGROUND

At the time of the Agricultural Planning Project (AP), agricultural planning in Indonesia was centralized within the Departemen Pertanian (Deptan), Indonesia's Ministry of Agriculture. Planning within the Deptan confined its activities to specific offices and specific commodities, such as developing a national plan for rice production. Other offices had responsibility for regulating prices or conducting research. No office effectively combined planning with research, analysis, and the budgetary process. Indonesia achieved some great successes under its system. In the previous decades, rice production increased dramatically, and grain prices were stabilized nationally. However, at the time of the AP project paper, Indonesia still needed to import 100 million metric tons of grain per year. With the decline of the world price of oil and the onset of global recession, oil-exporting Indonesia struggled to secure the foreign exchange needed to purchase its food imports.

At the same time, the country's own agricultural sector began stagnating. Marginal job creation in rice agriculture appeared to be decreasing; real wages in the formal rural sector had not grown in real terms for a decade; returns to agricultural labor appeared to decline. Consumer-oriented subsidies on food and other related agricultural items became increasingly expensive to the government while the environmental degradation of farmland increased. These difficulties seriously challenged the policymakers and planners within the Ministry of Agriculture.

The AP project was designed to enlarge the capacity for policy and planning analysis in the GOI, and to integrate this analysis with the actual planning process.

### 2.1 Institutional Structure for Agricultural Planning and Analysis

Before the AP project, the capacity for agricultural planning and analysis extended to several central offices. Within the Deptan, five Directorates General (DirJens) each governed specific commodity areas, such as food crops, estate crops, etc.

All of the DirJens were responsible to the Secretariat General, and the Secretary General, in turn, was responsible to the Minister of Agriculture. Planning occurred within each DirJen, and within the Bureau of Planning (BOP), attached to the Secretary General's office. The BOP was very limited in its function; its staff of 140 primarily coordinated information coming from the agencies, and had no direct control over the DirJens budgets. The two agencies that conducted policy relevant research and analysis were not directly connected to either the DirJens nor BOP. They were the Center for Agricultural Data Processing (CADP) and the Center for Agro-Economic Research (CAER).

In the provinces, agricultural guidance and authority was diffused through several agencies. The official representatives of the Ministry of Agriculture in the provinces were known by their Indonesian abbreviation, Kanwils, and they answered directly to Jakarta. Provincial Planning Boards, Bappedas, answered to the province governor, while the government service units, Dinas, of the Directorates General answered to both the governor and to the Deptan. The Dinas and Bappedas confined their responsibilities to increasing production of specific commodities, while the kanwils were generally responsible for the interests of the entire Deptan, and for distributing general social benefits of agriculture. The kanwils, like the BOP, had little direct influence over budgets.

### 3.0 PROJECT DESIGN

The project was designed to "develop an improved capacity within the MOA, including provincial offices and selected other organizations, to carry out agricultural policy and planning analysis, and to integrate this analysis with the formulation of agricultural policy, programs, and projects at both national and local levels." (The AP Project Paper). In order to accomplish this, the project would provide training, computer, and technical assistance to the BOP, CAER, and CADP, as well as to the policy-makers and planning personnel of three provinces.

The project was designed to address weaknesses of the planning process attributed to centralized planning: specifically the unresponsiveness of bureaucratic administration to empirically based policy analysis, and to village-level experience and requirements. The designers of the AP project utilized lessons and observations of the earlier Agricultural Development Planning Administration (ADPA) project, which provided training and technical assistance to BOP and established an electronic data processing facility at CADP. Outside evaluators determined that the ADPA project had not successfully synthesized these activities to increase the agricultural planning capacity of the whole

Ministry of Agriculture. They recommended a broader, holistic approach to building capacity in more agencies and at the provincial level.

The AP project design, therefore, proposed to extend its activities throughout the significant planning and research offices of the Deptan, and to the provinces as well. A project Steering Committee composed of high level fonctionnaires of the involved agencies, as well as AID and the Technical Assistance team, would coordinate project activities. Separate but similar steering committees were to manage these activities in the provinces.

The activities themselves were of three basic types:

- Training -- Including Masters level in-country and overseas education for select participants. 10 week short courses on Economics, Rural Development, and Public Management at Indonesian Universities, on-the-job training, and, for provincial personnel, planning and analysis practicums including lectures and field work.
- Special Policy Studies -- Reports commissioned by the project to study relevant policy and planning issues, and to utilize personnel from the planning and research agencies, thus increasing both skills and the knowledge base for planning analysis.
- Data Processing and Management -- Primarily to assist the CADP in developing a national agricultural data base. Assistance was not meant to include very large hardware purchases.

The five-year project would receive \$6 million in loans and \$3 million in grants from USAID, and \$3.9 million U.S. equivalent from the Government of Indonesia, making total funding equal to \$12.9 million.

#### 4.0 IMPLEMENTATION

The implementation of the AP project criteria followed approximately the project design, with some major exceptions, such as data processing and management. However, the overall management structure and coordination of the project was not implemented successfully, and this has raised doubts as to whether the project "holistically" synthesized activities into an increased and sustainable institutional capacity for policy analysis. As an exception, a 1988 mid-term evaluation team found

that project implementation in the provinces -- including management -- has been successful and highly encouraging.

The project began in April 1984, when grant/loan agreements were signed and some training activities began late in the year. The TA team, after a 20 month delay from negotiations, arrived in January 1986. The Project Steering Committee (PSC), chaired by the Secretary General of Agriculture, and consisting of the directors of BOP, CADP, and CAER, the AID Project Manager, and the Chief of Party of the TA team was to coordinate activities. But the PSC never formally met. The mid-term evaluation team determined that the high-ranking Indonesian officials were often too busy to attend. Decisions were made by informal communication among members, and coordinated by the TA Chief of Party (COP). Moreover, a Policy Analysis Working Group (PAWG), designed to coordinate and approve special policy studies, met at the start of the project but not thereafter, leaving this responsibility to the Chief of Party in consultation with the director of BOP and the AID-Project Manager. In one of the provinces, a Provincial Steering Committee did work effectively, since all of its members were released from their competing responsibilities by the Governor. In each of the target provinces, a Province Working Group was implemented, consisting of the head of the kanwil, Personnel of the Dinas, and representatives of the Bappeda.

As a result of the failure of the Steering Committee to steer, responsibilities fell heavily upon the technical assistance team, whose COP had other responsibilities as Senior Analyst. The multiple responsibility of the team, together with the absence of decision documents or other records from the non-functioning PSC, caused the project to fragment into its component activities. The training, policy studies, and data processing/management activities were all executed with positive results, but apparently were not integrated sufficiently to institutionalize the planning analysis process.

Training -- the project funded 43 participants in Master's degree programs in Indonesia but not overseas and 236 participants from BOP and the agencies for 10 week long short courses. On-the-job training involved more personnel in several agencies. In the target provinces of Ujung Pandang, in South Sulawesi, Semarang in Central Java, and Bengkulu in Southern Samalia, planning practicums were attended by over 250 personnel from the kanwils and other planning agencies. The practicums were rated highly by the participants, and relied on participant input and suggestions on course planning and development.

Special Policy Studies -- the project funded a series of these studies on topics of information systems, the coming five-year development plan, research priorities, and policy models and tools. In implementation, the project failed to disseminate the

news of the opportunity for such studies to potentially interested personnel and agencies outside of the Ministry of Agriculture. They remained too intramural an activity, even though they did perform a broad range of pertinent studies.

Data Processing and Management -- Initially, the project targeted most of this assistance at CADP and the National Agricultural Data Base (NADB). However, increasing financial pressure on the Deptan, changes in computer technology, and the sheer impracticality of the NADB for the CADP impelled the project to develop smaller, diversified data bases, using microcomputers, in the BOP, CAER, and the kanwils. The project purchased 59 microcomputers with related equipment and software for the project. The technical assistance team provided on-the-job training to planning personnel for using the machines.

## 5.0 IMPACTS

The mid-term evaluation of the AP project noted that, as of April 1988, the project had made some impacts on the planning process in Indonesia, but, in general, it was still too soon to know to what extent, if any, the project will affect this process. It is certainly true that the project's training activities have involved hundreds of participants, that much of the computer hardware had not yet arrived, and that many of the policy studies were not yet completed. The evaluation found no reason to believe that these activities would not be completed successfully. They did question whether the implementation of these activities was managed or coordinated in such a way as to have a broad and sustained impact on the Deptan's institutional capacity for planning and policy analysis.

### 5.1 Inter-Institutional Impacts

The project evaluators found that the potential for inter-institutional impacts of the project has been mitigated by poor communication between the participating agencies. The opportunities for special studies were not properly disseminated outside of the Deptan, nor was the opportunity for training effectively communicated within the Deptan. Further, agencies involved in data collection and processing still maintain a proprietary attitude toward that data. Had other participants in the Ministry's planning process been better informed about AP activities -- such as training and special studies -- they might have, according to the evaluators, participated more and enhanced the function of the BOP as coordinator for agricultural development policy within the Deptan at the Central as well as regional level.

## 5.2 Decisionmaker Impacts

Decisionmaker impacts have also been negligible in the central agencies because there were never very strong links between key decisionmakers and the agencies to which the AP project targeted much of its support. Most of these decisionmakers would have participated in the Project Steering Committee, but since this committee never met, the project lost an opportunity for formal and persistent input into the decisionmaking process.

## 5.3 Capacity-Building Impacts

The project abandoned hopes of developing the Center for Agricultural Data Processing (CADP) sufficiently to organize the National Agricultural Database. CADP could never have developed the required capacity because the agricultural database was simply too large, and evaluators reported that CADP even had unused computer capacity at its main facility. The TA team instead developed a "vertical slice" approach, using smaller databases on microcomputers, with the added hope of linking all of these networks later.

The project made its greatest strides in developing the institutional capacity of the province-level agencies. The mid-term evaluation team reported that coordination among these agencies (which all obey differing lines of authority) has much improved, and that project proposals developed by these agencies show increasing sophistication in their analyses.

## 6.0 LESSONS LEARNED

Consideration of the AP project at this point of its life yields several lessons for future capacity building projects:

- A very large administrative agency will not easily absorb a research and analysis capacity, or base its functioning on that analysis. The Bureau of Planning was essentially an administrative agency, and not a project or research oriented department.
- For large, multia-gency capacity building projects, management and coordinating committees must function properly if the project wants to enhance the interdependency of each agency on another. In the case of the AP project, the failure of the Project Steering Committee to meet weakened any link between improved policy analysis and decisionmaking agencies.

- If such management and coordinating committees do function properly, institutional planning capacity can be increased and utilized among several agencies which do not even share the same administrative authority, as in the case of the province, Bengkulu, where the Steering Committee did function. Evaluators noted an increased use of quantitative analysis in Bengkulu project proposals, and better cooperation between the Kanwils and regional planning boards.
- Efforts to decentralize policy analysis and planning capacity can take advantage of changes in technology. Advances in microcomputers allowed the project to disseminate data processing and management capability in a way that could not have been envisioned by the project paper.
- Program evaluators and other personnel in the Deptan have considered the advantages of a free-standing policy analysis unit attached directly to a chief decisionmaking office, such as the Secretariat of Directorate General for Agriculture. A free-standing policy analysis unit would be able to evade the bureaucratic inertia common to line agencies.

THE NIGER AGRICULTURAL SECTOR DEVELOPMENT GRANT:  
SUMMARY CASE STUDY<sup>1</sup>

1.0 SUMMARY OF PROGRAM AND LESSONS LEARNED

The Government of Niger had developed a thicket of policy interventions in its agricultural sector, such as implementing fixed producer prices for agricultural commodities, maintaining several large parastatals which manipulated the major food markets, restricting across-border trade, and so forth. In the early 1980s, severe drought and a decline in Niger's export market undermined Niger's economy and agriculture. Effective assistance to Niger's agricultural sector would require the realignment of the GON's agricultural policies toward the more efficient allocation of scarce resources.

Under the Agricultural Sector Development Grant (ASDG), USAID implemented a program granting the GON \$29 million in local currency upon the condition that a number of predetermined policy reforms had been accomplished. These preconditions were agreed to by the GON and USAID. The monies received under this grant, after certification of the policy reforms, were then used to finance agricultural development activities. The ASDG further provided \$3 million for technical assistance in implementing the policy reforms and in administering the counterpart funds.

The program began in 1984. In 1986, a mid-term evaluation team found that the program had achieved mixed success. Input subsidies had declined to the level specified by the conditions precedent, but only based upon the Nigerian price of fertilizer (not the world price). The GON was in the process of transferring the Government Input Supply Agency to farmer-owned cooperatives, had established a tender and bid system for cereals marketing, and had partially liberalized cross-border trade, especially cowpeas.

The Niger ASDG program's experience yields a number of pertinent lessons including:

- The consensus among the GON, USAID and other donor agencies on the need for policy reforms was a necessary condition for the project's success.

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<sup>1</sup>Based on Block, Steven, Agricultural Policy Reform in Niger: Agricultural Sector Reform Grant, APAP Staff Paper No. 17, Abt Associates, Inc., Cambridge, MA, August, 1988.

- The conditionalities of the ASDG for policy reform were too inflexible in the program's design; when, in practice, necessary changes were allowed, the program lost credibility.
- Because many USAID and other donor-sponsored projects relied on counterpart funds from the Sector Grant, the GON was able to use the fate of these projects to leverage the release of grant funds even when there was question as to whether the conditions precedent had not been fully met.
- The technical assistance team was not well integrated with the Department of Agriculture, and their administrative responsibilities were too diffused throughout the team; they did not sufficiently provide for sustainability.
- Policy reform programs need to strengthen ties between policy analysis and decisionmaking. Moreover, such programs require that administrative and bureaucratic barriers be removed, as well as policies reformed.

## 2.0 PROGRAM BACKGROUND

The Niger Agricultural Sector Development Grant Program stands out among AID agricultural policy and planning projects by its strong emphasis on implementing agricultural reforms relative to its emphasis on building institutional capacity. The ASDG offered \$29 million in grant funding as an incentive for policy reform, making such reforms a precondition for receiving grant funds. The program also provided technical assistance in part to facilitate the policy reform process and in part to facilitate the administration of the grant program itself.

Niger urgently needed agricultural sector assistance. Ninety percent of Niger's 6.7 million inhabitants depend on either farming or herding for their income; Niger as a whole depends on agriculture for one-half of its national domestic income and one-quarter of its foreign exchange. In 1984, a drought halved the country's agricultural production, while in previous years world demand for Niger's leading export, uranium, fell precipitously. The besieged economy began to shrink by 2 percent of GNP annually; the public debt-service ratio climbed to 33 percent, and deficits in balance of payments and national budget grew larger. In agriculture, the current expenditure budget of the Ministry of Rural Development declined 14 percent, and its investment budget declined by nearly 60 percent.

Clearly, the Government of Niger's policies were not singularly responsible for such economic troubles, but the market distortions and inefficient resource allocations created by some of its policies had an increasingly high social cost. The GON was deeply involved in the agricultural sector when the ASDG was conceived. The Council of Ministers fixed producer prices for agricultural commodities. Three large parastatal organizations dominated the market for major food crops, operating along the price guidelines set by the Council of Ministries. These parastatals periodically undertook official buying campaigns to stabilize markets around official prices. During these campaigns, parallel market sales at un-official prices were illegal. Official prices were uniform throughout the country, and there were restrictions against inter-regional transportation and sales of cereals. Moreover, cross-border trade was subject to tight, if poorly enforced, restrictions. In short, USAID found that Niger's agricultural sector was in serious condition, and that many of the GON's agricultural policies aggravated rather than eased the situation.

## 2.1 Institutional Context

The lead Nigerien agency in implementing the grant was the Ministry of Planning. A secretariat was created in the Ministry's National Investment Fund office with a mandate to assist the Director of the National Investment Fund to coordinate activities and to prepare necessary reports and documentation related to the program.

The other Nigerien agency with significant responsibility for implementing the ASDG was the Ministry of Rural Development. USAID found that both ministries had talented economic policy staffs, but that those staffs were stretched thin. Shortly after approval of the ASDG, the Ministry of Rural Development was split into two separate agencies, the Ministry of Agriculture and the Ministry of Animal Resources. Responsibility for implementing the ASDG fell to the Ministry of Agriculture.

In addition to these ministries, the Council of Ministries, and three large parastatals, Niger's agricultural sector was populated by a host of smaller parastatal organizations and publicly-operated credit and cooperative bodies, many of which had overlapping responsibilities. These organizations created a complex and cumbersome public sector presence in the agricultural sector.

### 3.0 PROGRAM DESIGN

The Agricultural Sector Development Grant's overall objective was to:

... assist the Government of Niger to improve and maintain a policy environment conducive to a more efficient resource allocation within the sector and to provide additional resources to the agriculture sector in order to maintain existing investment activities and raise the level of the sector's absorptive capacity in view of the country's macro-economic and financial situation. (PAAD, p.13).

Essentially, the ASDG intended to promote agricultural policy reform through a combination of cash transfers (\$29 million) and technical assistance (\$3 million). The cash transfer took the form of a grant to be converted into local currency for disbursement in three tranches. As a condition for receiving each tranche, the GON needed to have successfully implemented certain agricultural reforms established by itself and USAID. These conditions precedent (CP's) were specified in the grant agreement, and would constitute a sector-wide program of policy reform. The conditions precedent addressed four policy areas:

- Input supply, subsidies, and input pricing--CP's mandated the reduction of maximum level of subsidy or agricultural inputs to 50 percent and then to 25-30 percent.
- Cereals marketing and pricing--including the abolition of uniform national pricing for cereals.
- Cross border trade--reducing administrative and fiscal constraints, particularly affecting cowpeas and livestock.
- Agricultural credit--including a study and development of agricultural financial markets.

#### 3.1 Technical Assistance

The Technical Assistance component of the ASDG (\$3 million) would provide four resident advisors for a total of 8 person-years, and short-term assistance amounting to 40 person-months. Technical Assistance activities would include seminars, workshops, in-service training and program evaluation to assist the GON in implementing the policy reforms of the conditions

precedent. The TA team would also assist the GON and USAID in managing the local currency account created by the Grant's funds. Lastly, they would help establish an economic policy analysis unit to transfer skills and expertise, and provide for the sustainability of the reform process.

### 3.2 Program Management

In order to transfer \$29 million into CFA francs (Nigerian currency), implement the policy reforms of the conditions precedent, supervise the counterpart fund, and implement technical assistance, the program required very deft management. The USAID/Niger Agricultural Development Office held overall management responsibility for the Program. An office in the GON's Ministry of Rural Development in conjunction with the Ministry of Planning oversaw the policy reforms, including the initiation of special policy studies for planning or evaluation. The Counterpart Fund Secretariat supervised the monies released in each tranche for funding further projects.

As always, committees were found at each locus of management. A Steering Committee chaired by the AID Agricultural Development Officer in the USAID office provided technical support for policy monitoring and evaluation, and approved allocations of local currencies derived from the grant. The Steering Committee coordinated activities with the Ministries of Planning and Rural Development to ensure that the conditions precedent were met. A Joint Management Committee of officials from several GON Ministries and USAID approved projects to be funded by the counterpart fund. Any local currency generated by these projects was deposited in the National Investment Fund (FNI). These monies were then used to fund capital outlays or recurrent "host country" costs of the GON in other donor assisted projects.

## 4.0 PROGRAM IMPLEMENTATION

### 4.1 Meeting Conditions Precedent

A mid-term evaluation of the program performed in 1986, and a review of the ASDG written in 1988, found that the effectiveness of the program's implementation activities was mixed.

GON financial outlays on input subsidies did in fact decline during the ASDG's first two years, by 45 percent in 1984/85 and by 17 percent the following year. The 1986 evaluation found that the trend reflected satisfactory progress in policy

reform. This finding, however, was based upon the price of fertilizer imported from Nigeria, where fertilizer was subsidized, and thus understated the true international price. Subsidy rates calculated at the international price did not conform with the conditions precedent.

The GON was also found to have met the criterion regarding transfer of the Input Supply Agency to the cooperative movement, though the 1988 review questioned whether the transfer was more than a paper transaction. The GON's progress in this direction included the drafting of a statute for transferring agency ownership to a farmers' cooperative, enhancing the management capacity of the agency, and assessing the agency's financial position for the near-term.

As of 1986, the Ministry of Agriculture had submitted proposals to the National Cooperatives Union for the transfer of the Agency, but as of June 1988, the input distribution was not effectively in the hands of the cooperative sector.

To reform cereals marketing and pricing, the program required formation of a tender and bid system to ensure that cooperatives and private traders could participate in cereals marketing. By the third tranche, 50 percent of the sales of the parastatal for cereal crops (OPVN) were to be sold by tender and bid. But the system was undermined by GON administrative or pricing policies: less than one-quarter of interested traders were able to produce the necessary documents in time to participate; in the case of at least one crop, the OPVN had to nullify its trade officer when the market price fell below the government maintained producer price. Barriers to entry into the tender and bid system tended to reinforce the market distortions introduced by the official price and benefited only the small number of qualified traders.

Cereals policy reform successfully increased levels of village stocks, but did not successfully abolish uniform national cereals pricing. In the latter case, regional price differentials that had been officially allowed for transportation and transaction costs were removed, and fixed prices reigned. Cooperatives producing cereals had to absorb any losses, while traders usually benefited.

Other conditions precedent were to force the liberalization of cross border trade, especially for livestock and cowpeas. The GON did significantly reduce restrictions on cowpea trade, effectively ending the monopoly of the parastatal, SONARA. While cowpeas crossed the border, cows did not. The GON maintained its restrictions on crossborder livestock trade, arguing that Niger needed to replenish its herd after the prolonged drought.

The GON initiated several studies of agricultural credit and savings, and produced four preliminary reports on the financial market infrastructures for agriculture. A workshop was held for ministerial personnel and donor agencies. The final report recommended policies to close the National Agricultural Credit Association, maintain short-term credit for agricultural productivity projects, and promote village-level savings and credit cooperatives.

#### 4.2 Management and Use of Counterpart Funds

Despite its mixed record of progress in meeting the conditions precedent, the GON had received three tranches of the Sector Grant by the time of the 1988 review. The 1986 evaluation team found the counterpart Fund Secretariat to be poorly managed, and to have difficulties with even routine administration of fund activities. Moreover, the secretariat's own operating budget had swelled to three times the planned amount.

The counterpart fund refers to use for the GON's counterpart financing obligations for ongoing donor-assisted projects. The highest priority of the CPF was to fund activities directly contributing to policy reforms and the funding the recurrent costs of AID-financed agricultural projects. In general, the 1986 evaluation found that the allocation of CPF support had conformed to the priorities set out in the grant agreement. Nearly 70 percent of CPF financing went for recurrent expenditures. Over 60 percent of CPF disbursements through 1986 were for expenditures of foreign exchange.

Table 1 summarizes the disbursement and expenditures of counterpart funds to AID and other donor projects.

Table 1. Categories and Status of LC Account Projects,  
31 May 1988

(in millions of CFAF)			
LCA No.	Project Title	Amount Spent	Percentage of Total
A.	Counterpart for USAID Projects	1,912	31.0
B.	Counterpart for Other Donor Projects	426	6.9
C.	Solely Funded New Projects	1,110	18.0
D.	New Components of USAID Projects	2,443	39.6
E.	Fonex/LC Costs of Other Donor Projects	190	3.1
F.	Secretariat Operations	84	1.4
	TOTAL	6,165	100%

(a) Totals may not add because of rounding

SOURCE: Secrétariat du Comité de Gestion

#### 4.3 Implementation of Technical Assistance

USAID contracted with a U.S. Title XII University to provide a four-person TA team. The team included two agricultural policy specialists, a statistics/computer applications specialist, and a development economist. Interaction between the TA team and Nigerien analysts was minimal in the area of agricultural policy, though there was more interaction on the part of the micro-computer specialist at the Ministry of Agriculture and the development economist at the Ministry of Plan. The 1986 evaluation team found the lack of Nigerien participation to be a serious problem. Only the computer specialist had become involved in his host agency's daily operations, which led to a high degree of acceptance of his work. However, this involvement kept the computer specialist from collaborating fully with the agricultural policy advisor on policy studies.

As regards training, only the computer expert provided in-service training to his counterparts. The lack of advisor/counterpart interaction in the other cases largely undermined the long-range goal of training Nigeriens to enable them to assume the functions of the TA team after the program's end.

## 5.0 PROGRAM IMPACTS

The following section considers the impacts of the ASDG program on aspects of Niger's institutions and national economy--balance of payments, central government finance and budgeting, and stabilization of growth and borrowing.

The ASDG's institutional impacts exist primarily in the Ministry's improved ability to use micro-computers. There has been negligible improvement in the in-house capability to undertake policy analysis, largely because of the Ministry's failure to supply consistent counterparts for the technical assistants responsible for economic analysis. Policy analysis studies produced by the ASDG are performed almost exclusively by the resident advisors and outside consultants.

The 1986 evaluation found that the ASDG had had a positive effect on GCN policies and on the USAID/GON policy dialogue. The 1986 evaluation team based this finding on a Program Document proposed by the Nigerien Supreme Military Council. This document, which was incorporated into a three-year sector plan, was based on the CPs of the ASDG, as well as on the conditions of the World Bank and IMF programs (which were in broad agreement with the conditions of the ASDG). For example, the input subsidy component of GON investment budget, which was 10.9 percent in FY84 and 7.3 percent in FY85, was planned at 2.7 percent of the investment budget in FY86. In reality, most of the subsidy reductions affected agricultural implements rather than fertilizers, most of which were subsidized by donors.

The ASDG contributed only slightly toward financing the gap between Niger's imports and exports, and easing the balance of payments; the ASDG did contribute to Niger's foreign exchange position by assisting with the foreign purchases of on-going donor-assisted projects (30 percent of CPF financing went to non-AID-originated projects). Further, CPF disbursements supported importation of high-yield cowpea seeds, and liberalization of cowpea exports, which increased three-fold in three years (other factors also contributed to this increase).

The ASDG contributed slightly to easing Niger's budget deficit. During the period from 1983/4 and 1985/6, ASDG contributions ranged from 5 percent to 10 percent of the total budget

deficit. Yet, ASDG contributions were significant as a percentage of the country's national investment fund. Over the same period, ASDG contributions were equivalent to 26 percent to 76 percent of Niger's national investment funds.

In 1983, the GON entered into an IMF stabilization program in which it agreed to reduce expenditures and foreign exchange borrowing and to accept specified targets for growth and inflation. IMF disbursements of SDR credits were contingent upon the GON meeting these targets. The GON also committed itself to meet a related set of reform criteria under a World Bank Structural Adjustment Program. The ASDG counterpart funding has contributed to meeting the national investment target established under the Bank/Fund programs. The GON was expected to generate financing equivalent to 2.8 percent of GDP. From 1983/4 to 1985/6, ASDG contributions were equivalent to from 12 to 16 percent of that target amount.

## 6.0 LESSONS LEARNED

This case yields several lessons regarding the design and implementation of sector development grant programs.

### Design Lessons:

- Consensus -- The GON's openness to policy reform was essential to the program's undertaking. Policy reform programs require broad consensus among host government, AID, and other Donors. Reform efforts need motivated policy makers and must not work at cross purposes with other policymaking agencies.
- Flexibility -- The conditionalities for policy reform were too inflexible (although the time constraints were flexible). Program designers need to balance the firmness of the reform with AID's ability to respond to changing and unforeseen circumstances. If such circumstances compel a change where program design offers no flexibility, then the program loses credibility.

### Implementation Lessons:

- Pressure-Points -- Activities funded by conditional counterpart funds might be held hostage by the host government to gain a certification of compliance when compliance has not been fully met. Program designers should take care that one project cannot be used against another.

- Politics -- Policy changes invariably benefit some interests at the expense of others, and influential "losers" may seek to undermine reforms. Program designers should identify potential winners and losers and consider means of facilitating the reform process by compensating those hurt by the proposed reforms.
- Priorities for counterpart funding -- most CPF funding went to projects already in the pipeline, where the 1986 evaluation team concluded these resources could more efficiently be used to start new projects. Program design could enhance the efficiency of CPF investment if it requires periodic evaluations of ten economic and developmental returns of CPF applications.
- Technical Assistance -- The TA team needs to be well placed and well organized. The ASDG TA team was not well integrated with the Ministry of Agriculture. Moreover, administrative responsibilities were too diffused throughout the team. The team could have used a full-time project officer to oversee management issues.
- Process -- The program is more effective and credible when the process rigorously examines certification of conditions precedent. The 1986 evaluation found that tranches were disbursed even when there was a question of compliance on the conditions precedent. Unjustified disbursement undercuts the credibility of policy reform.
- Barriers -- Policy reform requires that administrative and bureaucratic barriers also be removed or reformed, as well as policy.
- Restrictions -- Unlike many USAID projects, the ASDG did not restrict the geographic origin of procured commodities. This permitted a more efficient use of resources, since commodities could be procured on a least-cost basis.
- Decisionmaking -- Programs should strengthen ties between policy analysis and decisionmaking. Reforms are more likely to be implemented if decisionmakers appreciate the analysis and understand the objective of proposed reforms.

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AGRICULTURAL PLANNING AND INSTITUTIONAL DEVELOPMENT IN PERU:  
SUMMARY CASE STUDY<sup>1</sup>

1.0 SUMMARY OF PROJECT AND FINDINGS

The purpose of this project was to strengthen the Government of Peru's (GOP) capacity to formulate sound agricultural sector policies and effectively manage the implementation of those policies. Project design took an integrated, holistic approach to policy formulation and management. As stated in the Project Paper, the agricultural sector's problems were pervasive and the capacity to analyze policy alternatives to alleviate this situation extremely limited. Furthermore, the GOP was in transition from the public sector-oriented policy direction of the military government prior to 1980, to the more market oriented private sector approach of the Belaunde government. The need to reestablish agricultural data systems, train personnel, and reorient policy thinking was critical for the democratically formed government. Hence, a diverse set of some 13 project activities was designed for implementation, of which 11 were funded. For the 11 activities, USAID was to contribute \$11,000,000 loan funds and \$4,480,000 grant funds to the project from Food for Peace Program local currency generations and the GOP was to contribute counterpart funds of \$8,500,000 for total project funding of \$23,980,000 beginning in August, 1983.

The 11 project activities were: (1) creation of an Agricultural Policy Analysis Group (GAPA); (2) support to the Division of Economic Studies of the Ministry of Economy and Finance; (3) support to the Agriculture Sector Planning Office (OSPA) in monitoring and evaluation; (4) National Rural Household Survey; (5) continuous system of area and production statistics; (6) agroclimatic impact assessment; (7) improved management of the Ministry of Agriculture; (8) salary support; (9) strengthening the management of the National Institute for Agricultural Research; (10) advanced training; and (11) support for the National Agrarian University.

The project was designed to operate for five years, through December 31, 1988, but in 1988, was extended for one year to allow for the continued operation of the advanced training component. The Ministry of Agriculture (MOA) was the agency

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<sup>1</sup>Based on Jerrett, Marcia, Agricultural Planning and Institutional Development in Peru, adapted from Schreiner, Dean F. and Jerry B. Martin, et. al., Evaluation of the Agricultural Policy and Institutional Development Project, APAP Technical Paper No. 503, Abt Associates Inc., Cambridge, MA, August, 1988.

responsible for project implementation. Technical assistance was provided through two contracts and three Participating Agency Service Agreements.

As a whole, the APID Project was highly successful in generating policy and program, capacity building and interinstitutional impacts. The findings and lessons which have come out of this project primarily concern the provision of agricultural policy analysis support, in particular the institutionalization of such support. Highlights of these findings include the following:

- A strategy that encourages the institutionalization of the process of policy analysis is stronger than a strategy that calls for institutionalizing policy analysis in any particular public or private agency. Emphasis on the process builds a broader base of institutional and individual involvement in short- and long-term policy analysis and implementation, and hence has more stability, staying power, and breadth.
- Policy analysis studies provide information on alternative courses of action which purely political decisions on policy may often lack.
- Short-run policies will continue to receive high priority in a policy analysis unit because of critical short-run problems faced by the government. But long-term policies must also be considered. If it is difficult for a policy analysis unit to perform this function, given the immediacy of current policy problems, then a mechanism for broadening its base for doing long-term policy analysis must be found.
- The role of an agricultural policy analysis unit should be seen as one entity within a system where dialogue leads to government policymaking. Representatives of the public sector must carry on dialogue with research groups, private organizations, and most importantly, farmers and other members of society involved in agriculture and related activities.
- Because of the issues analyzed, some policy studies may not need to be published, and others, because of their brevity, may not justify a publication. Nevertheless, it is important for policy analysis staff to publish at

least brief reports on its work to let others, besides the Minister and close aides, know of the quality of their work.

## 2. PROJECT DESIGN

### 2.1 Administration Arrangements

AID, in formulating the Agricultural Planning and Institutional Development (APID) Project in 1983 identified five principal constraints to sound agricultural policy making: 1. Limited capacity to analyze policy alternatives and to formulate coherent policy directions; 2. A virtual absence of reliable information to guide decision making in both the public and private agricultural sectors; 3. Public sector management systems inadequate to identify problems, determine causes, and suggest remedies; 4. A shortage of well trained and experienced administrative and technical management talent in the agricultural sector; and 5. Lack of effective dialogue between the public and private agricultural sectors.

The APID Project was developed to address these constraints. Table 1 on the following page, presents the APID activities and institutions. The APID Project, with 11 different activities under 4 components, was administered through 4 different institutions and at least 9 departments within those institutions. It was a highly structured and very complex project requiring close management and coordination.

Project coordination was not identified as a separate activity in the original Project Paper, but was later designed to be a unit within the Agricultural Sector Planning Office (OSPA). The Project Coordinator was to report to the Director of OSPA. This situation changed early in the Project to allow the Project Coordinator (later called Project Executive Director) to report directly to the Vice Minister of Agriculture. The Executive Director was charged with the approval of annual implementation plans and budgets and had authority to disburse USAID Project funds. In practice, the Coordination Unit approved individual activity expenditures on a day-to-day basis as well. This arrangement centralized the effective control over all (or almost all) Project expenditures in the hands of one individual, with the result that the Coordination Unit became too powerful. Instead of facilitating project implementation and coordination, the coordination unit tried to manage and direct components and activities. Frictions developed between the implementing agencies and the Coordinating Unit.

### 3. IMPLEMENTATION OF PROJECT ACTIVITIES

#### 3.1 Component I: Agricultural Policy Analysis Support

##### 3.1.1 Establishment of an Agricultural Policy Analysis Group (GAPA) in the MOA

This activity was the heart of the policy analysis support effort. This unit was the principal advisor to the Ministry of Agriculture in providing quick, responsive economic analysis on matters of current importance. It also identified emerging policy issues and arranged the necessary medium-term studies required to respond to such issues. Although GAPA was primarily responsible for conducting policy studies, it did not conduct all such studies itself. Where appropriate GAPA drew on other resources, and worked in a leading role in close cooperation with other public agencies such, as the National Institute for Agricultural Research and Extension (INIPA), the Ministry of Economy and Finance (MEF), the Central Bank, the Ministry of Planning, and others.

There were four main issues surrounding the creation and implementation of GAPA. They were:

- Conduct of Short- and Medium-Term Studies: GAPA completed most of its work with direct involvement of its staff, participation of short- and long-term technical assistance, and with contributions from consultants. The quality of the work varied in contributing information for immediate policy decisions, yet even when not used immediately, the analyses became a reference source. Few studies used sophisticated econometric methods, but this did not reduce their utility.
- GAPA's Participation in Policy Dialogue: GAPA maintained an impressively constant relationship with the Minister of Agriculture for the purpose of debating policy issues and strategies, and through this relationship GAPA gained credibility. In preparation for ministerial committee meetings, GAPA cooperated with numerous other public and private sector entities. While evaluators criticized the level of GAPA's dialogue with agricultural sector organizations and producer groups, GAPA did obtain opinions of these groups when relevant policy studies were being completed. Also, dialogue with private economic

and social research organizations and professional associates was sporadic, yet constructive. Finally, dialogue with the MEF was receptive, but unharmonious. The absence of long-term strategy for agriculture prevented GAPA and the MEF from considering joint long-term solutions.

- GAPA's Role and Effectiveness in Firefighting vs. Contributions to Long-term Policies: Quick assistance to solve critical problems was an important role for GAPA at all times, and it was done effectively and provided input to Ministerial decisions. It should be noted, however, that this role of GAPA was not dissociated from its longer-term work. In fact, thanks to the studies GAPA had under execution and those already completed, it was possible for GAPA staff to offer educated opinions for high level decisions. The Minister's reliance on GAPA's senior staff was evidenced by his seeking their opinion, as well as by his charging them with responsibility for leading Commissions, Committees, and working groups to address specific issues. The frequency of meetings with the Minister and working groups increased over time, and could overtax GAPA staff in the future.

- The Institutionalization of a Policy Analysis Group: Evaluators recommended that the future institutional role of GAPA should continue within the following framework and assumptions:

First, the policy analysis and advising process is just one step in a sequence of activities that include problem identification, research, analysis of policy alternatives, policy formulation, policy decisions, and policy implementation, including adjustment and evaluation.

Second, GAPA should continue developing strong relations with the rest of the public sector involved in the policy system, but not to the point of cancelling out any expected positive results of its own policy work.

Third, beneficial policy implementation requires not only well articulated and germane policies but also a managerial capacity within the implementing agencies.

In terms of its future administrative structure in the MOA, evaluators found that the continuation of GAPA, structured as a small highly qualified nucleus of professionals, depends on the following factors:

- The willingness of the Minister of Agriculture to accept advice from highly-qualified technical staff and resist the temptation to have such a group dedicated to developing arguments solely to advance preconceived political decisions;
- The availability of funds to pay professionals sufficiently to compensate for "bearing the cost of wrong advice" or a high opportunity cost;
- The existence of a mechanism to allow the functioning of GAPA "close to the Minister," but not within the administrative structure of the public sector unless the salary constraints and administrative limitations were solved;
- The acceptance of GAPA within the bureaucracy particularly among the long-term career professionals of the Ministry (some of whom are highly qualified and underpaid) and see GAPA as "outsiders."

As a means of addressing all these conditions and assumptions, evaluators recommended the following changes during the project extension:

(1) The agricultural policy analysis component of the APID Project should be extended for sufficient time to attract complementary funding and allow development of a procedure to institutionalize the process of agricultural planning and policy analysis.

(2) The GAPA activity should remain as a small team to guarantee an effective yet informal group of professionals who play a role in policy formulation and advising the Minister, but who also bear the risk of being changed when the Minister changes. This small group should, as it does now, have the capabilities to transform information from research findings into policy information. In turn, they should orient the research of other groups in the system through a research institute or group of research centers with different capabilities.

(3) The highest priority of the APID Project during the period of extension should be to create a private or quasi-public Agricultural Policy Research Institute to ensure institutionalization of the process of agricultural planning and policy analysis. Its' task should be the performance of research and analysis on key issues of a sustained strategy for agricultural development and policy management.

Activity 2: Support to the Division of Economic Studies in the MEF: When the APID Project was designed, the Ministry of Economics and Finance (MEF) already had a functioning policy analysis unit, the Division of Economic Studies. As a result, this activity involved no major modifications to existing institutional arrangements. This activity created and used a production/imports model (MOSAP) to analyze the agricultural effects from alternative scenarios of economic growth. Numerous simulations were prepared and resulting policy options analyzed. Evaluators found that as progress and applications continue to be made in macroeconomic modeling and use of the input-output table, the number of issues for permanent discussion between GAPA and MEF will increase.

Activity 3: Support to the Agricultural Sector Planning Office (OSPA) in Monitoring and Evaluation: This activity was designed to expand a monitoring and evaluation system that existed in OSPA. This activity was highly successful in implementing Peru's first public sector Project Management System (PMS). The PMS consisted of four management instruments: the logical framework, performance networks, monitoring reports, and evaluation reports. Since then, through training and application, the PMS became widely known and accepted, not only in the agricultural sector, but in other sectors as well. About 1300 officials were trained in the use of PMS, which was institutionalized in APID Project activities for planning and budgeting, and was applied to over 200 plans.

### 3.2 Component II: Information Support

Activity 4: National Rural Household Survey: The objective of the National Rural Household Survey was to address the lack of up-to-date information on the socioeconomic characteristics - particularly income and employment - of rural households. The National Statistics Institute (INE) had management responsibility for the survey, but OSE, GAPA, and OSPA also played significant roles.

This activity was a major success. The survey was completed early in the project period and a series of studies was commissioned. The results of the survey and related studies were used

by GAPA in the formulation of policy plans. The evaluators recommend that the technical committee consider additional uses of the survey data.

Activity 5: Continuous System of Area and Production Statistics: This activity was designed to build the capacity of the Sectoral Statistics Office (OSE) of the Ministry of Agriculture to provide objective, accurate, and timely agricultural statistics. The basic ingredient for building OSE's capacity was the construction of a cost-effective sampling frame that could be useful for estimating variables on land use. This activity did not produce the outputs envisioned: no bulletins on national crop and livestock production were developed; no survey data were released, and no statistical abstracts were distributed. A lack of consensus among experts about methodology prevented this activity from getting off the ground.

Activity 6: Agroclimatic Impact Assessment: An operational weather-based management information system was designed to improve agricultural statistics, economic forecasts, and policy analysis capability within the MOA. The system was based on weather analysis and agroclimatic impact assessment technology. The principal participants in this activity were the National Meteorological and Hydrological Service (SENAMHI) (the lead institution) and the Sectoral Statistics Office (OSE) of the Ministry of Agriculture. The National Agrarian University (UNA) also participated.

This activity produced seven different bulletins on agroclimatic impacts and conditions on an ongoing and timely basis, and each was distributed to a wide and varied user group. The major beneficiaries of this activity were commercial agricultural producers and consumers of food crops who benefit from better policy decisions during times of crop shortages and excesses.

### 3.3 Component III: Management Support

Activity 7: Improving Management of Ministry of Agriculture: The activity design projected two subactivities for the improvement of Ministry management of the agricultural public sector. One subactivity (APID Activity 7.a.) was to identify and prioritize managerial constraints. This was to be accomplished by the Committee for Management Improvement (CMI), which was to be chaired by the Vice Minister as a permanent function of his office. The Vice Minister was to be supported in his role by a "permanent assistant for management improvement." The broad mandate was to improve the Ministry's management and to enhance the Ministry's capacity to respond to crises. The second subactivity (APID Activity 7.b.) was the "Development of a Long-term Personnel Management Strategy" to be performed by the Ministry's Office of Personnel.

The CMI was operative only briefly, and there was not an Assistant to the Vice Minister to coordinate and direct these problem solving initiatives. Because of this, the tasks of management improvement evolved in 1987 to be: Improvement in the Administration of the Ministry of Agriculture - Improvement in the Management of Policies and Programs (Activity 7.a.); and, Improvement in the Administration of the Ministry of Agriculture (Activity 7.b.). Therein lies the change in direction of Activity 7.b. from a personnel strategy orientation to general assistance in the broad area of administration. The recently presented 1988 Plan of Budget and Operations expanded this activity.

Activity 8: Salary Support for the Public Agricultural Sector: This activity was designed to provide a sufficiently adequate salary which would attract, retain, and motivate qualified personnel. At the beginning of the project a World Bank Foundation was established in the MEF to support high salaries, but the Foundation was abolished by the incoming Garcia administration who opposed supplementing public salaries. Since then, salaries have been supported ad hoc, and a permanent mechanism to raise salaries to retain quality staff has still not been found.

Activity 9: Strengthening the Managerial Effectiveness of the National Institute for Agricultural Research and Extension (INIPA): It was intended that a technical assistance team would be financed under this activity to function as an advisory unit to the Director and Deputy Director of INIPA. The final evaluation team observed the outputs of this activity 15 months after their apparent implementation. While the development of systems and procedures had progressed, there were no discernable lasting results. This was due to the technical assistance being an external initiative without the accompanying resources necessary for implanting management changes. Also, the technical assistance was attached to the Office of Rationalization (OGR) which was lowly regarded throughout INIPA.

### 3.4 Component IV: Human Resource Development Support

Activity 10: Advanced Training: The Project Agreement defined the following set of outputs for this activity: 1) Establishment of a Technical Training Division in the MOA. 2) U.S. graduate training for four Ph.D.'s and 11 M.S.'s. 3) Full-time graduate training in Peru for 15 M.S. degrees and further graduate credits for 10 additional students. 4) Part-time technical graduate training for regional personnel - 400 professionals completing 2,600 credit hours and 10 earning M.S. degrees.

After four years, these activities have accomplished much, but many of the programs have not been completed. The accomplishments included: 1) Seventy-one students started M.S. programs in

Peru with eight discontinuing their program after a time, nine completing the course work by end of 1987, and one completing the thesis. 2) Six students were enrolled in M.S. graduate programs at Chapingo, Mexico. 3) Two MOA staff were in special advanced training programs. 4) Two MOA staff were approved for degree completion programs. 5) Numerous staff had been enrolled in short courses, seminars, and other training programs.

Activity 11: Support of National Agrarian University (UNA):  
This activity very broadly supported faculty stabilization (salary support) and development; infrastructure components of library reference materials, English language laboratory, and instrument repair and maintenance; graduate teaching and research fellowships; and international institutional linkages. The UNA was an autonomous institution implementing a component of the APID project only peripherally related to the Project purpose. It was tightly managed by APID through the Ministry of Agriculture. This meant that not only the budget and administrative procedures of UNA had to be followed, but also those of the MOA.

#### 4. PROJECT IMPACTS

As a whole, the APID Project was highly successful in generating policy and program capacity building and interinstitutional impacts. Although the performance of some activities fell short of plan and final evaluators saw room for generating more impacts, especially by strengthening interinstitutional linkages, the impacts noted below are very positive.

##### 4.1 Capacity Building Impacts

Capacity building impacts dominated the impacts evidenced by all types of project activities. Some of the capacity building impacts were interinstitutional as well.

The main outputs of the activity supporting the MEF were: (1) socioeconomic reports; (2) construction and utilization of a production-imports model; (3) expansion and update of the input-output model including more activities for the agricultural sector; and recently (4) support for the construction of a macroeconomic model (ECOPOL) where the agricultural sector was highly disaggregated with linkages being built to analyze macroeconomic and fiscal policy impacts on agriculture. Of these intermediate products, the socioeconomic reports and the production-imports model provided information for a more constructive dialogue between the MOA and the MEF.

The Project Management System (PMS), consisting of its four management instruments, was unknown in the public sector in Peru until introduced by the APID in 1984. Since then, though training and application, the system became widely known and accepted, not only in the Agricultural Public Sector of Peru, but in other sectors as well.

The Agroclimatic Impact Assessment activity, highlighted as a well managed joint effort between the MOA and Ministry of Defense, greatly improved the capacity of MOA, as well as other users, to anticipate the impacts of the weather variability on the agricultural sector. Users of the agroclimatic evaluation bulletins were varied and included many institutions such as producers, producer associations, marketing agencies, researchers, and news reporters. Distribution was obviously and usefully extensive.

Finally, the human resource development support activities, particularly the advanced training program administered by MOA and managed by the National Agrarian University yielded some preliminary capacity building impacts. First, a permanent Division of Technical Training was created in the MOA; and second, numerous students were enrolled in various advanced or technical training programs.

#### 4.2 Policy and Program Impacts

Three APID activities were designed to provide direct support to agricultural policy analysis while others were designed to provide indirect support to the policy analysis process. Indeed, these activities did lead to policy and program impacts in the agricultural sector, although it was primarily one activity, the establishment and implementation of the Agricultural Policy Analysis Group (GAPA), that was responsible for most of these.

It was clear that GAPA had a major contribution to a number of policy decisions, including, Strategic Plan for Agriculture (Causa Agraria), Medium-Term Plan (1986-90) for Agriculture, Water Use Law, Campesino Communities Law, Program for the Reactivation of Agriculture (PRESA), Fund for the Reactivation of Agriculture (FRASA), Creation of the National Corporation of Food Marketing (CONAA), 1987 New Law of the Agricultural Sector, and The Highlands Development Plan (Plan Sierra).

In general, GAPA offered analysis and advice on policy decisions. GAPA was the responsible unit for preparations and presentations by the Minister to the Congress and to the President. The impact of each policy individually was hard, if not impossible, to assess. Nevertheless, these policies contributed to the growth of the agriculture sector over the past five years.

### 4.3 Interinstitutional Impacts

GAPA's work resulted in significant input to legislative action and dialogue. One of its strategies for effecting this achievement was to maintain cooperation and dialogue with numerous public and private sector organizations. Evaluators pointed to the sporadic nature of this contact, especially with the private organizations, but it was important to note that even this sporadic contact was an improvement over past practices and was successfully constructive in yielding input to policy dialogue. Also, the Project Management System had wide interinstitutional impacts affecting 1300 people in 180 institutions in its training and applications.

## 5. LESSONS LEARNED

The following points summarize the lessons learned by this ambitious project.

- The success of the APID Project was directly attributable to the high quality staff engaged in implementing key components. But a permanent solution to recruiting, recognizing and compensating superior professional talent continues to be elusive.
- The placement of technical assistance in a lowly regarded office, and the provision of technical assistance as an external initiative without the accompanying resources necessary for implanting management changes will yield no lasting results.
- GAPA staff and consultants have been a prolific policy-oriented research unit. However, their reports were not published in a series and did not receive wide distribution. This limited the outreach of the policy analysis unit's published work to other public sector officials and other professionals.
- Analysis and formulation of short-run policies will continue to receive high priority in a unit like GAPA because of critical short-run problems faced by the government. But long-term policies must also be considered.

- The role of a policy analysis group should be seen as one entity within a system where dialogue leads to government policy making. Representatives of the public sector must carry on dialogue with research groups, private organizations, and most importantly, farmers and other members of society involved in agriculture and related activities.

FORMULATING AGRICULTURAL POLICY IN A  
COMPLEX ENVIRONMENT--  
THE CASE OF SRI LANKA:  
SUMMARY CASE STUDY<sup>1</sup>

1. SUMMARY OF LESSONS LEARNED

In Sri Lanka, numerous ministries, semi-autonomous agencies and development authorities are concerned with the agricultural sector. These institutions have narrowly defined areas of influence, making the analysis, formulation, and implementation of general policies and programs a difficult exercise. In this environment, agricultural ministries and related agencies are so engrossed in the day-to-day problems of implementing their development programs that little or no attention is given to the impact of macroeconomic and sectoral policies. There is also little incentive to engage in policy analysis; rather, attention is focused on short-term problem solving and on identifying new projects that have an immediate pay-off.

In 1982, the Government of Sri Lanka (GSL), with the support of USAID and the Government of the Netherlands, decided on a comprehensive effort to address these problems. It initiated a long range policy analysis effort called the National Agricultural, Food and Nutrition Strategy (the Strategy), which was designed to produce a set of consistent policies and programs to promote the growth of the agricultural sector. It was also designed to improve the capacity of the government to deal with policy issues that cut across the agricultural sector; to promote interagency linkages; and to bolster interaction between decisionmakers and analysts. The Strategy was successful in many of these objectives and therefore represents a possible model to be followed in other countries with similar problems. Limited assistance in this exercise was provided initially by USAID and subsequently by the Netherlands. The total cost of the Strategy to the foreign donors was approximately \$700,000 (USAID--\$500,000; Government of the Netherlands--\$200,000). In addition, the GSL made a contribution to the project in the form of government officials' time preparing studies and reports, organizing and running meetings, and many other activities connected with the Strategy exercise. While this contribution was mainly in-kind and, therefore, difficult to estimate, it was at least \$100,000 over the two and one-half year period.

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<sup>1</sup>Based on Jiron, Rolando J. and John Tilney, Formulating Agricultural Policy in a Complex Institutional Environment: The Case of Sri Lanka, APAP Staff Paper No. 2, Abt Associates Inc., Cambridge, MA, July 14, 1986.

There are many reasons for the relative success of this exercise. The major ones are listed below:

- This was a collaborative effort between the Government of Sri Lanka and the donor community. The government was interested in rethinking its agricultural development strategy at the same time the donor community was looking for some guidance on future programs and policy directions.
- The aims of the Strategy were highly pragmatic. From the outset, emphasis was placed on defining a development strategy which consisted of an implementable set of policy reforms and development objectives endorsed by all principal actors.
- The right ministry was selected to direct the Strategy. The ministry selected was effectively at a higher hierarchical level than other ministries, which gave it the authority to lead the process.
- The GSL and the AID Mission also made good choices about the individuals to manage the Strategy. The Project Director ran the GSL's major economic planning department and was a recognized figure in government, which meant that the Strategy would be taken seriously by senior decisionmakers in participating ministries. The Technical Director (on the Strategy) was also a senior official and worked full-time, providing continuity and direction.
- Workshops and task forces proved to be extremely useful vehicles for communication and interaction. Analysts and decisionmakers rarely work together in the large complex institutions which oversee the agricultural sector. In the task forces and workshops set up as part of the Strategy, analysts and decisionmakers worked together to develop policy reform recommendations and action plans. The workshops also provided a forum for interchange between key decisionmakers in different ministries.
- The Strategy was product oriented. Each of the task forces was required to produce a report outlining policy changes and programmatic reforms for their subsector. Once the reports were finished, they were printed and distributed widely within and outside government.

- A long-term advisor provided by the AID Mission was used effectively. An important part of his effectiveness was that he worked with the Technical Director in the GSL. This allowed him to be considered a part of the process, rather than an outsider, and kept him focused on the Strategy itself.
- The Project Director and Technical Director developed a realistic time frame for the Strategy and then adhered to it. Milestones were also clearly set forth at the beginning which helped to keep the project on track.

## 2. BACKGROUND

When the idea of the National Agricultural, Food and Nutrition Strategy was proposed to the Government of Sri Lanka by USAID, key elements of the GSL were also keenly interested in assessing the future direction of the agricultural sector. The country was then approaching self-sufficiency in rice, which had been a central GSL goal since independence in 1948. The near attainment of this goal provided the impetus to take a fresh look at the sector. An equally important factor was that the post-1977 government sought to reduce the role of the state in the agricultural sector and increase the private sector's role, but a consistent implementable strategy to do this had not yet been formulated. The Strategy was conceived of as the instrument whereby the numerous ministries concerned with agriculture would develop a common policy and a unified approach for agricultural development over the next ten years.

The objectives of the Strategy as formulated by the GSL and endorsed by USAID were:

- to review the country's nutrition and agriculture situation with a view to understanding the main obstacles to better nutrition and agricultural growth;
- to examine the development prospects of the agricultural sector in order to identify opportunities for growth and expansion; and
- to define priority policy changes and investment opportunities.

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## 2.1 The Institutional Context

There are numerous government agencies involved in the agricultural sector, which is an important feature of the Sri Lankan public sector. These large complex ministries are engaged in such diverse activities as research, extension, farm management, processing, marketing and the provision of fertilizer, credit, water and other inputs.

In addition to their large size and diverse activities, these ministries are extremely complex institutions. Each ministry encompasses a number of different entities, including state-run corporations, boards, authorities, and departments. These entities tend to be semi-autonomous, and some even have sources of funding separate from the ministry's budget. This complex institutional structure had, therefore, become a fact of life in Sri Lanka and represented the institutional context in which USAID and the Government of Sri Lanka set out to define a National Agriculture, Food and Nutrition Strategy.

## 3. PROJECT COORDINATION AND ORGANIZATIONAL STRUCTURE

The selection of the agency to coordinate the Strategy represented the single most crucial decision for the success of this project. The AID Mission urged broadening the scope to include food and nutritional considerations as well as agriculture.

The GSL selected the National Planning Division (NPD) of the Ministry of Finance and Planning as the coordinating agency for the Strategy. The U.S. Agency for International Development endorsed this decision because, while it had little prior experience working with NPD, it was believed that participating ministries would more likely accept the leadership from the agency whose approval was needed for new projects and new investments. The Ministry of Finance and Planning plays a crucial role in deciding annual budget allocations and, therefore, has considerable influence over other institutions. The National Planning Division of the Ministry of Finance and Planning had little previous experience in implementing donor-funded projects of this nature, but it did have considerable prior experience in defining investment priorities, as reflected in the Public Investment Program it formulates and publishes every year.

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### 3.1 Participating Ministries and Organizational Structure

The Strategy was eventually formulated with the participation of the following ministries: Ministry of Agricultural Development and Research (food crops); Ministry of Lands and Land Development (irrigation); Ministry of Fisheries; Ministry of Rural Industrial Development (livestock); Ministry of Plantation Industries (smallholder tea and rubber); Ministry of Coconut Industries (smallholder coconut); Ministry of Plan Implementation (food and nutrition); and Ministry of Finance and Planning (overall coordination).

The organizational structure of the Strategy was a key ingredient of its success. It required the active participation of the implementing ministries. To maximize participation, a task force was organized within each ministry concerned. The task force was entrusted with producing the development strategy of the agricultural sub-sector falling under its purview. Each task force had an appointed convenor, who in most cases was the Additional Secretary or a high ranking official appointed by the Permanent Secretary of the Ministry.

### 3.2 The Use of Long- and Short-term Technical Assistance

The project design called for one long-term advisor to collaborate with the National Planning Division. The core tasks of the advisor were: (a) to serve as a technical resource for the task forces; (b) to advise on the utilization of appropriate quantitative methods to analyze agricultural production constraints, marketing, prices and nutritional needs; (c) to assist the National Planning Division in integrating the results of the task forces and short-term studies into an overall strategy; and (d) to provide access to a broad range of policies and program options and interpret experience in other countries relevant to Sri Lankan problems and alternatives.

The single most important strategic function performed by the long-term advisor was to assist each task force in the development of the terms of reference for their sub-sector review and strategy document. This activity built uniformity and compatibility into the analytical approach. Development of the analytical framework for the task forces' reviews also helped establish the long-term advisor as the essential link between the National Planning Division and the task force members.

Short-term technical assistance was provided by experts from the U.S. and other parts of the world. These outside experts worked on a series of special studies on topics such as rural credit, agricultural pricing, agricultural research, and the export potential of rice and selected spice and beverage crops.

A number of short-term advisors came to Sri Lanka to work on these studies for a period of approximately six weeks each. The outside advisors were normally paired with local counterparts who had pulled together background material prior to the advisor's arrival and worked with the advisor during their in-country assignments. This proved to be a successful structure for short-term assistance.

#### 4. IMPLEMENTATION

While there was a general idea of what the Strategy should consist of, considerable design and planning work was required at the beginning of the project. With the assistance of an advisor, the Project Director and Technical Director (both from NPD) were able to shape the direction of the work.

Under the work plan of the Strategy, each ministry was responsible for analyzing the appropriate future direction of its subsector and defining the necessary possibilities for institutional restructurings. These different elements were to be incorporated into a report which was to be published and distributed widely.

In addition to the analyses of subsectors, the Strategy was designed to address sector-wide, inter-ministerial issues, including agricultural research, agricultural credit, and agricultural pricing. The NPD identified studies to pinpoint improvements in the country's ongoing programs and policies.

The formulation of the Strategy was scheduled to take place over a two-year period. At the suggestion of AID, it included a set of inter-ministerial workshops, as well as task force meetings, preparation of subsector reports, special studies, and the formulation of action plans and investment programs.

##### 4.1 Preparation of Sub-Sector Reports

It was agreed at the inaugural strategy workshop that the task forces would present interim reports six months later. In general, these task forces met on a regular basis to frame the scope of the work and to discuss aspects of it. These meetings were significant in that they brought together representatives from the diverse divisions of these large complex ministries to discuss substantive issues. Within six months, each of the eight task forces were able to produce draft reports which were then submitted to the National Planning Division (NPD) for review.

Summaries of each of the task force reports then became part of the Ministry of Finance and Planning Strategy report. This report outlined the development strategy for the agricultural sector as a whole and set policy and funding priorities for each ministry. It was distributed to the donor community at the yearly Sri Lanka AID group meeting. By placing this document in the hands of the donor community, the government acknowledged acceptance of the development objectives and the policy reforms contained in the report.

#### 4.2 Policy and Programmatic Recommendations

Some of the major substantive recommendations for policy reforms and programmatic changes are listed below:

- Revise investment priorities. Reduce emphasis on the largest irrigation development project, which was absorbing close to fifty percent of the government's development expenditures, and accelerate other agricultural production activities.
- Design programs and projects to reform the rural credit structure, integrating the formal and informal channels of credit.
- Change the rice marketing system. Further reduce the role of the Paddy Marketing Board (government marketing agency) and promote private trade through special credit lines for product disposal.
- Establish a Price Policy Monitoring Unit to ensure that adequate returns are afforded to domestic producers.
- Finance feasibility studies and detailed sub-projects for agro-industrial development. Define price, credit, taxation, and tariff policies conducive to agroindustrial development.
- Privatize the two state sugar factories. Base sugar production on a combination of outgrowers and nucleus estate holdings by the private sector.
- For irrigation, shift from new facility construction to rehabilitation and finance rehabilitation through user fees.

- Move production and processing of milk from the state (National Livestock Development Board) to the private sector.
- Redesign the subsidy scheme for smallholder tea production to promote infilling rather than replanting.
- Index the value of food stamp allocations and link the food stamp program to the rice surplus disposal system.

Each ministry built these recommendations and policy reforms into their action plans for later implementation.

##### 5. PROJECT IMPACTS AND ACCOMPLISHMENTS

Capacity-building impacts were a major result of the Strategy. The Strategy had a strong impact on the analysts who participated in its formulation. The Strategy provided them the rare opportunity to analyze those issues which senior decisionmakers both within and outside a particular ministry had identified as being of tantamount importance. The exercise, therefore, strengthened the analytical abilities of technical officers in ministries. More importantly, the formation of task forces brought together the many disparate parts of these ministries and formed working relationships that had not existed before.

The Strategy also had a strong impact on interinstitutional interaction. Technical officers working in the different ministries seldom have the opportunity to look beyond their own ministry's area of concern. The Strategy's use of task forces and workshops made this possible and forced analysts to work together and arrive at a consensus with analysts and decisionmakers in other ministries.

The presentation of the Strategy also improved the relationship between the donors and line agencies. By helping the government define the fields, programs, and projects where it felt the donor resources would do the most good for the country, the Strategy helped organize the areas of concern and priorities of both line agencies and the donors' aid program.

The Strategy exercise also clearly had an impact on decisionmakers in these ministries. The Strategy forced decisionmakers to take a long-term policy perspective, which for many reasons is rarely done in this environment, and to take action on these recommendations.

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Impacts on policies and programs may be the most important outcome of the Strategy. In the past, donors have sold project ideas to line ministries (those responsible for implementing policy) that were mainly of interest to the donor. With the Strategy completed and priority programs and projects identified, it is now possible to guide donors to projects that fit within GSL established programmatic priorities.

From its inception, the Strategy directed a lot of attention to identifying constraints on agricultural production. Because of the Strategy, it became evident that limited marketing for certain foodgrains was a major constraint on agricultural production. The government then started looking into ways and means to support market development. Credit programs were developed to facilitate entry of individuals into marketing activities. The extension system, which previously had been charged solely with transmitting production information, was asked to communicate and deliver information on marketing prospects and other information that could help farmers make more informed production decisions.

The Strategy also strengthened the idea that the private sector should play a larger role in the agricultural sector of the economy. Although the present government believes in more private sector participation, the Strategy made evident the areas where state intervention had not delivered the expected results. It then became easier for the government to effect desired changes.

## 6. CONSTRAINTS AND POSSIBLE REMEDIES

The Strategy accomplished many of the objectives it set out to achieve. Certain constraints were encountered, however, as described below.

- Workload management. The coordinating body (i.e., The National Planning Division) experienced a significant increase in responsibilities and work load because of the Strategy. This situation can be avoided if potential implementation bottlenecks at key agencies are identified at an early stage and steps taken to reinforce those agencies.
- AID procurement regulation. Unnecessary delays were experienced because implementing agencies did not completely understand USAID financial and procurement regulations. It would have been valuable to set up seminars on USAID regulations and procurement practices early in the Strategy exercise for the benefit of local project managers.

- Project preparation conflicts. In this particular exercise, some project preparation activities were initiated, based on agricultural research and pricing recommendations made at the early stages of the Strategy. These tended to divert the attention of senior managers on the Strategy and made it more difficult to complete the exercise. It would have been preferable to start these project preparation activities after the Strategy was finished.

## 7. LESSONS LEARNED

The Strategy has been one of the few successful attempts in Sri Lanka to overcome the complex, cumbersome institutional structure and to develop a coordinated set of policies and investment plans. It is also a rare instance when a critical examination of existing policies and programs has been made, and a consensus reached about reforms and changes to the existing system. The most important lessons learned from this project include the following:

- It exactly matched the perceived needs of the GSL and was led entirely by the GSL staff;
- The right agency was selected to direct the Strategy. The Ministry of Finance and Planning was the only agency with sufficient influence to direct the many other ministries involved.
- The Project Director and the Technical Director of the Strategy were responsible for many of the accomplishments. Their involvement and commitment virtually guaranteed that the Strategy would be taken seriously by senior decisionmakers in the participating ministries.
- The product-oriented structure of the Strategy also accounted for its success. Each of the task forces were required to produce a specific product or report which recorded their future direction and policy and programmatic changes.
- A time frame for each part of the Strategy was also presented and then adhered to, which was an important factor in ensuring the completion of the document.

- Workshops proved to be extremely useful vehicles for communication and helped to reach closure on the final recommendations.
- The Strategy was a good mechanism by which the line ministries were drawn into the policy and program formulation stages, thus mobilizing the extensive knowledge of those working closely with the sub-sector and ensuring greater realism in implementation plans.
- An important aspect of the long-term advisor's effectiveness was that he worked for the Technical Director in NDP. This allowed him to be considered a part of the process rather than an outsider and kept him focused on the Strategy itself.

The Strategy represents a case where an AID Mission was able to set in motion many agricultural policy changes with relatively few resources and within a reasonable time frame. The right choice of implementing agency (National Planning), emphasis on a participatory formulation approach (task forces), good technical management (the long-term advisor), and a clear agenda with well defined landmarks (the study terms of reference), all combined to make this undertaking a major achievement.

ZAMBIA AGRICULTURAL TRAINING, PLANNING AND INSTITUTIONAL  
DEVELOPMENT PROJECT: SUMMARY CASE STUDY<sup>1</sup>

1. SUMMARY OF LESSONS LEARNED

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

The President and senior government officials recognized the need for changes in government policies and resource allocation decisions. They also recognized the importance of the agricultural sector in the rebuilding of the economy. Agriculture had long been neglected because of the country's emphasis on copper. In order to make improvements in the agricultural sector the donor analyses had outlined a number of steps to be taken. These included major macroeconomic reforms as well as sectoral reforms, such as increases in producer prices to reflect international prices, increasing government resource allocation to the sector, and encouraging greater flows of credit to agriculture by removing interest rate ceilings on loans to farmers, in addition to increasing the efficiency of agricultural parastatals.

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

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

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<sup>1</sup>Based on: Atherton, Joan, C. Reintsma, J. Tilney, and S. Block, Improving the Institutional Capability for Agricultural Policy Analysis in Zambia, APAP Staff Paper No. 8, Abt Associates Inc., Cambridge, MA, February, 1987.

the institutional capabilities of the government by improving various systems and procedures.

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

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

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

- Long-term training was a highly successful part of the project. Nearly all of the candidates who went on long-term overseas training have returned to responsible policy and planning positions in government. Part of this success resulted because all the trainees were required to have worked in government for a specified length of time at a job similar to the one to which they would return.
- Additional institution-building activities were also successful. These included the creation of a library and a computer center, presentation of workshops and seminars, and improvement of procedures, such as a consolidated crop forecasting survey. The latter activities were particularly important because they stressed the improvement of management skills of Zambian officials.

## 2. BACKGROUND: INSTITUTIONAL STRUCTURE FOR AGRICULTURAL POLICYMAKING AND ANALYSIS

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

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

The other key actors in the formative and decision stages concerning the agricultural sector include the Central Committee of the United National Independence Party (UNIP), which is charged in the Zambian Constitution with devising policies; the Cabinet; the Parliament; and the President, who maintains a small staff of advisors at the State House to review policy recommendations. The President sits as head of the parallel party and executive branch structures and is an ex-officio member of Parliament. As such, he plays a major role in these decisionmaking bodies.

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

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

### 3. PROJECT DESIGN

The Zambian Agricultural Training, Planning and Institutional Development (ZATPID) project was designed in early 1980. Its title describes well the major elements of the project design. The project was to include long- and short-term training of host country officials in agricultural economics, statistics, regional planning, public policy and related disciplines. It was also to include planning for the agricultural sector; in this case, a broad definition of planning was applied, which included policy analysis, resource allocation decisions at the national level, and investment analysis within the sector. Finally, institutional development was also to be a major component of the project. This was to include improvements in management skills, analytical tools and improved coordination between ministries dealing with the sector.

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

#### 3.1 Structure of the Project

The basic structure of the project was to form a collaborative relationship between a U.S. university and the Government of Zambia. The U.S. university would provide long-term technical advisors to work on the planning and institutional development

elements of the project and to oversee the selection of staff for long-term U.S. training. The U.S. university would also support the field activities and training activities and send short-term advisors to the field. Operational experts (OPEX) were also to be used on the project to fill the jobs of Zambian officials, while they received long-term training in the U.S. ZATPID's intention was to select a U.S. university particularly strong in agricultural policy analysis in order to support the policy reform required in Zambia.

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

The project was approved for implementation over a three year interval with the possible extension for an additional two years. Iowa State University (ISU) was selected to implement.

#### 4. IMPLEMENTATION

In the summer/fall of 1982, the three initial long-term advisors arrived in Zambia. The group consisted of a Team Coordinator (anthropologist), an agricultural economist, and an economist. The Team Coordinator was the only tenured faculty member provided to the project by ISU. The long-term advisors were located in MAWD/PD, because of its importance in agricultural planning and policy analysis. ZATPID also provided both long- and short-term training to staff at the National Commission for Development Planning.

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

The project proceeded relatively well. A detailed plan for long-term training in the U.S. was drawn up and implemented. Work began on the establishment of a MAWD/PD library and computer center, and the upgrading of the CSO data processing unit. Relations between the Zambians and the advisors gradually strengthened.

In 1984 AID conducted an evaluation of the project which recommended continuation for an additional two years, resulting in a five year life of project. A major recommendation of this evaluation was that the locus of decision-making shift from a project director on the ISU campus to a formal Chief of Party in Zambia. This was in the main implemented with the arrival of the new Chief of Party, although problems associated with the earlier arrangement lingered through the time of the 1986 assessment.

A new Chief of Party arrived in July of 1984 and the rest of the new team in the summer of 1985. The Chief of Party was again located in MAWD/PD, and overlapped with the Team Coordinator for one year. Three other analysts were placed in MAWD/PD, as well as one at the University of Zambia and one at the Central Statistics Office (CSO). The Chief of Party and the advisors continued the three main thrusts of work under the project: analytical studies, training, and institution-building. These are each discussed in more detail below.

#### 4.1 Studies

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

Topics for studies included: 1) Groundnut Production and Marketing in Eastern Provinces: A Market Analysis; 2) Corporation Assessment of Zambian Integrated Rural Development Programs; 3) Transport and Regional Pricing Model; 4) Analysis of Tractor Hire Rates Charged by Land Development Services; 5) Fertilizer Supply and Distribution: Issues and Constraints; and, 6) Zambian Agricultural Finance Markets: Appraisal of Recent Performance and Prospects.

While there was considerable unevenness in the quality and impacts of these studies, it is clear that a number of them resulted in some tangible policy change, or initiated a lively debate on the topic which may result in positive changes in years to come. It is difficult to generalize from such a small group of studies, but several points need to be emphasized. In the

first place, the studies and activities which were generated from outside political pressure or from the interests of senior government officials were more likely to result in immediate impacts than those generated internally from the Planning Division or from the TA team by itself. This is because important individuals were willing and able to mobilize support for the study results. This does not mean that staff in MAWD/PD or the technical assistance team should not suggest studies, but rather before studies are initiated, intensive consultations need to occur with the senior Ministry and Government officials in order to solicit interest and direction. Without this, the study runs the risk of being an academic exercise.

Complex quantitative modelling exercises were performed almost exclusively by the ISU team. Zambian policymakers tended not to appreciate the relevance of these models, which as a result were generally not institutionalized. While such models may be useful, their complexity should be kept to realistic and sustainable levels in the local context.

Several of these studies were conducted by short-term advisors. The effectiveness of short-term advisors was inherently limited by their unfamiliarity with the local situation, and the fact that they do not remain in the country to follow through on their recommendations. This situation could have been improved if the short-term advisors had worked more closely with the Zambian members of the team.

#### 4.2 Training

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

#### 4.3 Long-term Training

The bulk of the long-term overseas training was in economics and agricultural economics and took place at Iowa State University. At the time of the assessment ten individuals had returned from long-term training overseas. Nine of the ten long-term trainees who returned were still with the institution from which they departed for training, and all nine of these occupied positions from which they may affect the policy process.

The major problem encountered with the long-term training was that although the positions filled by the individuals were appropriate to permit application of their skills, the structure

and size of their workload often allowed little opportunity for engaging in medium-to-longer-term analysis work. This was particularly a problem in MAWD/PD, where the best trained technicians were almost totally taken up by a barrage of daily "fire-fighting" activities, not the least of which was responding to requests by the Minister and Permanent Secretary.

#### 4.4 Workshops and Seminars

The second major aspect of training was formal in-service training such as workshops and seminars. These activities have been an important part of the project, were considered to be a very effective institution-building tool by a number of Zambian and expatriate observers, and need to be continued. Workshops and seminars were given in such areas as public administration and agricultural pricing. The workshops have imparted knowledge on specific subjects, allowed for feedback and participation in policy and program/project activities, given Zambians at different levels the opportunity to interact, and motivated staff who were often suffering from low job morale for other reasons.

#### 4.5 On-the-Job Training

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

In the first place, there were simply an insufficient number of Zambian technicians. There were 23 Zambian staff members at the headquarters of MAWD/PD, and 17 expatriate advisors at the time of the assessment. This situation will improve as more Zambians return from long-term training. At the same time those staff members who were most productive and highly trained, and therefore had the most to gain from working closely with expatriate advisors, were generally the same people who spent nearly all their time responding to immediate requests from the Minister or PS, attending meetings, writing speeches, and taking trips. Although this does not reflect the positive project impact that decisionmakers relied heavily on the Planning Division, it ultimately proved a serious problem for counter-part relations by modernizing the collaborative aspects of on-the-job training. This aspect of the project would have been more successful had the expatriates themselves placed greater priority on it.

## 5. PROJECT IMPACTS

It is believed that the ZATPID I project did have an impact on agricultural policy and the policy process. This occurred both in relation to specific policy changes, and in relation to longer-term institution-building activities that will assist in making the Zambian policy process analytically stronger and more empirically-based. These impacts are discussed below.

### 5.1 Capacity-Building Impacts

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

### 5.2 Inter-Institutional Coordination

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

### 5.3 Direct Impact on Decisions, Policies and Programs

A number of direct impacts on policy decision-makers resulted from the project. As mentioned earlier, it was possible to confirm that specific studies were, in fact, used by GRZ

decisionmakers in the policy process. Prime examples were the groundnut study, the agricultural finance markets study, the tractor hire study, and the study of integrated rural development programs. These project outputs (and follow-up activities such as Cabinet Memoranda) formed the basis of specific policy recommendations, often presented by the Minister of Agriculture to his colleagues in the Cabinet, or to the Central Committee. In another example, the Rural Development Studies Bureau (RDSB) carried out a brief study on the small farm sector under ZATPID financing. This resulted in a member of the Cabinet sending an investigation team to the Copperbelt to look into allegations of land grabbing uncovered by the study.

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