

APAP Staff Papers

AGRICULTURAL PLANNING
AND INSTITUTIONAL
DEVELOPMENT IN PERU

APAP Staff Paper No. 18

Adapted by Marcia Jerrett

Primarily From: Schreiner, Dean
and Jerry B. Martin, et. al,
Evaluation of the Agricultural
Policy and Institutional
Development Project, Abt
Associates Inc., for
USAID/Peru, 1988

August, 1988

AGRICULTURAL POLICY ANALYSIS PROJECT

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FOREWORD

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

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

This case study was adapted from the final evaluation of the Agricultural Planning and Institutional Development Project (APID-PADI), Project Number 527-0238, in Peru for the Comparative Evaluation of Agricultural Policy and Planning Projects conducted under the Agricultural Policy Analysis Project. The final evaluation of the APID Project was conducted for USAID/Peru by Dean F. Schreiner, Oklahoma State University and Jerry B. Martin, Hyatt, Boggio and Associates, with contributions by Carlos Pomareda of the Interamerican Institute for Cooperation on Agriculture, also under the auspices of Abt Associates Inc.'s Agricultural Policy Analysis Project (February, 1988). Additional input to the case study was gathered from a review of other project documentation, including the mid-term evaluation conducted by Coopers & Lybrand in May, 1986, and an annex to the proposal for project extension, written in February, 1988. This staff paper was edited by Stephen Heinig of Abt Associates Inc.

ABSTRACT

This case study is one of a series of staff papers that are part of the Comparative Evaluation of Agricultural Policy and Planning Projects component of the Agricultural Policy Analysis Project. This case study was adapted from the final evaluation of the Agricultural Planning and Institutional Development Project (APID) in Peru. The purpose of the APID Project, initiated in 1983, was to strengthen the Government of Peru's capacity to formulate sound agricultural policies and effectively manage the implementation of those policies. This five year massive project, with a total funding of \$23,980,000, had 11 diverse activities under four components: agricultural policy support, information support, management support, and human resources development. The project was exceedingly complex, and made more so by changes in government leadership over its duration.

At the heart of the project was the controversial issue of coordination and management among the 11 sizeable, well structured, and sometimes independent, activities. Despite problems with activity coordination, and despite the fact that about half the activities fell short of plan, by the end of five years, the APID Project was highly successful in generating policy and program, capacity building, and interinstitutional impacts. The project is currently being extended. Remaining to be solved are issues of the long term institutionalization of a policy analysis group, the role of the National Agrarian University in capacity building and policy analysis, and the means for closing out project activities.

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 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 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.
- 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:

- Limited capacity to analyze policy alternatives and to formulate coherent policy directions;

- A virtual absence of reliable information to guide decision making in both the public and private agricultural sectors;
- Public sector management systems inadequate to identify problems, determine causes, and suggest remedies;
- A shortage of well trained and experienced administrative and technical management talent in the agricultural sector; and
- Lack of effective dialogue between the public and private agricultural sectors.

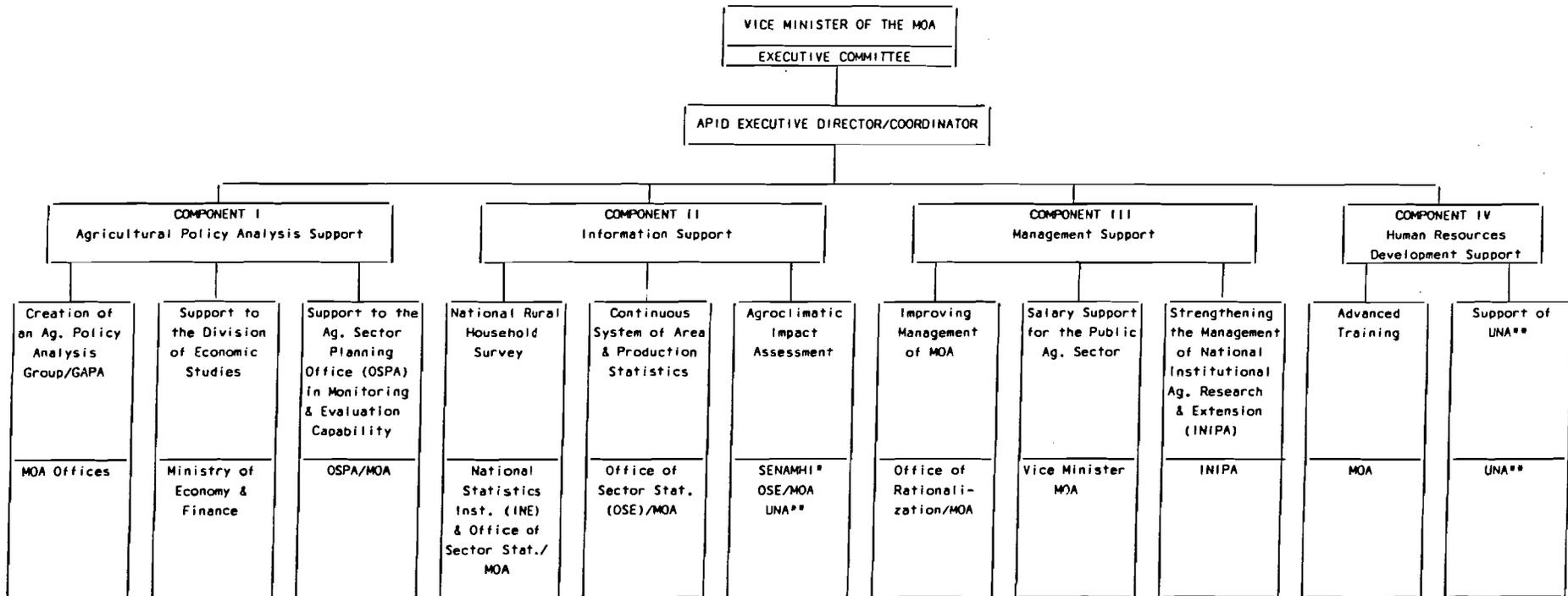
The APID Project was developed to address these constraints. Table 1 on the following page, presents the APID activities and institutions. The APID Project, with 11 different activities under 4 components, was administered through 4 different institutions and at least 9 departments within those institutions. 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.

Table 1

AGRICULTURAL PLANNING AND INSTITUTIONAL DEVELOPMENT (APID) PROJECT

COMPONENTS AND ACTIVITIES: INSTITUTIONAL LOCATION



* National Meteorological & Hydrological Service (SENAMHI)

** National Agrarian University (UNA)

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 unhar-

nious. 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 concensus 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 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, through 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. Numerous written requests from public sector officials for PMS training gave testimony to its enthusiastic acceptance in Peru during the past two years. In fact, about 1300 executives, professionals and technicians, representing 180 institutions, attended the 45 PMS training sessions. Furthermore, the PMS was institutionalized in APID, and

throughout the agricultural public sector since 1984, and it has been used widely by APID and other agricultural sector staff.

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.

The work of GAPA had a dual purpose: policy analysis and proposal of policy options for consideration by the Minister of Agriculture and for discussion between him and other high ranking officials in the government. Given these purposes, the impacts and outputs were of two types: first, information for policy reform and adjustment; and second, analysis and dialogue with decision makers to prevent policy decisions that at first glance appear desirable, yet, once analyzed in depth, may be found inadequate.

These tasks were performed well by GAPA through maintaining close communication with the Minister. It was difficult to separate those policy proposals in which GAPA bore full responsibility for analysis and formulation because it worked in close cooperation with other institutions of the public agricultural sector. However, it was clear that GAPA had a major contribution to a number of policy decisions. Since its creation in 1984, the most important Legislation in which GAPA staff had a significant input included the following: 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.

Indirect policy and program impacts were also generated by two other APID activities. Support to the Division of Economic Studies in MEF led to: (1) the improved organization of sectorial data which was used by MEF for its policy efforts and; (2) the production of studies and models leading to better dialogue between MEF and MOA. Also, the results of the National Rural Household Survey were used by GAPA in the formulation of the Highlands Development Plan (Plan Sierra) (see list above).

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. Similarly, the evaluators pointed out that MOA's relationship with MEF was too limited, but that limited or focused relationship yielded successful support and shared outputs from the Economic Studies Division of MEF; outputs that were used by MOA and MEF in their policy analysis efforts.

Finally, as noted above, the PMS had wide interinstitutional impacts affecting 1300 people in 180 institutions in its training and applications, and the agroclimatic impact assessment was a successful joint effort of the MOA and the Ministry of Defense.

5. LESSONS LEARNED

5.1 Institutionalization of Policy Analysis

- A strategy that encourages the institutionalization of the process of policy analysis is stronger than a strategy that calls for the institutionalizing of policy analysis in any particular public or private agency. The institutionalization of the process builds a broader base of institutional and individual involvement in short-term and long-term policy analysis and implementation, and hence has more stability, staying power, and breadth of focus.
- 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.
- The institutionalization of a policy analysis group, even a successful one as GAPA, is a highly complex process. Evaluators found that the likelihood of continuation of GAPA, structured as a small highly qualified nucleus of professionals, to play the role of policy-oriented research and advisory service is conditioned by the following factors: First, the willingness of the Minister of Agriculture (whoever he may be) to accept advice from highly-qualified technical staff rather than have such a group dedicated to developing arguments in favor of political decisions. Second, availability of funds to pay such professionals who are exposed to "bearing the cost of wrong advice" and who have a high opportunity cost. Third, the existence of a mechanism to allow the functioning of the policy analysis group "close to the Minister," but not within the public sector unless salary constraints and administrative limitations were solved. Fourth, the acceptance of GAPA within the bureaucracy, particularly among the long term career professionals of the Ministry (some of whom were highly qualified and received low salaries) and see the policy analysts/experts as "outsiders."

5.2 The Conduct of Policy Analysis Studies

- Analysis and formulation of short-run policies must 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. 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 the base for doing long-term policy analysis must be found.
- Policy analysis studies provide information on alternative courses of action. The political decision on a particular issue does not necessarily imply that it was the best decision based on the opinions of the researchers. Political considerations are the framework of reference for the analysis of policy options and ultimate decisions.
- 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. Some studies, because of the issues analyzed, may not need to be published, and others, because of their brevity, may not justify a publication. Nevertheless, it is important for the 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.
- Because many of the proposals of GAPA were based on informal documents, and sometimes only through verbal communications, it is difficult to assess what proportion of Ministerial decisions were actually the recommended alternative proposed by GAPA. Yet it was well recognized that a great majority of Ministerial decisions and dialogue with other Ministers was founded on GAPA contributions.
- Information activities such as the National Rural Household Survey, that utilized expertise from various departments, even those outside the headquarters for that activity, tended to have greater success. Those activities such as the continuous system of area and production statistics which experienced a lack of consensus among experts suffered from more delays or even failure.

5.3 Capacity Building, Training, and Salary Issues

- The success of the APID project was directly attributable to the high quality staff engaged in implementing key components. The project design identified the problem of low government salaries and required the GOP to formulate a salary plan that would attract and retain high quality professionals in key areas of the project. The GOP and AID management were clever in devising new ways to meet the project requirement, but a permanent solution to recognize and compensate superior professional corps of analysts/researchers/administrators continues to be elusive.
- The highest paying and best managed institution will attract and retain the best professional talent. The process is competitive and government agencies should be able to compete with universities and private institutions.
- 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.