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QUARTERLY REPORT

April 1 - June 30, 1993

Economic and Policy Analysis Project

Economic Wing

Ministry of Food, Agriculture and Cooperatives

Islamabad, Pakistan

Chemonics International Consulting Division

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EPA Deliverable

EPA Quarterly Report

(April 1 - June 30, 1992)

**1.0: Highlights:**

1.1. Progress: During the 2nd Quarter of 1993, a project phase-out strategy was initiated and a wrap up of project activities begun. The work on AGDAT/PC was completed. The expatriate long term Statistical Advisor departed post on 28 May, 1993. Inventories were reviewed and corrected. The separation process for four long term and one short term local staff members was completed. In addition, considerable effort was spent preparing a proposal to extend the project for three months, until 30 September, 1993.

There were three TDYs from 1 April, 1993 to 30 June, 1993: Don Lybecker, Dan Hillemen and Jim Longmire. During these TDYs, a good deal of training took place and substantial progress was made with regards to enhancing the sustainability of the professional skills of the staff of the Economic Wing (EW).

**1.1.1: Farm Income:** Three EW Research Monographs on the EW farm income estimates were published. In addition, a sophisticated computer based presentation on the procedures used to estimate farm income was developed and used in numerous presentations.

**1.1.2: AGDAT/PC:** Version 2 of AGDAT/PC was completed, but installation of Version 2 on non EW computers did not progress as fast as had been planned for.

**1.1.3: Effective Communication:** The last in-country TDY by Dan Hilleman dealing with effective communication was completed. A "draft" of a 15 minute video on the purpose of the EW was

completed, shown to several audiences and received very positive responses. More important was the enhanced ability to incorporate good communication principles into the construction of graphics.

**1.1.4: Expanding Pakistan's Crop Production:** Work continued involving the use of the EW's Farm Income Model and commodity balance sheets as a basis for examining the potential for expanding the production of Pakistan's major crops. Jim Longmire's TDY was devoted to this effort, but Dan Hilleman also participated in planning for the development of a 20 minute video which would summarize this work.

**1.1.5: Establishing an EW Enterprise Cost Data Base:** This activity turned out to be very frustrating. Don Lybecker discovered the data base in its existing form was in very bad shape and the work on this data base could not be completed by 30 June, 1993 as planned.

**1.1.6: EW/EPA Intern Program:** The EW/EPA interns were involved with almost all of the analytical work and working in collaboration with expatriate consultants and EW staff, they contributed significantly to the progress made during this quarter.

**1.2: Problems and Disappointments:** Despite the progress made in dealing with substantive work, little progress was made in dealing with the long standing serious problems associated with the organizational sustainability of the EW that have been discussed in earlier Quarterly Reports. These continuing and frustrating problems will only be listed in this Quarterly Report.

1) A briefing by EW staff on project accomplishments was finally given to the Secretary, Additional Secretaries and other officials of MINFA. However, it was clear that until that briefing, MINFA officials had little or no understanding of the purpose of the EPA project as it relates to the EW. Even now, there seems to be little real understanding on the part of the Secretary of the purpose of either EPA or economists in general.

2. The development of a reliable historical series of farm income estimates for a country is a major event and its attainment is a demonstration of considerable professional capacity of the EW staff. There is no apparent effort to capitalize on such information.

3. The problem of decreasing EW staff numbers in the face of increasing MINFA demands for EW staff work does not appear to be receiving attention on either the supply or the demand side. The numbers of professionals available for work within the EW has dropped from 36 one year ago to 23 today.

4. The middle level leadership problems within the EW continue. The naming of an acting Director for DAS for December, 1992 through February, 1993, who was paid for with PLA funds, was only partially successful and contributed nothing to dealing with the basic long term problem of DAS leadership. The immediate leadership problems of DAS were eased somewhat by the appointment of the senior DAS staff member as permanent Deputy Director of DAS. However, the individual does not have the apparent leadership capacity needed to maintain the long term minimal professional

capacity within DAS. In addition, a totally unsuitable outside candidate was assigned to fill a vacant Deputy Director position while suitable EW candidates were not considered for promotion. This person remains in place even though it was agreed by the powers that be that the person is a dead weight loss to the EW. I have not seen or spoken to the Director of Economic Research despite the fact that all but one of her staff are housed with EPA. There is no evidence to EPA staff that this Director participates in an EW activities. This is a serious problem for the EW staff who supposedly expect professional leadership from this Director. Three more EW staff left in January, 1993 for long term training; this is favorable for the EW in the long term, but aggravates the serious short term problem of staff shortage.

## **2.0 Progress During the Quarter:**

2.1: Farm Income: Three manuscripts on farm income: "Pakistan Farm Income: Gross Farm Income Generated by Commodity, 1983/84 through 1990/91", "Pakistan Farm Income: Gross and Net Farm Income by Province, 1983/84 through 1990/91" and "Pakistan Farm Income: Data Tables, 1983/84 through 1990/91" were submitted to the printer and were delivered shortly after the end of the Quarter. The three publications were well done and represent as significant feat. An EW/EPA intern working with Mr. Abassi of the EW and Don Lybecker developed a very effective Quattro Pro slide show which demonstrates the procedures used by the EW to estimate farm income. This slide show has been very effective in a presentation to the

Additional Secretary, an FAO Policy Work Shop and numerous other presentations. With only a little support from the EW managers, the generation of updates or farm income estimates will be a sustainable activity.

2.2 AGDAT/PC: AGDAT/PC, Version 2 has been completed. Version 2 presents the data base in a much more user friendly way, but three substantive developments incorporated into Version 2 are of much greater importance. First, AGDAT/PC is now a subsystem of AMIS and can be down loaded from AMIS. This strengthens the chances that AGDAT can be sustained. In addition, the comparative international data has become an integral part of AMIS. Second, a dual output system was developed so that data can be generated in either local units (acres and maunds) or metric units (hectares and tons). This will make AGDAT more valuable for generating output that is presented to general audiences. Third, The farm income data has been incorporated as a component of AGDAT/PC and AMIS. The work on AGDAT/PC was completed during this quarter and while the main objectives of the activity were accomplished, it was not possible to accomplish two objectives: establishment of a Users' Group and wide spread installation of AGDAT/PC. An AGDAT Users' Group was not developed because the considerable time and leadership needed to develop such a group was just not available. The Users' Group could have performed two tasks. First, it could have generated a demand for the continuation of AGDAT which was external to the EW and this would have helped insured sustainability of AGDAT. Second, the Users' Group could have

provided a means of providing the training needed for AGDAT/PC users. AGDAT/PC was installed at ten non-EW sites, but it was originally envisaged that AGDAT would be installed at more than twice that number. At every site where installation did take place, limitations in the computer system were encountered that involved limited operator skills and inadequate hard disk storage even though AGDAT was designed to work under such conditions.

2.3: Effective Communication: Professor Dan Hilleman of the CSU returned for his second TDY and brought with him the "draft" version of the 15 minute video on the EW as well updated versions of the computer software needed to develop effective communication packages. Dan Hilleman worked with his Pakistani counter part (consultant Inam ul Haq - a retired GOP official) to identify EW communication issues and to develop solutions to problems. The earlier conclusion that greater emphasis needed to be placed on the use of graphics and the development of presentations that would be effective outside of the normal MINFA channels was reconfirmed. Presentations developed using the principals advocated by Hilleman have already proved to be effective.

2.4: Scenarios for Expanding Pakistan's Crop Production: Dr. Jim Longmire of Queensland University, Brisbane, Australia conducted his second TDY. The work on the potential for expanded crop production was policy and program oriented and was undertaken by a task oriented work team comprised of EW staff and EW/EPA interns. The study emphasized the potential for expanded production of wheat, cotton, basmati rice and coarse rice. Three

scenarios were developed: a) continuation of past trends, b) an effective fertilizer program and c) an effective crop improvement program (which included the effective fertilizer program). The slide show used to present the results of this work was continuously revised to respond to the comments of various audiences (e.g., NARC scientists, representatives of Farmers Associates Pakistan and ARD/USDA). This work was done in part as the basis for EW support of work being done by Dr. John Mellor.

#### 2.5: Establishing an EW Enterprise Cost Data Base:

Considerable effort in collaboration with IFPRI had already been put into the attempt to develop an enterprise cost data base that was built upon the survey of 1300 farms carried out by Faisalabad Agricultural University. Close examination of the computerized data base by Don Lybecker resulted in the discovery of many problems with the data base. Procedures were developed for dealing with these problems and a start was made on building a functional enterprise cost data base. However, because of the crush of other work, this effort was interrupted and completion will be delayed until either late July or August, 1993.

2.6: A No-Cost Time Extension for EPA: A proposal for a no cost time extension until 30 September was developed and approved. The objectives of the no cost extension are 1) development of objective estimates of the potential for the expansion of Pakistani crop production, 2) presentation of five Policy Impact Conferences (PICs) in September, 1993 - an effort that will be spear headed by John Mellor Associates, 3) complete the development of an

enterprise cost data base for major Pakistani crops and 4) support the completion of a farm management handbook that is based in part on the information used in the enterprise cost data base.

### **3. Major Work Efforts - IIIrd Quarter, 1993:**

3.1 Estimating the Potential for Expanding Pakistan's Crop Production: This involves the work begun during the first Quarter of this year. Dr. Jim Longmire will return on a TDY to work with the EW/EPA interns and selected EW staff to complete a presentation on the potential for expanding crop production by modifying Pakistan's policies and programs. This material will be presented during a mid July Work Shop. The forty participants in the Work Shop will consist of farmers and agricultural scientist selected by a five member Work Shop Advisory Committee consisting of Iqbal Mustafa of the Farmers Association of Pakistan, Dr, Hashmi of NARC, Dr. Bashir Ahmed of AUF, Khawaja Shabbir of the EW and Ian Twyford (FAO) from the Nation Fertilizer Development Center. The material from the work shop will be used as the basis for developing a 20 minute video which will be presented at the five PICs planned for September, 1993. The video will also be of use after completion of the PICs.

3.2 Policy Impact Conferences (PICs): Five PICs will be presented: one in each province and the final PIC in Islamabad. The four themes of the PICs that will be organized by John Mellor Associates, will 1) price policy, 2) policy and program changes to expand production (an EPA/EW task), 3) water management and 4) reform of research and extension institutions.

3.3 Enterprise Cost Data Base: Work will be completed on incorporating the 1,200 farm survey data from the Punjab into an enterprise cost data base for future use by the EW. It may be possible to extend the work to the NWFP survey data, but it appears that the quality of the Sindh and Baluchistan survey data does not warrant further work.

3.4 Support of Completion of a Farm Management Handbook: Dr. Bashir Ahmed of AUF supervised the farm management survey mentioned above and is endeavoring to incorporate the data into a revision of a farm management handbook. Such basic information is crucial to much policy work and EPA will support this work and provide for the publication of the handbook.

**Table 1: Status of EPA/EW Training Programs: Quarter-II, 1993**  
**Revised 1992-93 Work Plan**

Act. No.	Activity Name	----- PMs ----->				
		Prior Qtrs.	This Qtr.	Total	Total Planned	% Complete
DP01	I/O Analysis	11.0	2.0	13.0	7.0	185.7
DP03	Agg. Sup. to Ag.	6.5	0.0	6.5	5.0	130.0
DP04	Wheat Study	3.0	0.0	3.0	12.0	25.0
DP05	PASM	14.0	0.0	14.0	14.0	100.0
DR01	Sit. Report Wht.	9.5	1.0	10.5	8.0	131.3
DR02	Sit. Reports Major	11.0	0.5	11.5	8.0	143.8
DR03	Sit. Reports Minor	4.0	0.0	4.0	4.0	100.0
DR04	Farm Income	22.0	1.0	23.0	16.0	143.8
DR05	Farm Budgets	9.0	3.0	12.0	5.0	240.0
DR07	Marketing Margins	9.5	0.5	10.0	8.0	125.0
DR08	Productivity Index	4.0	0.0	4.0	4.0	100.0
DS01	Data System & AGDAT	33.0	8.0	41.0	30.0	136.7
DS05	Pak. Ag. Statistics	5.0	2.0	7.0	5.0	140.0
DS11	Crop Forecasting	3.0	1.0	4.0	3.0	133.3
EW01	Annual Work Plan	8.5	0.0	8.5	10.0	85.0
EW03	Purpose Statements	4.0	0.0	4.0	4.0	100.0
EW06	Computer Plan	57.0	0.0	57.0	43.0	132.6
EW08	Seminars	14.5	2.0	16.5	20.0	82.5
EW10	Pakistan Agriculture	4.0	0.0	4.0	5.0	80.0
EW11	Effective Commun.	16.0	8.0	24.0	20.0	120.0
EW12	EW/EPA Intern	80.0	12.0	92.0	70.0	131.4
EW13	Task Oriented Team	80.0	20.0	100.0	70.0	142.9
TOTAL		408.5	61.0	469.5	371.0	126.5