

**RESTRUCTURING ASSISTANCE AND POLICY ADVICE FOR THE
MINISTRY OF AGRICULTURE AND FOOD OF GEORGIA**

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Memorandum

To: Giorgi Iakobashvili, advisor to the Minister
Cc: David Kirvalidze
Date: March 30, 2001
From: Don Van Atta
Subject: restructuring of the Ministry's Central Apparatus

I thought it might be useful to put on paper what we talked about the day before yesterday. I have attached below a chart comparing the existing central apparatus and my suggestions for reorganizing it. I have used names attached to units of the United States Department of Agriculture not because I think that necessarily is the model that should be followed but because I have a fair idea of what each of those units does and so they seem like good English equivalents. Obviously there are a great many ways to organize and structure the work that the Ministry needs to do, and so the names and structure I propose below should be considered as suggestions.

Four principles underlie this proposed structure:

1. The tasks of the ministry are (1) to help producers prosper, (2) to improve access of the whole population to inexpensive, safe food and agricultural raw materials and (3) to assure the quality and safety of the food supply. The Ministry does not organize the supply of food to cities, or the system by which it is produced. Although many agricultural ministries do maintain intervention stocks, that should not be the job of this ministry at present simply because there is no money for doing so.
2. Policy activities (determining policy, relations with other branches of the government) are the task of the Minister and his deputies, who are political appointees and so responsible for these matters. Therefore, activities in which policy is determined or which involve relations with other branches of government are brought as close to the Minister as possible. Policy analysis should be done by a specific function unit which is somewhat protected from political pressure, including pressure from the Minister.
3. day-to-day operations should be decentralized and pushed as far down the staff ladder as possible. The Minister and his deputies should not have to be very much concerned with the day-to-day business of the Ministry.
4. Activities for the functioning of the Ministry as an agency should be functionally and organizationally separated from activities for clients outside the Ministry.

I would suggest grouping administrative functions under the first deputy minister on the grounds that the first deputy in any organization is normally the person concerned with the organization's internal organization and functioning. It might make more sense to eliminate the position of first deputy minister and make oversight of these activities the job of a Ministry Secretary or equivalent senior civil servant.

**Suggestion for Reorganizing the Ministry's Central Apparatus
(major organizational units shown in bold type)**

MAF = Ministry of Agriculture and Food

DAWE = Department of Amelioration and Water Economy

Existing units (from "Staff List of Ministry of Agriculture and Food, January 2001")	Comments	Proposed units
Apparatus of Minister		Minister's personal staff
	Relations with Parliament are a political task, and the job of the Minister	Parliamentary relations office
	This legal office serves the Minister alone, not the Ministry. The reason is that the Minister is likely to need his own legal advice at times, and will certainly want to bring in his own lawyer. Doing so should not disrupt the normal work of the Legal Department.	legal office
	This is a politically-loaded unit. Let the Minister oversee it directly. Hopefully it can be eliminated in the future.	Sector for Rehabilitation of the Abkhazian and Ckhinvali Regions
Division of Information	Make part of Minister's staff. Relations with the press are his business, although a great deal of this will be routine work	press office
	Opens the correspondence and routes it in cooperation with Chancellery	secretariat
	This unit must be autonomous. However, it ultimately must report to the Minister since he is responsible for what goes on in his Ministry.	Auditing and control office
Main Administration of Science and Education	Make part of Agricultural Extension service in Agricultural Department. The Ministry should not be involved with education in the sense of running schools. Commissioned agro-technical research probably belongs under the Extension Service. Commissioned economics research should be managed by ERS.	
Legal and Parliamentary-Relations Administration	Split, placing parliamentary relations on Minister's staff, legal office in administrative department. Relieve first deputy minister of parliamentary secretary functions.	

Division of Accounting	This unit should do all accounting and bookkeeping for entire Ministry, including all subunits. Logically, it should be in the Administration Department, though there may be legal reasons to leave it alone. The internal accounting and control functions of the Financial-Economic Department should be moved here.	
Administration Department		Administration department
	(moved from above)	Division of accounting
Chancellery		Chancellery
Division of Organization	The functions of this division are unclear to me. Is this the personnel department?	
Protocol -Organizational Division	The protocol functions of the foreign department should be placed here.	Protocol division
Division of Control	Auditing service should be made autonomous and report to Minister – see above	
Personnel department		Personnel division
Division of Staff and Military Mobilization	I know why this is here, but is it really needed?	Military mobilization division (if required to remain by law)
		Legal department
	Moved from Agrarian Reform Department	Relations with regional departments of agriculture
	A single purchasing department should buy everything the Ministry's own units need in order to improve budgetary control and obtain quantity discounts.	Procurement (Purchasing) department
	There is no reason to have this a separate entity. Roll Ltd "Economic Services" back into the ministry	Building services and maintenance department
		Building security
	The ministry owns some vehicles, so there must be a garage even if it's not shown on the list I have.	Motor pool
Agrarian Reform Department	This department should be split. Functions that have to be performed once as part of the transition to a market economy should be left with it. Once those things have all been done, the department itself should be eliminated. Continuing functions should be placed elsewhere as appropriate	Agrarian Reform Department
Administration of Privatization		Administration of Privatization
Administration of Relations with Regional Bodies	Should be placed in administrative department	

Sector for Rehabilitation of the Abkhazian and Ckhinvali Regions	If this unit is to survive, it probably should be placed directly under the Minister given its political sensitivity	
Administration of Investments and Projects	Eliminate. The Ministry should not be in the business of designing investment projects, though it can and should help private investors and entrepreneurs contact one another	
	From food industry department. Do this, privatize the enterprises, and eliminate the department	[food-]Industry Rehabilitation Administration
International Relations Department	Change the name to emphasize that the job is to find foreign markets, not control foreigners. Protocol functions, such as organizing schedules for visitors, should be put with protocol department above. International market analysis should be part of the ERS' job since there is only one world market.	Foreign Agricultural Service
Administration of International Coordination	At least in translation, these departments seem to have the same name...	
International Cooperation Administration		
Sanitary and Phytosanitary Enquiry Point	I don't understand this one, but it looks like a candidate for elimination. Phytosanitary control should probably be under the agricultural department with other regulatory agents.	
		Agricultural attaches' service
	Should be a protocol and coordination job. Technical details, such as calculation of WTO indicators, should probably be done with the ERS	Relations with international organizations
	Should coordinate and assist donors, not order them around.	Division for coordination of international technical assistance
Financial-Economic Department	Department should be split. Internal management and accounting functions should go to the Accounting Division in the Administration Department. Economic research functions (tracking and forecasting markets, etc) should be given to a separate ERS	
Financial Administration	Roll into accounting department, above. The Ministry's job is not to direct or deliver resources to agriculture, so the allocative functions of this administration should be eliminated.	

Planning and Forecast Administration	The Ministry's job is not to direct or deliver resources to agriculture, so the allocative functions of this administration should be eliminated.	
	Absorbs part of the old Fin-Econ Department. However, this unit's job is to monitor markets and carry out other research which helps policy makers and producers understand the market and its tendencies. Since this also does international market analysis, will need to work closely with FAS, above.	Economic Research Service
	The food-balance division from the Food Industry Department. Their job is to track and forecast, not plan.	Market forecasting division
	One can't do policy research without statistics, much as this may not be to the liking of the State Department of Statistics	Agricultural statistics and census division
	Does things like calculate measures of producer and consumer subsidies	Agricultural policy research division
	Research is only useful if it is made public. Should work closely with agricultural extension	Publication department
Agriculture Department		Agricultural Production Department
Crop and Amelioration Division	I suspect so many "amelioration's" are a translation problem. If not, they should be eliminated and rolled together in the soil fertility service.	
Soil Fertility and Amelioration Sector	The issue is to keep the land in good shape, including soil and everything else connected with it	Conservation service
Livestock Administration	This should have purely regulatory functions. Livestock breeding is a private-sector activity. Veterinary and public-health matters should be done by the Veterinary department.	
Environmental Administration	May be unnecessary, since environment in general is not the MAF's concern. Could also be put together with soil fertility service.	
	This is the most important production-related function of any Ministry of Agriculture. Former Main Administration of Science and Education can be one basis for this unit.	Agricultural Extension Service

	This is basically a workplace health and safety function. The existing agricultural equipment inspection should go here, therefore.	Machinery and equipment testing and certification
	From food industry department, with a new mission. Job is to help producers sell more, not tell them what and where to sell.	Market-development administration
Agro-engineering Service and Mechanization Department	Eliminate this department. DAWE should of course be made part of the Ministry proper.	
Chief of Department		
Water Management Administration	Duplicates DAWE. Eliminate	
Food Industry Department	Make part of agricultural production department. Since Ministry has an advisory, not a production-management, function, it need not worry about conflict of interest between primary agricultural producers and processors. Instead, all production-related activities can be placed in one department	
Industry Rehabilitation and Development Administration	This is an agrarian reform function. Put in that department, eliminate it when done.	
	Put all the regulation functions together in one unit, since they will likely conflict with production-oriented tasks of rest of Ministry.	Consumer Protection Department
	Includes customs controls	Sanitary and Phytosanitary standards enforcement
Product Licensing and Consumers' Rights Protection Administration	Put all the food inspectorates here	Food quality assurance inspection
Marketing Administration	Move to Agricultural Production Department	
	The work of determining grades and standards and ensuring they harmonize with other nations' standards is a government function. Move it into government.	Grades and standards laboratory
Bread Product and Food Department	Eliminate as a separate department	
Food and Market Regulation Administration	Regulation of market prices is no longer part of job. To the extent involves grades and standards, move to Consumer Protection Department as part of Sanitary and Phytosanitary standards.	
Food Balance Division	Move to ERS	
Market Regulation Division	Eliminate.	