

Workshop Proceedings

Agriculture Public Expenditure Analysis
Country Experience Sharing Workshop

WHITE SANDS CONFERENCE CENTER
DAR ES SALAAM
TANZANIA
JUNE 13-14, 2013

SPONSORED BY:

NPCA
FAO
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CAADP MULTI-DONOR TRUST FUND

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Overview

The NEPAD Agency jointly with the World Bank and FAO, with funding from the Bill and Melinda Gates Foundation and CAADP Multi-Donor Trust Fund, organized a two-day workshop on Agriculture Public Expenditure Reviews undertaken recently in sub-Saharan countries. The workshop took place on June 13-14, 2013 at the White Sands Conference Center outside of Dar es Salaam, Tanzania.

The country-based studies of agricultural public expenditure were undertaken with support from the FAO's Monitoring African Food and Agricultural Policies (MAFAP) Program or the World Bank's Strengthening National Comprehensive Agricultural Public Expenditure in Sub-Saharan Africa (AgPE) program, with both of these programs provided amongst the instruments of support from the NPCA to countries participating in CAADP.

In all, seventeen countries participated in the workshop. Many of these have recently completed a public expenditure analysis of their agricultural sectors, with the resulting reports publically available, while other countries were in the midst completing analysis, while a handful of countries were at the initial stages of preparing TOR and mobilizing consulting teams. This workshop built on earlier workshops sponsored by either the FAO or WB that focused on methods and process for countries just initiating public expenditure analysis with support from the programs.

The two day workshop opened with an overview of objectives, then a review of the methods and processes deployed in undertaking the MAFAP and AgPE programs. Next, a synthesis of results across the country studies was presented that drew on those that were completed by the time of the workshop. This was followed by country representatives from Togo, Ghana and Burkina Faso presenting their country experiences with and results from the public expenditure studies undertaken under these two programs. After a lively discussion of issues raised by workshop participants, the final session of the first day turned to two types of more specialized public expenditure analysis – impact assessment and medium-term expenditure (MTEF) planning – with the former illustrated with preliminary results from a case study of the Tanzania input subsidy voucher program (NAIVS).

The second day mobilized three panels to focus on three aspects of carrying out agricultural public expenditure analysis – process, analytical results (findings and implications) and achieving impact with study results. Each panel was asked to address a number of prepared questions, and then fielded questions from other participants. After the mid-day break, break-out groups provided an opportunity for workshop participants to have smaller group discussions on each of the same three topics, with group discussions reported back to the plenary. The workshop then provided a session in which each country delegation was provided the time to discuss workshop implications for their specific country contexts, and to begin preparation of any summary report they needed to prepare on return home. The workshop then concluded with summary remarks from the FAO and World Bank before being closed by the NPCA.

Objectives

The purpose of the workshop was to enable participants to learn from each other through sharing their country experiences in undertaking agricultural sector public expenditure analyses over the past several years. This was intended to focus both on experiences in carrying out public expenditure analysis and also on the substantive analytical results and emerging recommendations.

The workshop was also expected to begin pulling together implications of, and ideas from, the experiences in conducting these studies, to help inform the design of possible next phases of support to countries to strengthen agricultural public expenditure analysis as an input to more effective planning and implementation of such expenditure in the sector.

Participation

The workshop was targeted at technical persons from the countries which have participated in one or both of the FAO's MAFAP and World Bank's AgPE Analysis programs. The NEPAD Agency invited Governments to invite up to three persons to take part in the workshop, preferably members of the technical team or coordinating committee that Ministries of Agriculture had established to facilitate the recent collaborative work on agricultural public expenditure work. Participants also included representatives from other ministries that played a core role in guiding the public expenditure analyses, such as ministries of finance and of planning. In all, seventeen countries were represented at the workshop. Apart from government participants nominated by their ministries, other participants included consultant experts that undertook the country studies, and representatives from organizations such as the Regional Economic Commissions, FAO, World Bank, IFPRI and ReSAKSS. Participants are listed in annex.

Program
Agriculture Public Expenditure Analysis
Country Experience Sharing Workshop

	Time	Session	Presenter/Moderator
	Wednesday Check-In and 7:00p – 8:00p Early Registration		
	Thursday June 13, 2013		
	8:00-8:30a	Registration	
1.	8:30-9:15a	Welcome, Overview, Objectives	NPCA, MAFAP, WB
2.	9:15-10:15a	Methods and Process	MAFAP & WB
	10:15-10:30a	Break	
3.	10:30-11:30a	Preliminary Results: Cross-Country Synthesis	MAFAP & WB
4.	11:30-12:45	Discussion	MAFAP
	12:45-2:00p	Lunch	
5.	2:00-3:15	Country Presentations : Togo, Ghana, Burkina Faso	Country Teams – Togo, Ghana, Burkina Faso
	3:15-3:30	Break	
6.	3:30-4:30	Country Presentations Discussion	WB
7.	4:30-5:30	Specialized Analysis – MTEF, Impact Assessment	WB, Consultants
	7:00p	Cocktail	
	Friday June 14, 2013		
8.	8:30-9:30a	Process – Data gathering; participation; timeframe; costs...	Moderator: WB Panel: Country Reps, Consultants
9.	9:30-10:30a	Analytical Results – Findings, Implications	Moderator: MAFAP Panel: Country Reps, Consultants
	10:30-11:00a	Break	
10.	11:00-12:00	Achieving Impact	Moderator: NPCA Panel: Country Reps, Consultants
	12:00-1:30p	Lunch	
11.	1:30-2:45p	Experiences and Implications: Break-out session 1 (2 groups per topic) <ul style="list-style-type: none"> • Process • Analytical Results • Achieving Impact 	Intro: MAFAP/WB Facilitators in each group
12.	2:45-3:30p	Country Teams break-out session 2: individual country teams draw lessons, plan next steps	
	3:30-4:00p	Break	
13.	4:00-5:30p	Plenary: Groups' Report Back	WB/MAFAP
14.	5:30-6:00	Synthesis Remarks	WB/MAFAP
15.	6:00-6:30p	Closing	NPCA
	Saturday June 15 Check-out		

Session 1. Welcome Remarks

The management of the NEPAD Agency appreciates the efforts made by countries and RECs in promoting the CAADP agenda; the progress realized over the last 10 years is evidently a result of collective action and responsibility. NPCA commits to continued brokering technical and financial support to foster agriculture-led efforts in countries and RECs – especially in light of the new focus on transformation of the agriculture sector and in line with “Sustaining CAADP Momentum”.

We strongly maintain that the 10% budget allocation and the 6% agriculture growth-rate targets are important but: a) we need to ensure that public expenditures bring about the desired growth and development and trigger private sector investments; and b) link between impacts / results and value for money. In this regard, NPCA places importance on strengthening the evidence base, and accordingly promotes the application of instruments such as joint sector reviews and agriculture public expenditure studies.

The NEPAD Agency registers thanks to the various partners that have been part of strengthening the evidence-base specifically in the agriculture public expenditure landscape. Gratitude goes out to the World Bank (a special mention of Stephen Mink for his personal efforts and drive) for partnering with NPCA on the AgPE Programme for Sub-Saharan Countries. Appreciation also goes to the Gates Foundation for providing the financial resources that have been used in undertaking AgPE studies in 19 countries. The support provided by FAO to 10 Sub-Saharan countries to undertake agriculture public expenditure studies on the “Monitoring African Food and Agricultural Policies” (MAFAP) Project.

The NEPAD Agency will continue delivering on its mandate on delivering on the CAADP agenda – including inter alia translating policy and political decisions into technical frameworks and guidelines; brokering technical and financial support & partnerships; and facilitating information / knowledge generation and sharing. This cross-country learning event on agriculture public expenditure studies is one of such events in which information sharing and peer learning among countries is promoted. I encourage you to learn from one another and leave you with an inspiration drawn from a West African saying thus: “the left hand washes the right hand, and similarly the right hand washes the left hand”.

Session 2. Methods and Process

Session on Process and Methods

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PROCESS (1)

- Types of studies supported by the Program
 - Basic Diagnostic
 - Specialized
 - Expenditure Component Impact Evaluation
 - Public Expenditure Tracking Surveys (PETS)
 - Medium-Term Expenditure Framework (MTEF)
- Studies actually implemented – mostly Basic Diagnostic studies

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PROCESS (2)

- Countries joined the Program in three rounds
 - 2011: *Togo, Senegal, Malawi, Ethiopia, Mozambique, CAR*
 - 2012: *Burkina Faso, Ghana, Cote d'Ivoire, Guinea, Sierra Leone, Guinea, South Africa, Nigeria, Togo (Phase 2)*
 - 2013: Botswana, Chad, DRC and Lesotho
- Teams: consultants, technical teams, coordinating committees
- Time frame: 6 mos. (plan) -> 10 mos. (often)
- Budget cost: up to US\$ 100,000 per study

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PROCESS (3)

- Steps:
 - Preparation, clarification of key questions, of scope
 - Method of analysis: choice then data base creation and analysis application
 - Recommendations in various areas
 - Return to entry points for use of results

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METHODS (1)

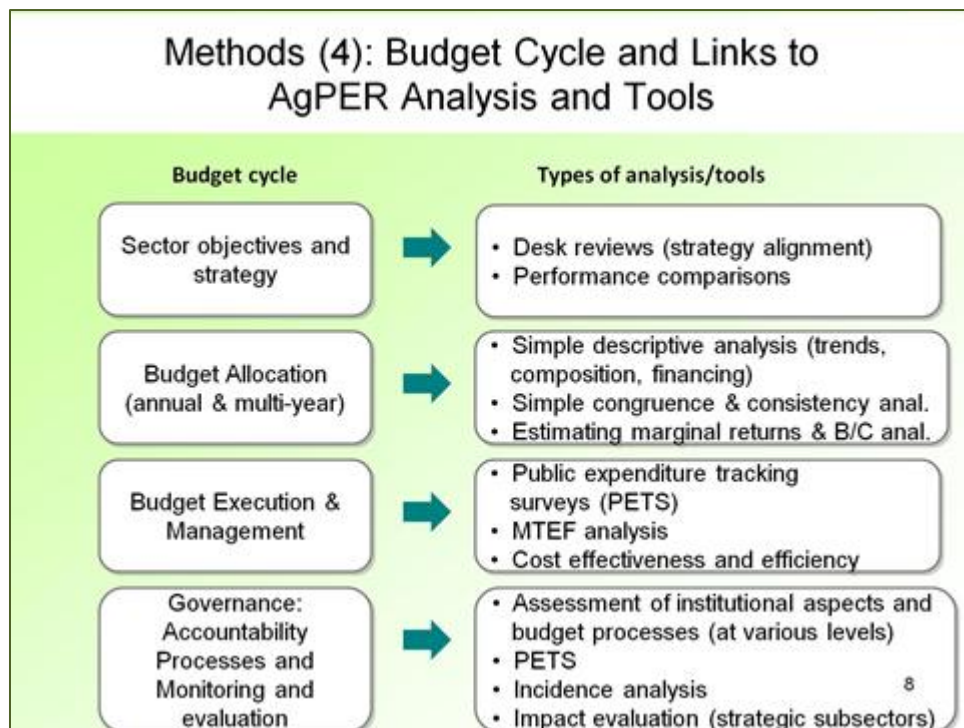
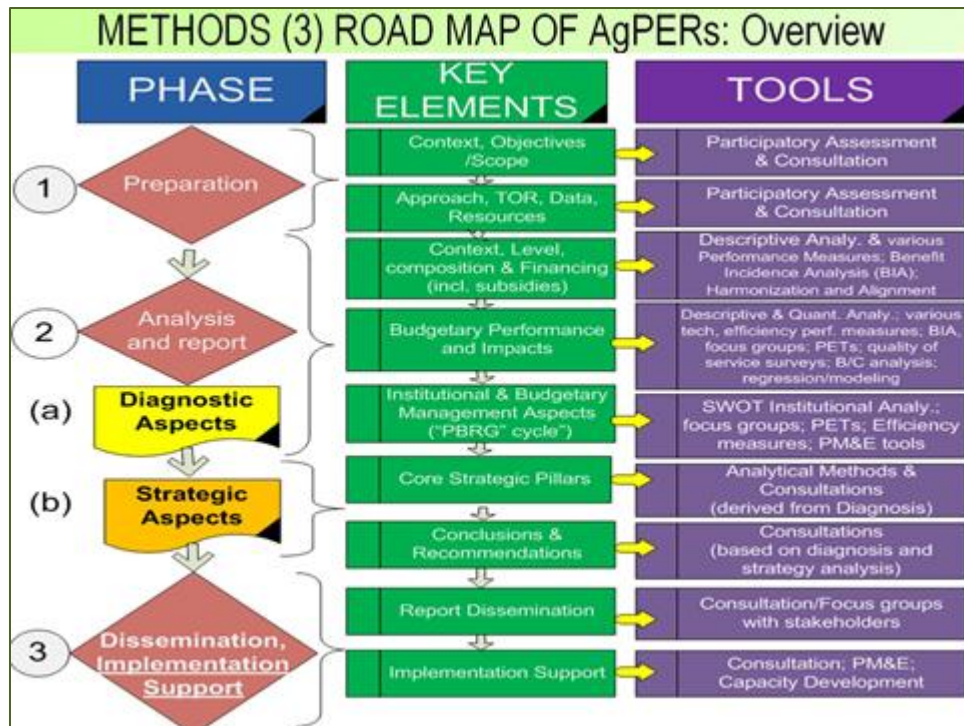
- Focus today mostly on Basic Diagnostic studies
- Methodology covered in detail in earlier training workshops: Accra (2011), Abidjan (2012); materials on the Program website

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METHODS (2)

- Scope defined by Guidelines for CAADP agriculture expenditure tracking:
 - COFOG classification of agriculture, to cover crops, livestock, production forestry, fisheries
 - Scope typically covers multiple Ministries, and changing Ministries over the period;
 - Agencies – food security agencies, input subsidy implementers, research institutes, ...
 - State enterprises (net flows with public budget)
 - Central and local government spending
 - Rural infrastructure: irrigation yes; rural roads no (->COFOG plus)
 - Off-budget expenditure on public goods (mostly a donor finance issue; data collection)
 - Permits comparison with Maputo 10%

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METHODS (5) – Allocative Efficiency

- Allocative Efficiency: extent to which the budget allocation is aligned to the national & sectoral development strategy.
 - Does it address constraints?
 - How has this changed from previous years?
 - Wage and non-wage?
 - Recurrent and capital?

IS MONEY ALLOCATED TO THE RIGHT THINGS?

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METHODS (6) – Technical Efficiency

- Technical Efficiency: what is the efficiency of achieving strategic outputs and outcomes?
 - Budget execution (planned vs. actual)?
 - Unit costs?
 - Leakages?
 - Thematic focus as part of basic diagnostic studies – e.g. input subsidies, irrigation, private/public goods
 - Assessed through using different tools: public expenditure tracking surveys, cost-efficiency, incidence analysis, impact evaluation.

IS IMPLEMENTATION EFFECTIVE?

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Summary: Process and Methods

Budget Cycle	Public Spending Analysis Scope/ Questions	Data Requirements	Types of Analysis	Areas of Recommendations	Potential Entry points
Sector Objectives & Strategy	Intended focus of public spending <i>Questions:</i> What are the government national and sector objectives and strategies? Is the policy environment conducive to investment returns?	Government targets: (e.g.) Agricultural growth, food security, poverty reduction Strategy components Policies (e.g.) Net taxation	Desk review Performance comparisons	Strategy alignment Potential gains from policy improvements vs. public spending	Sector reviews Strategy updates
	Allocative efficiency of public spending <i>Scope:</i> The broader the coverage the greater the scope for analysis of allocative efficiency <i>Questions:</i> How can allocative efficiency of public spending be improved? (Is money being allocated to the right things?) What aspects of the budget process have led to current levels of efficiency?	Budget allocations: Levels Functional composition Development vs. recurrent Capital vs. current Wage vs. non-wage Public vs. private National vs. sub-national Across provinces/districts	Simple inductive analysis Simple congruence analysis Estimating marginal returns	Changes to spending allocations across spending categories	Ministry/local government budget guidelines Formulas used in allocation decisions Sector review linkages
Budget Execution	Technical efficiency of public spending <i>Scope:</i> The deeper the coverage the greater the scope for analysis of technical efficiency <i>Questions:</i> How can technical efficiency of public spending be improved? (Is implementation effective?) What aspects of the budget process have led to current levels of efficiency?	Budget execution: Budgeted vs. allocated vs. actual Timing of releases Indicators on: Quality of services	Public expenditure tracking Cost effectiveness	Budget releases Technical design Procurement and fiduciary capacity	Ministry of Finance budget management Reviews of sub-programs Ministry of Agriculture/Local Government guidelines for project appraisal Training and HR plans
	Accountability of public spending <i>Questions:</i> What indicators are used to measure performance? Who is accountable for public spending outcomes, and to whom are they accountable?	Coverage of services Impact of services Formal channels of accountability to stakeholders	Incidence analysis Impact evaluation	Program targeting Implementation Accountability mechanisms	Ministry/local government budget guidelines Ministry MBE system

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Program web site:
www.worldbank.org/afr/agperprogram



Thank you !

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Monitoring African Food and Agricultural Policies



Monitoring African Food and Agricultural Policies (MAFAP)

Public Expenditure Analysis
Methods & Process

Christian Derlagen, Policy Analyst
Dar es Salaam, 13 June 2013



With the financial support of

BILL & MELINDA
GATES foundation

Monitoring African Food and Agricultural Policies

What is MAFAP?

- a system to monitor the effect of policy on agricultural producers in Africa
- analysis and information for evidence-based policy making and investment decisions
- quantitative tool to monitor progress towards CAADP and national policy objectives
- built and implemented by FAO with national partners – government & research



The MAFAP monitoring system

- Looks at price incentives and disincentives in countries' key agricultural value chains
- Analyzes public expenditure in support of the food and agricultural sector
- Assesses policy coherence:
 - public expenditure vs. price support
 - policy effects vs. policy objectives



Where we work

PE reports available

Burkina Faso
Kenya
Mali
Tanzania
Uganda

PE work ongoing

Ghana

PE work planned

Ethiopia
Malawi
Mozambique
Nigeria



<http://www.fao.org/mafap>



Methodology – Main Features

Based on OECD methodology:

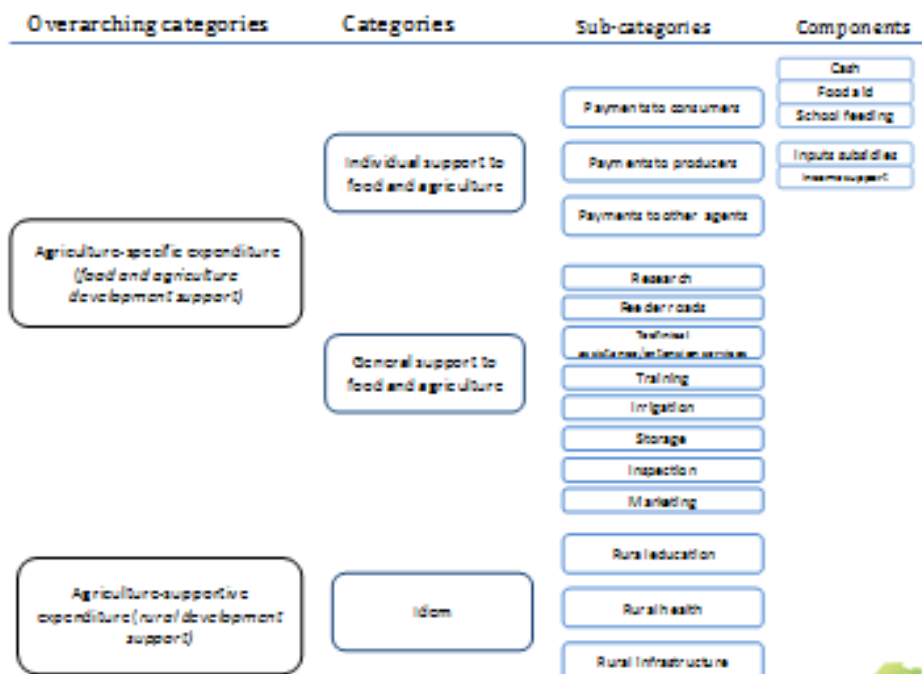
1. Agriculture Specific Expenditure
(payments and general sector support)
2. Agriculture Supportive Expenditure
(rural development)

Focus on economic characteristics of expenditure measures, disaggregated level

Covering five-year period, but updated annually



Monitoring African Food and Agricultural Policies



Methodology (..continued)

Broad scope: rural development spending, revenue foregone, administrative cost vs. policy transfers, share of aid

Comparable across countries; COFOG compatible

Allocation to commodities to estimate commodity support

Combination with price analysis provides comprehensive analysis of support to agricultural sector



Country-Level Approach

Structural collaboration with national teams to develop a sustainable policy monitoring system

Ministry of Agriculture

Research Institutes

Ministry of Finance

Responsible for data collection, analysis and uptake through policy dialogue



Monitoring African Food and Agricultural Policies

For more information: www.fao.org/mafap



The screenshot shows the homepage of the Monitoring African Food and Agricultural Policies (MAFAP) website. The header features the FAO logo and the text 'Food and Agriculture Organization of the United Nations' on the left, and the MAFAP logo with the tagline 'Monitoring African Food and Agricultural Policies' on the right. Below the header is a navigation menu with links for 'Home', 'About MAFAP', 'MAFAP Partner countries', 'MAFAP Products', 'Publications Archive', 'News', 'Contact MAFAP', and 'Login'. The main content area is divided into several sections: a large image of a person carrying a basket of corn with the text 'Building a unique system for monitoring national food and agriculture policies'; a section titled 'What is a nation?' with a sub-header 'What is a nation?' and a paragraph explaining that FAO is working with national partners to set up a sustainable system for monitoring the impact of food and agricultural policies; and a 'Featured' section with links to 'Country reports and Technical notes', 'MAFAP Quick Links' (including 'Food and Agriculture Policy Diagnostic reviews Tool (DAPDA) & SA, IAG' and 'Country/CTE Map'), and 'Latest Publications'. The MAFAP logo is also present in the bottom right corner of the page.

Session 3. Preliminary Synthesis Results

STRENGTHENING NATIONAL COMPREHENSIVE AGRICULTURAL PUBLIC
EXPENDITURE IN SUB-SAHARAN AFRICA

SYNTHESIS OF THE AGPER REPORTS PREPARED UNDER THE NEPAD/GATES/WORLD BANK PROJECT

Sergiy Zorya and Joel Hourticq, World Bank
Cross-Country Experience Sharing Workshop
Dar es Salaam
June 13-14, 2013

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Outline

1. Context
2. Levels of Expenditure
3. Allocative Efficiency
4. Technical Efficiency
5. Links between Expenditure and Sector Outcomes
6. Challenges

1. Context

- Consolidated syntheses of the country-level AgPERs
- The presentation covers 6 basic PERs in Burkina Faso, Ghana, Cote d'Ivoire, Liberia, Senegal, and Togo
- The results of the Malawi study are still the work in progress
- Part 1: Levels and allocative efficiency
- Part 2: Technical/implementation efficiency, ownership, and internalization of results

2. Levels of Expenditure

- Total agricultural budget and trends
- % of total national expenditure, GDP, and Ag GDP
- % of donor funds
- % of off-budget funds

COFOG Definition

1. Crops
2. Livestock
3. Fisheries
4. Forestry
5. Natural resource management related to agriculture

... COFOG Plus

1. Water and sanitation
2. Feeder roads
3. Social infrastructure

Total Agricultural Budget [US\$ million]

Countries	2005	2009	2011	% Change
Burkina Faso	125	250	274	119%
Côte d'Ivoire	72	133	-	85%
Ghana*	125	251	333	167%
Liberia	1	45	56	1580%
Senegal*	190	360	-	89%
Togo	15	37	66	352%

* Off-budget expenditure not included.

Ag. Expenditure per Capita of Rural Population [US\$]

Countries	2005	2009	2011
Burkina Faso	11.2	20.8	22.0
Côte d'Ivoire	12.3	19.1	-
Ghana*	13.0	25.8	33.9
Liberia	0.7	4.7	10.0
Senegal*	29.8	51.1	-
Togo	4.5	11.0	19.3

* Off-budget expenditure not included.

Ag. Expenditure in Total Budget, %

Countries	2005	2009	2011
Burkina Faso	9.2	10.9	9.5
Côte d'Ivoire	2.8	3.3	-
Ghana*	8.4	10.3	11.2
Liberia	-	7.2	6.7
Senegal*	9.8	10.9	-
Togo	5.0	5.1	5.7

* Off-budget expenditure not included.

Ag Expenditure in Ag GDP, %

Countries	2005	2009	2011
Burkina Faso	6.5	9.2	8.4
Côte d'Ivoire	1.9	2.3	-
Ghana*	3.1	5.0	3.6
Liberia	-	6.8	6.8
Senegal*	13.0	20.4	-
Togo	1.8	3.6	5.6

* Off-budget expenditure not included.

Ag. Expenditure in GDP, %

Countries	2005	2009	2011	Budget revenue as% of GDP, 2011 (exc. Grants)
Burkina Faso	2.3	3.0	2.5	17
Côte d'Ivoire	0.4	0.6	-	-
Ghana*	1.2	1.8	0.9	17
Liberia	-	3.9	3.6	-
Senegal*	2.2	2.8	-	-
Togo	-	1.2	1.9	17

* Off-budget expenditure not included.

Domestic and Donor Funds

Share of Domestic Funds, %

Countries	2005	2009	2011
Burkina Faso	24	37	48
Côte d'Ivoire		62	
Ghana*	73	61	63
Liberia	-	21	38
Senegal*	45	41	-
Togo		64	

* Off-budget expenditure not included.

Off-Budget Funds

Amount of Off-Budget Funds, US\$ million

Countries	2005	2009	2011
Burkina Faso	23	49	55
Côte d'Ivoire	14	54	-
Ghana	n.a.	n.a.	n.a.
Liberia	-	28	47
Senegal	n.a.	n.a.	n.a.
Togo	5	9	4

Off-Budget Funds as % of Total Aq Budget

Countries	2005	2009	2011
Burkina Faso	18	20	20
Côte d'Ivoire	19	40	-
Ghana	n.a.	n.a.	n.a.
Liberia	-	62	72
Senegal	n.a.	n.a.	n.a.
Togo	32	23	6

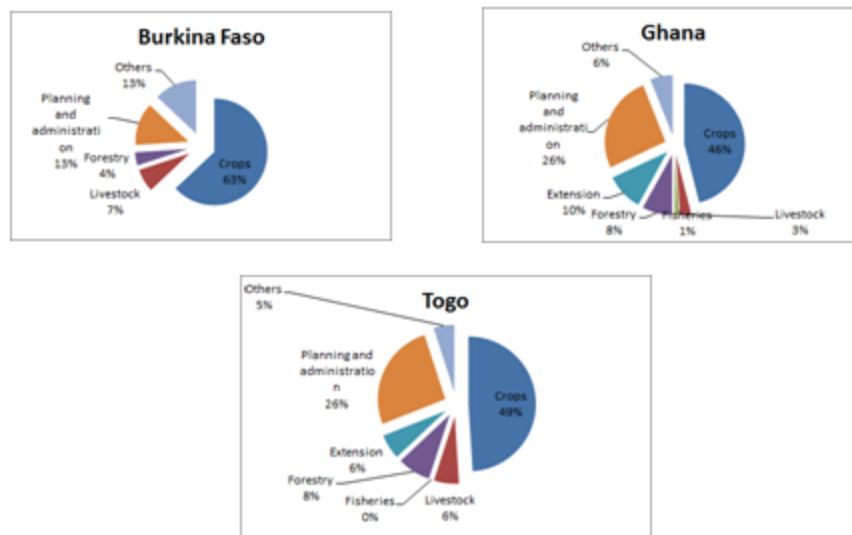
3. Allocative Efficiency

- Alignment with strategic priorities
- Sectoral composition
- Centralized vs. decentralized funds
- Economic composition
- Public vs. private goods

Alignment with Strategic Priorities

- All reports assess the alignment of the expenditure with strategic priorities
- Some studies compare the expenditure shares with sub-sector GDP shares:
 - Burkina Faso: Livestock sector is clearly underfunded compared to its role in rural areas
 - Togo: since 2010 the alignment has improved, but still export crops receive most funds while livestock and research are underfunded
- But, a thorough analysis is often missing:
 - Role of the government is not clearly defined
 - Little discussion of the allocative trade-offs
 - Lacking clarity of priorities

Sectoral Composition



But Often is Not Clear What Expenditure Is Spent On; Good Examples from MAFAP

Year 2010	Burkina Faso (billion FCFA)	Tanzania (billion TSH)
Payments to producers	25,296	133.7
input subsidies	24,404	116.3
Payment to consumers (food aid, cash transfers)	4,097	0.0
Payments to input suppliers	571	0.0
Payments to processors, intermediaries and transporters	52,183	3.0
General sector support	10,156	277.7
Agricultural research	3,936	49.1
Training and extension	27,000	184.2
inspections	14,698	3.1
infrastructure	1,593	3.5
Public storage	63,073	0.9
TOTAL AG BUDGET	76,584	414.4

Source: MAFAP.

Centralized and Decentralized Spending

	Burkina Faso	Ghana	Liberia	Togo
HQ		51%	100%	70%
Technical Directorates		21%		28%
Total Central	92%	72%	100%	98%
Regional & Local Offices	8%	27%	0%	2%

Economic Composition [1]

Share of Recurrent Funds in Total Funds, %

Countries	2005	2009	2011
Burkina Faso		20-25	
Côte d'Ivoire		66	
Ghana	58	60	40
Liberia	68	83	79
Senegal	39	39	-
Togo		73	

Economic Composition [2]

Share of Wages in Total Funds, %

Countries	2005	2009	2011
Burkina Faso		10-15	
Côte d'Ivoire		36	
Ghana	27	22	27
Liberia	35	48	27
Senegal	7	6	-
Togo	29	17	9

Public vs. Private Goods [1]

Fertilizer(/input) subsidy

Countries	Year	% subsidy in market price	Share of subsidy in ag budget, %
Burkina Faso	2008-11	40	5
Ghana	2008-10	?	33
Liberia	2008-10	100	7
Malawi	2008-11	95	~ 60
Senegal	2005-09	?	23
Togo	2005-10	35-40	28

Public vs. Private Goods [2]

Public Ag. Research Spending as % of Ag. GDP

Countries	IFPRI 2008 or 2009	AG PER Studies, 2011 or 2012
Burkina Faso	0.36	0.33 (2004-2011)
Côte d'Ivoire	0.54	
Ghana	0.60	
Liberia	n.a.	
Malawi	0.71	
Senegal	0.87	
Togo	0.37	0.21 (2005-2010)

Source: IFPRI, 2013.

4. Technical Efficiency

- Execution rates: budget preparation and execution issues
- Monitoring and evaluation

Execution rates: budget preparation and execution issues

General trends:

1. Overall: unsatisfactory agriculture sector performance

		< National budget performance	< Forestry performance
Burkina Faso MAH 2004-2011:	66%	97%	
Côte d'Ivoire 1999-2010:	62%		
Ghana MOFA 2001-2011:	72%		
Liberia MoA 2007-2010:	76%		95%
Senegal national resources 2005-2010:	90%		
Togo MAEP 2002-2010:	56%	77%	90%

Execution rates: budget preparation and execution issues

2. Wages > Non-wage recurrent > Internally funded development/capital > Donor funded development/capital

Burkina Faso MAH 2004-2011:	90% - 72% - 84% - 59%
Côte d'Ivoire 1999-2010:	90% - 62% - 35% - 23%
Senegal national resources 2005-2010:	100% - 94% - 89% - ?
Togo MAEP 2002-2010:	104% - 71% - 69% - 23%

Execution rates: budget preparation and execution issues

3. Central level performance > Decentralized services performance

Ghana 2001-2011: MOFA HQs 130% - Tech. Dir. 68% - RADUs/DADUs 33%

Execution rates: budget preparation and execution issues

Example of significant improvement in execution rates: Burkina Faso

		2004-2005	2006-2008	2009-2011
MAH	Recurrent	74%	92%	92%
	GoBF funded investment	76%	66%	95%
	Donor funded investment	61%	68%	49%
MRA	Recurrent	67%	88%	99%
	GoBF funded investment	25%	52%	93%
	Donor funded investment	67%	38%	52%

Also observed in Côte d'Ivoire and Senegal.

Monitoring and Evaluation

- M&E generally neglected, often completely missing, at all levels (central services and projects)
- Information management (storage and dissemination) widely not taken care of.

5. Links between Expenditure and Sector Outcomes

At first sight there seems to be a correlation between levels of agricultural spending and agricultural growth...

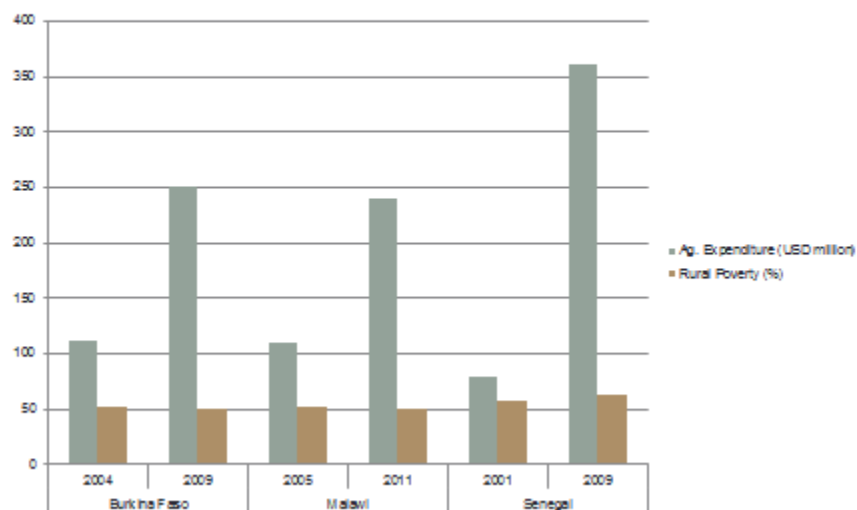
Country	Share of Ag Spending in national budget, 2009, %	Ag Spending per capita, 2009, \$	Share of Ag Spending in Ag GDP, 2009, %	Output Growth 2001-2009, %
Burkina Faso	10.9	20.8	9.2	3.22
Côte d'Ivoire	3.3	19.1	2.3	1.40
Ghana	10.3	25.8	5.0	4.17
Liberia	7.2	4.7	6.8	1.05
Senegal	10.9	51.1	20.4	3.62
Togo	5.1	11.0	3.6	1.39

... however output growth is generally mostly accounted for by agricultural area extension (largely driven by population growth) rather than yield increase...

BURKINA-FASO	Average yields 2005-2007, tons/ha	Average yields 2008-2011, tons/ha
Mil	0,90	0,78
Maize	1,63	1,54
Paddy	2,02	2,09
Sesame	0,46	0,65
Groundnuts	0,70	0,79
Soja	1,21	1,58
Niébé	0,63	0,73
Sorghum	1,06	0,95

SENEGAL	Average yields 2000-2004, tons/ha	Average yields 2005-2009, tons/ha
Mil	0,66	0,67
Maize	1,81	1,74
Paddy	2,58	3,23
Groundnuts	0,84	0,84
Cassava	5,63	7,54
Sorghum	0,79	0,88

... and agricultural growth is insufficient to have a significant impact on rural poverty.



Conclusion:

Level of spending is important but not sufficient.

Quality of spending is critical.

Without improving the quality of spending, the very ambitious targets in terms of agricultural growth that the countries have set to themselves will not be reached:

- Burkina Faso: SCADD: 9.5%
- Ghana: FASDEP II: 6-8%
- Senegal: PI/PNIA: 7%
- CAADP: 6%

Factors limiting quality of spending:

- Insufficient strategic vision and very low levels of ownership and accountability at national level;
- Multiplication of institutions and initiatives (ministries, PIUs, presidential initiatives, etc.);
- High fragmentation of aid resulting in high transaction costs and inefficient use of Government scarce resources;
- Permanence of a substantial off-budget component;
- Low numbers / qualification / motivation / stability of staff;
- Supply-driven operations: limited initiatives and thus ownership at field level, exacerbated by highly centralized management;
- Low involvement of private sector and other non-Government operators (farmers organizations, local communities, etc.), limiting sustainability and scaling-out;

Factors limiting quality of spending (2):

- Low coverage of public interventions;
- Too much spending on private goods, public goods underfunded (agricultural research and extension, feeder roads, agricultural finance, etc.);
- For private goods provision schemes, ambiguous definition of objectives and exit strategies, poor targeting and inadequate M&E of;
- Low capital spending at beneficiary level;
- Maintenance and operation cost and mechanisms generally overlooked for all types of capital expenditure (public service equipment, public infrastructure and investments transferred to beneficiaries); issue of recurrent cost traceability in budgets;
- Insufficient M&E and data storage and dissemination.

6. Challenges

Ultimate challenge: How to improve the effectiveness of agricultural public expenditure ?

- Review budget planning and execution process and improve technical efficiency, including M&E;
- Enhance general coordination, ownership and accountability through adoption and effective operationalization of **ASWAP and output-based budgets**;

Our immediate challenge: How to improve AgPERs as a tool to enhance and monitor agricultural public expenditure effectiveness ?

- Update COFOG agricultural expenditure definition (2005) and harmonize AgPER content in collaboration with NEPAD:
 - Better sectoral and functional analysis;
 - Better analysis of private good / public good expenditure;
 - Better analysis of recurrent / capital spending;
 - Better evaluation of capital spending at all levels (beneficiaries, agencies);
 - Shouldn't specific PERs be dedicated to forestry ?
 - Treatment of subsidies: purchase of fertilizer by Government vs. voucher schemes;
 - Off-budget expenditure to be systematically included;
 - Inclusion of rural infrastructure that is acknowledged to be a critical factor of agricultural growth; Where to start and where to stop ?

How to improve AgPERs as a tool to monitor agricultural public expenditure effectiveness ? (2)

- Develop and maintain regional and international unit cost databases for major agricultural interventions to serve as benchmarks;
- Shouldn't AgPERs be systematically accompanied by better agricultural public expenditure impact assessment studies ? Productivity statistics being highly influenced by climate on a short study period, which indicators could be relatively easily measured to track change in agriculture and agribusiness sector and assess medium-term sustainable growth prospects?
- What has happened with the AgPERs that have been produced ? Have they been a stimulus for change ? How to monitor their impact ?
- How to institutionalize a lighter form of AgPER to be carried out annually together with sector reviews ?

Session 4. Discussion Summary

Central and Southern Africa countries participants observed that their countries were not adequately represented in the first batch of studies. It was explained that this was due to their late completion of the CAADP process and that they would catch up in the subsequent phase that aims to include Botswana, Cameroon, Chad, Lesotho and South-Africa. An AgPER was planned to be carried out in Central Africa Republic but had to be postponed for security reasons.

The difficulty to collect comprehensive data in countries such as Nigeria where a substantial share of agricultural public expenditure is provided by numerous State budgets (36 States in Nigeria) was underlined. Existing studies (IFPRI in Nigeria), innovative methods (sample analysis) and sub-national expenditure tracking systems already used in Asian countries where similar decentralized expenditure structure prevails (Indonesia, Vietnam) will have to be used.

The necessity to provide an inter-sectoral picture to show how agricultural budgets compare with other sectors budgets was stressed.

The low execution rates observed by most country studies on externally funded capital (or development or investment depending on countries) budgets were judged surprising given the engagements taken years ago under Paris and Accra agreements on the efficiency of aid. Partly, these low execution rates are due to the inadequate capture by national expenditure tracking systems of both the planned budgets (often overestimated) and actual expenditures (often underestimated) of donor funded activities. However, even in the case national external expenditure tracking systems would improve in the future (countries like Burkina Faso are engaging reforms in that direction), execution rates on externally funded activities are expected to remain lower than those on internally funded expenditures due to the difficulty of national authorities to master multiple and complex donor procedures and insufficient communication and training issues. These results, troubling but consistent across countries, highlight the need for donors to make a greater use of national execution and reporting procedures, to move whenever possible from project to budget support and for countries to increase their reliance on locally generated resources.

The danger of generalizing the use of “blind” ratios was emphasized on several occasions during the workshop (for example recurrent over capital expenditure, public goods over private goods, share of expenditure in favor of a subsector compared to its share in the AgGDP, etc.). Participants agreed that it should be kept in mind that there is no optimum ratio across countries and subsectors, the optimum may vary greatly from a country to the other and from a subsector to the other, and, within a country or a subsector, according to its level of development (for example an expenditure funded by the State may be taken over by the private sector at a more advanced stage, rightly reducing the level of Government expenditure in that subsector). It should also be kept in mind that one type of expenditure is not superior to the other (for example investment over recurrent), this also depends on situations and development stages. However, the use of ratios is still recommended as they are useful to prompt questions when apparently overly unbalanced situations are detected (for example, when a subsector that represents a high share of the rural economy receives negligible support).

The issue of the link between expenditure and sectoral outcomes was discussed. This was a difficult and sensitive part of the AgPER work in most countries. Clarifications were requested on the figure presenting stagnating (or increasing) rural poverty incidence despite increasing agricultural expenditures in

Burkina Faso, Malawi and Senegal. This observation highlights the urgent need for improving the quality of agricultural spending to obtain agricultural growth rates high enough to reduce rural poverty.

It was suggested that off-budget expenditure should not be taken into account when calculating the Maputo rate because it is not always aligned with Government priorities. However, as these resources are being brought into the countries by CAADP signatories and are the object of an agreement with the Government, they must be recognized as being part of Government options to finance the sector and thus included in the Maputo rate. Their share in the agricultural total expenditure, relatively substantial in most countries, must be emphasized and their progressive inclusion in Government procedures and accounts recommended.

Finally, the need for improving the consistency between the various AgPER studies being produced and updating NEPAD guidelines and COFOG definition was stressed. A harmonization between the FAO/MAFAP and the World Bank/AgPER approaches was also suggested.

**AGRICULTURE SECTOR PUBLIC
EXPENDITURES REVIEW IN TOGO**

Process, results, follow up

NEPAD-World Bank-FAO
Agriculture Public Expenditure –
Cross-Country Experience-Sharing Workshop

Dar Es Salam, June 13th-14th 2013

Structure of the presentation

1- Context

- 1.1- Institutional context
- 1.2- Organisational context
- 1.2- Timeframe

2- Objectives and scope of the Ag. Public Exp. Review

3- Data collection

- 3.1- Difficulties met
- 3.2- Solutions

4- Conclusions and recommendations

5- Follow up

1.1- Institutional context

- Political stability and economic growth since 2007, following 15 years of economic difficulties (1990 to 2005).
- Several PFM reform initiated in Sept 2010 following a series of PFM systems diagnostics (2005-2009) : Public Expenditure Management and Financial Accountability Review (PEMFAR *WB/ADB/UNDP/French Cooperation – 2006*) and Public Expenditure and Financial Accountability (PEFA-UE 2009)
- *Several Agriculture sector Reviews (ReSAKSS 2009 and ReSAKSS 2010)*
- Agriculture Sector Public Expenditure Review (1996)
- Study on economic growth opportunities (WB/UNDP 2008)

1.1- Institutional context

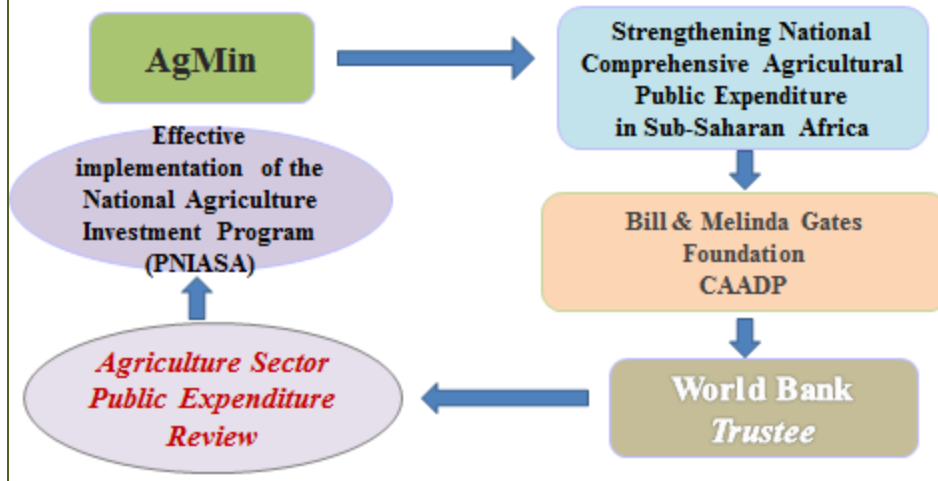
From 1992 to 2011, Togo has elaborated and adopted a series of document of policy/ strategic or programmatic nature for the Agriculture Sector, increasingly coherent with the overall national policy objectives (DSRP) as well as sub-regional and regional priorities (ECOWAS, AU, CAADP)

- First Agricultural Development Policy (DPDA - 1993-1997)
- Second Agricultural Development Policy (2007-2011)
- National Agriculture Investment Program (PNIASA 2010-2015) (3 projects about to start)
- National Poverty Reduction Strategy (DSRP-I and DSRP-C).

Existence of a Joint Govt of Togo / Development Partners Working Group for the Agriculture Sector (GPTF/SAPNIASA).

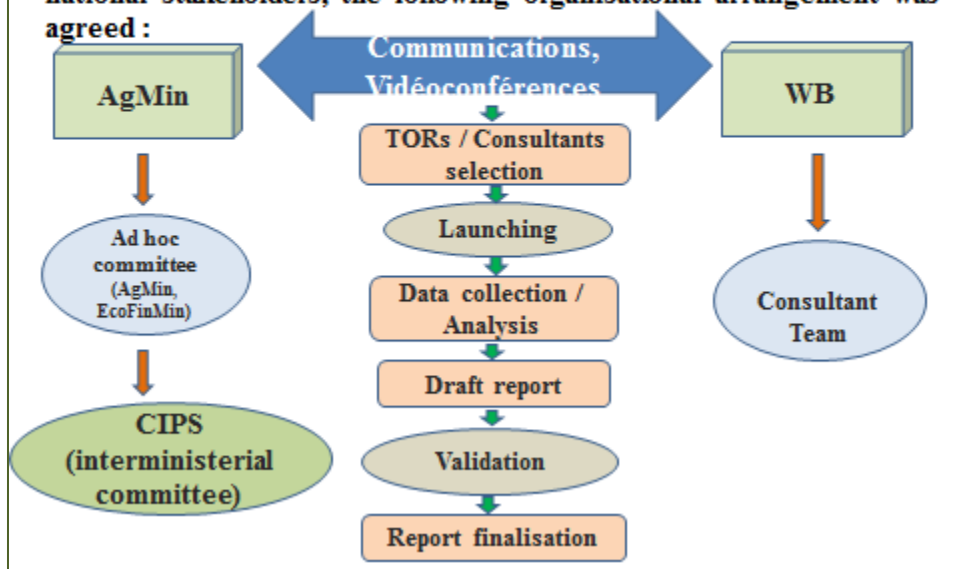
1.1- Institutional context

In this context, the Govt of Togo has decided to conduct an AgPER in order to analyse past and current situation and better plan future programs/expenditures.

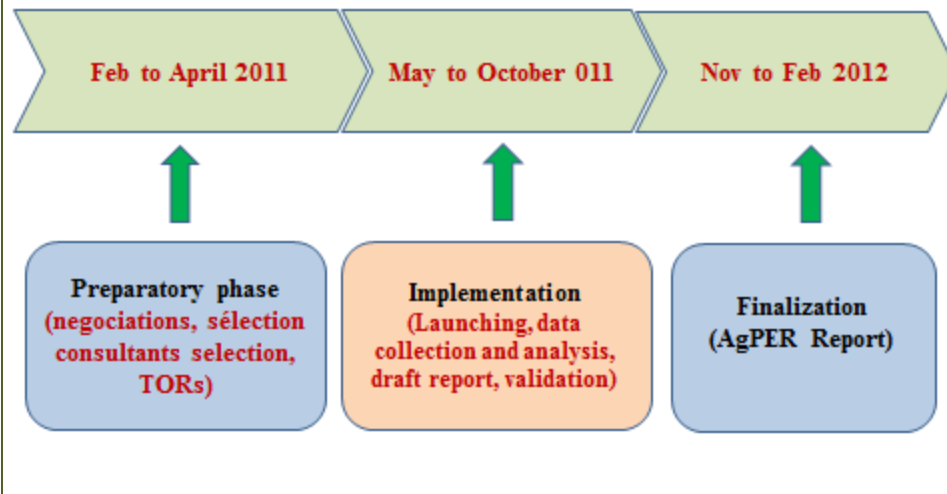


1.2- Organisational context

In order to ensure a strong ownership over the AgPER process by national stakeholders, the following organisational arrangement was agreed :



1.3- Timeframe



2.1- Objectives

General objective : Support the Gvt of Togo capacity to enhance the efficiency and effectiveness of public expenditure in the agriculture sector

Specific objectives:

- Assess where Togo stands in terms of level of expenditure on agriculture, with particular reference to the explicit target by African Heads of State in the Maputo Declaration (2003) to allocate 10% of national budgets to the sector;
- Extract lessons from and an analysis of budget execution in the agriculture sector to better plan future programs/expenditures.
- Enhance Govt of Togo and donor confidence in the potential of the sector to absorb substantially increased resources and to use those resources effectively ;
- Provide a focussed analysis on Public Expenditures related to areas where Govt interventions are debated/challenged (input subsidies, mechanization, management of food security stocks) ;
- Progress towards institutionalization of Public Expenditures Review processes in the agricultural Sector.

PERIOD COVERED : 2002 - 2011

2.2- Scope of the AgPER : expenditures

The sectoral scope of the study was guided by the classification of the functions of government (COFOG*) system.

All types of expenditures (*personnel, operating, transfers and investments*) related to all sub-sectors of the overall agriculture sectors were considered : livestock, forestry, fisheries, applied research, etc.

Expenditures incurred by projects, including when NGO or UN implemented with limited involvement from the AgMinistry, were taken into account (as much as possible)

The TORs invited the team to deepen the analysis on three important expenditures : fertilizer program, food security interventions (purchases of cereals) and support to agricultural mechanization.

* Rural roads taken into account but treated separately

2.2- Scope : stakeholders / sources of data

- Ministries involved in the Agriculture Sector:
 - Ministry of Agriculture, Livestock and Fisheries
 - Delegated Ministry in charge of rural infrastructures
 - Ministry of Environment and Forest Resources
 - Ministry of grassroots development
- Ministry of Economy and Finance, Ministry of Planning, Développement and Territorial Planning
- NGOs, Development Partners

Data Collection

- What main difficulties were encountered in completing the analytical data base for the study?
 - Number of years of available data? **10 years**
 - Availability of computerized data? **Not systematically**
 - Responsiveness of data providers? **Variable**
 - Collecting off-budget and/or external partner finance and expenditure information? **Difficult**
 - Staff information related to personnel costs?
 - Clean separation of recurrent and capital expenditure? **No**
- What if any solutions were found to overcome these constraints? **It has not been always possible to overcome every constraint.**

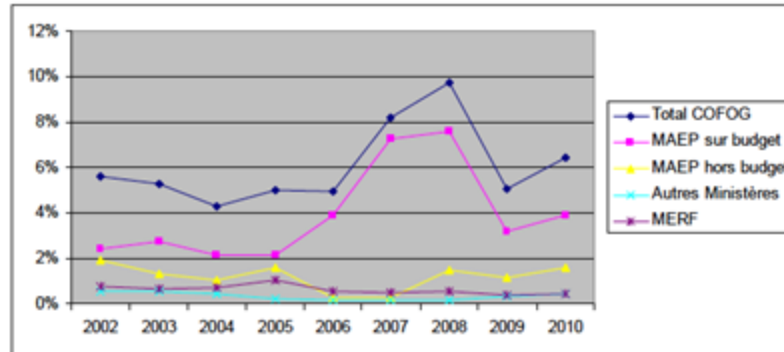
11

3- Main results and conclusions

- **A sharp increase of public spending for the Agriculture Sector pour le secteur (multiplied by 3,5 in current and by 3 in constant terms between 2011 and 2011)**
- **But a gap between planned budgets, approved budgets and actual budget outturn (overall 56%; Govt budget 77%).**
- **Level of expenditures for agriculture remains bellow Maputo commitment (6,4% of Govt budget in 2010)**
- **Investments remain a minor share of expenditures (in particular for gouvernement financed expenditures)**
- **Wage expenses are low (only 2% of the overall State expenses) considering the position of agriculture in the economy (40% of national GDP, 20% of exports value, du PIB et 20% des recettes d'exportation).**
- **Spatial allocation should be improved (over 50% of spending concentrated in the "Maritime" area, where the Capital City is).**
- **Allocations to livestock (3%), fisheries (0,4%), Research (5%), Extension (6%) appear to be bellow needs**
- **Very significant allocations to the fertilizer subsidy and the food security/cereal marketing operations, with limited results /impacts**

Level and trend of expenditure on agriculture (share of overall government budget)

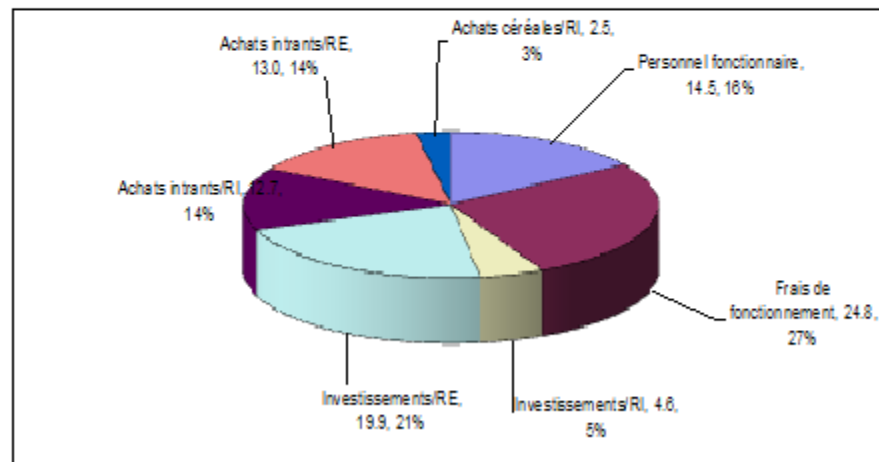
Figure 9. Apports des différents contributeurs à la part des dépenses agricoles dans le budget exécuté global de l'Etat, 2002-2010



Source : calculs des auteurs à partir des données fournies par : DAF/MAEP, DPCA/MAEP, CAGIA, ICAT, ITRA, MERF, DF/MEF, DFCEP/MEF, MDB, AFD, FAO, PNUD, Ambassade de Chine ; UE 2004 ; UE 2007, UE 2011b. Détail des données de base en Annexe 2.

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Economic composition of expenditures executed by the AgMin 2002-2010 (FCFA Billions)



What main recommendations for policy-makers were made by the study?

- Necessity to commission three studies / policy studies aiming at enhancing the following policies : fertiliser subsidization mechanism, food security / state managed cereals commercialization scheme, support to agricultural mechanisation development.
- Necessity to elaborate more realistic annual budgets (only projects / action that are fully ready to be implemented should be budgeted)
- AgPER process and outcomes should become institutionalized

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Making use of the AgPER / Follow up

- ❖ Donors better know and comprehend the Agriculture Sector (finances): led to higher level of interest and engagement;
- ❖ As a follow up exercise, an Agriculture Sector MTEF was elaborated in 2012 for the period covering 2013 to 2015;
- ❖ Initiating the Sectoral approach during the AgPER has facilitated adoption of the sectoral approach during the Ag-MTEF exercise. The AgPER working groups have easily been remobilized during the CDMT work.
- ❖ Decision taken to perform AgPER every year if resources are available (if not, every two years). A new AgPER will start and be completed in 2013.
- ❖ The formulation of the new National Agricultural Development Policy has greatly benefited from the analysis / conclusions from the AgPER.
- ❖ Specific studies commissioned in order to improve effectiveness/efficiency of allocations to some sub-sectors : mechanization and fertilizer subsidies (on going), marketing of cereals (to start).

Thank you for your attention !

Public expenditure analysis The case of Ghana

NEPAD-World Bank-FAO
Agriculture Public Expenditure –
Cross-Country Experience-Sharing Workshop

1

Presentation Outline

1. Background
2. Objectives, Definition and Scope
3. Data Collection: Process, Challenges and Steps Taken
4. Results: Level, Composition, Allocative Efficiency and other Indicators
5. Recommendations
6. Subsequent Events

2

1. Background: Public expenditure analysis in country

- **Agricultural sector public expenditure analysis prior to present study:**
- Institutional context for the present public expenditure analysis.
- Consult arrangements, any letters of agreement, with who from what institution?
- How long to do the study?

3

Public Expenditure Analysis Background (1)

- MAPUTO 2003 (10% v/s 6%, by b2008)
- Comprehensive African Agricultural Development Programme (CAADP).
- Agricultural Policy of the Economic Community of West African States.
- Ghana Poverty Reduction Strategy II (GPRS II).
- Food and Agriculture Sector Development Programme II (FASDEP II).
- METASIP 2011-15.

Public Expenditure Analysis:Background

In 2008, MOFA carried out a Public Expenditure and Institutional Review (PEIR) in the agricultural sector through the International Food Policy Research Institute (IFPRI). The current assignment calls for an update and enhancement of the 2008 database to provide a solid foundation for subsequently carrying out specialized studies, such as Public Expenditure Tracking Surveys (PETS).

The current AgPER covers the period 2001–2011, to include periods before and after the Maputo Declaration as required by the CAADP.

3

2. Objectives and scope

- What were the objectives of the study?
- What was the scope : definition of “agriculture”, expenditure considered, period analyzed etc.?

6

Objectives of the Study

- Promote the articulation and implementation of the Medium Term Agricultural Sector Investment Plan (METASIP 2011-2015) so as to build consensus for increased levels of public expenditure in Ghana's agricultural sector and to enhance its efficiency, effectiveness, and equity.
- Compile a coherent and comprehensive analytical database to enable assessment of recent years' agricultural public expenditure levels and composition

7

Definition and Scope

Definition and scope guided by the UN's Classification of the Functions of Government (COFOG) system, which places the agricultural sector in the group of Economic Services. As defined in the Economic Services Group, the sector comprises agriculture (crops and livestock), forestry, fishing, and hunting.

NOTE:

Comment on COFOG and COFOG+

8

Scope

The review covers: MDAs in the agricultural sector and their respective expenditure from government and donor sources; and agricultural projects, programs, and special expenditure in the sector that are not part of the sector budget (e.g., President's Special Initiatives and the Millennium Development Authority (MIDA)).

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3. Data Collection

- What main difficulties were encountered in completing the analytical data base for the study?
 - Number of years of available data?
 - Availability of computerized data?
 - Responsiveness of data providers?
 - Collecting off-budget and/or external partner finance and expenditure information?
 - Staff information related to personnel costs?
 - Clean separation of recurrent and capital expenditure?
- What if any solutions were found to overcome these constraints?

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Data Collection (1): Process

1. Team: Counterpart Team, Technical Working Group, Consultants, TTL.
2. Scope: The review covers: MDAs in the agricultural sector and their respective expenditure from government and donor sources; and agricultural projects, programs, and special expenditure in the sector that are not part of the sector budget (e.g., President's Special Initiatives and the Millennium Development Authority (MIDA)).
3. Process: Basic expenditure data were compiled to assess the extent to which expenditures reflect and contribute to stated national sectoral priorities. Lessons were drawn from the analysis to provide insights to enhance the efficiency and effectiveness of the agriculture sector.

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Data Collection (2): Process

Counterpart team and Inception Workshop provided inputs to reach a common understanding of the scope, nature and sources of the study. Required data included: approved budget; actual expenditure; and releases under the four budget line items disaggregated by functional directorates and units. Templates for the basic data collection were prepared and agreed upon by the consultants, the counterpart team, and the Technical Working Group, and were distributed to MDAs in the agricultural sector.

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Data Collection Challenges (1)

- The review required that expenditures be linked to sector priorities and objectives. However, funds released to the units in the MDAs were generally not tagged to specific field activities under the various objectives in the budget. Other challenges included the following:
- Donor expenditure data were limited for the earlier years of the review period;
- Expenditure data for 2001 were unavailable for some of the MDAs;

13

Data Collection Challenges (2)

- Disaggregated data from some MDAs needed to enable comprehensive functional analysis were not available;
- There was a lack of precise expenditure data for agricultural mechanization and irrigation; and
- Some data did not fully cover the 11-year study period; e.g., data on feeder roads were not available for 2001-2007; expenditure data on debt service were not available for 2001, 2010, and 2011.

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Steps Taken

Customized templates and questionnaires were prepared and administered to the relevant MDAs through interviews by the consultants. The consultants, the counterpart team, and the Technical Working Group discussed the type of data collected using templates that had been developed for the exercise. The Technical Working Group met at specified periods to discuss progress and challenges in gathering the data. These meetings were used as platforms to discuss and validate the data.

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4.1(a) Results: Level

(Budgetary Allocation to the Agricultural Sector and Actual Expenditure)

Budgetary allocation to the Agric Sector

- Annual average (in 2001 constant prices) - GHC 193 million. Increased nearly 5 times from GHC 65 million in 2001 to GHC 315 million in 2011.
- Average share in overall national budget - 6.8 percent (fell below 10 percent target over the 2001-2011 period).

Actual Expenditure in the Agricultural Sector

- Annual average (in 2001 constant prices) - GHC 169 million.
- Average share in overall national expenditure - 9.3 percent.
- Share exceeded 10 percent in 2009 (10.3 percent), 2010 (16.0 percent), and 2011 (11.2 percent).

Sector Expenditure relative to GDP and AgGDP

- Av. expenditure relative to GDP - 1.2 percent; declined from 1.8 percent in 2008 to 0.9 percent in 2011.
- Av. expenditure relative to AgGDP - 3.6 percent; declined from 5.3 percent in 2008 to 3.6 percent in 2011.

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4.1 (b) Results: Level

(GoG and Donor Budgetary Allocation and Actual Expenditure)

Average Shares of GoG and Donor in Budgetary Allocation (2001-2011)

- GoG – GHC 119 million– 62 percent
- Donor – GHC 74 million – 38 percent

Average Shares of GoG and Donor in Actual Sector Expenditure (2005-2011)

- GoG – GHC 157 million – 69 percent
- Donor – GHC 71 million – 31 percent
- Sector – GHC 228 million
- ❖ Allocations and expenditures in 2001 constant prices

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4.2 (a) Results: Composition (Sub-sectors)

Sub-sector Share in Agricultural Sector Expenditure– 2001-2011)

- Non-cocoa crops - 58.0 percent;
- Cocoa - 33.0 percent;
- Livestock - 2.0 percent;
- Fisheries - 1.0 percent; and
- Forestry - 6.0 percent.

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4.2 (b) Results: Composition

(Recurrent vs. Capital Expenditure – 2001-2011)

Agric Sector Recurrent vs. Investment (Capital) Expenditure

- Average share of recurrent expenditure – 59 percent (P.E – 27%; Non-wage – 32%)
- Average share of investment expenditure – 41 percent

Wage vs. Non-wage Recurrent Expenditure

- Average share of Personnel Emolument - 47 percent
- Average share of Non-wage recurrent – 53 percent

Non-wage Recurrent vs. Investment Expenditure

- Average share of Non-wage recurrent – 43 percent
- Average share of Investment - 57 percent

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4.2 (c) Results: Composition

(Recurrent vs. Investment Expenditure – 2001-2011)

GoG: Balance between Recurrent and Investment Expenditure (2001-2011)

- Average Recurrent Expenditure – GHC 87.96 million (71%)
- Average Investment Expenditure – GHC 35.43 million (29%)

Donor: Balance between Recurrent and Investment Expenditure (2005-2011)

- Average Recurrent Expenditure – GHC 17.03 million (24%)
- Average Investment expenditure – GHC 58.37 million (76%)

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4.3 (a) Results: Allocative Efficiency & Other Indicators

- Misalignment of expenditure at the sub-sector level.
- Imbalance in budgetary allocation to line items and Directorates at the MDA level.
- *Agricultural research - About 89 percent of expenditure is on Personnel Emolument, 9 percent on non-wage recurrent and 2 percent on investment.*
- *Relatively high concentration of expenditure at MOFA's headquarters.*
- *Under-funded Directorates within MOFA -*
 - ✓ Women in Agric Development (0.3%)
 - ✓ Plant Protection and Regulatory Services (0.4%)
 - ✓ Extension Services (0.7%)
 - ✓ Agric Engineering (1.0%)
- Relatively high expenditure on fertiliser subsidy in the sector

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4.3 (b) Results: Allocative Efficiency

(Sub-sector : Share in Sector Expenditure relative to Contribution to AgGDP – 2006-2011)

a	b	c	d=b:c
Sub-sector	Share in Agricultural Sector Expenditure (2006-2011)	Average Contribution to AgGDP (2006-2011)	Share in expenditure relative to contribution to AgGDP
Non-cocoa crops	58.5	62.0	0.9:1
Cocoa	31.2	10.0	3.1:1
Livestock	2.7	8.0	0.3:1
Fisheries	1.2	8.0	0.2:1
Forestry	6.3	12.0	0.5:1
Total	99.9	100.0	

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4.3 (c) Results: Allocative Efficiency Fertiliser Subsidy - 2008-2011

Total cost (real) to Govt - GHC 862.39 million

- MOFA programme – GHC 107.75 million (12.5%)
- Cocoa programme - GHC 754.64 million (87.5%)

Total Cost to Govt relative to Agric Sector Expenditure

- Total cost relative to Ag sector expenditure – 79.1 %
- Cost of MOFA's programme relative to Ag sector expenditure - 9.9%
- Cost of Cocoa's programme relative to Ag sector expenditure - 69.2%.

Rate of Subsidy

MOFA programme: 42 percent (average)

Cocoa programme : 65-85 percent

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4.3 (d) Results: Allocative Efficiency Pre-METASIP (2009-2010) and METASIP (2011) Implementation

Budgetary allocation to the sector from 2011 for METASIP implementation is envisaged to exceed the 2009 level by at least 10 percent.

- Budgetary allocation to the agricultural sector in 2011 fell below the 2010 level in real terms by 1.6 percent, while it exceeded the 2009 allocation by only 7.1 percent.
- Budgetary allocation to the fisheries subsector in 2011 fell below the 2009 and 2010 budget levels by almost 86% and 2% respectively.

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Budget Execution

Share of approved sector budget actually spent

- Average 2002-2011 - 86 percent
- Average 2005-2011 - 92 percent.

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5. Recommendations

- Budgetary allocation to the agricultural sector must continue to increase in real terms.
- As much as possible, funds must be released in substantial amounts and on time to ensure efficient utilisation for the intended purpose.
- Budgetary allocation to the subsectors needs to be reconsidered along the lines of sub-sector performance and contribution to AgGDP.
- Budgetary allocation to line items must be balanced for all MDAs and within MDAs.
- Budgetary allocation to the agricultural sector and the corresponding MDAs must be real and reflect the expectations for effective implementation of METASIP and other sector plans.
- In view of the increased budgetary allocation to the agricultural sector and expenditure over the years, the relatively under-performance of the sector in recent years needs to be assessed through special studies such as expenditure tracking and impact assessment of selected special projects, programmes and initiatives.

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6. Results – How are they being used?

- *How were the results used?*
 - *Probably premature. Study formally completed and submitted by WB to MOFA barely one month ago.*
 - *A high level dissemination workshop may be held for high level government officials and stakeholders to discuss the report chart the way.*
- *What main challenges are being encountered in translating the study results into actions/decisions?*
- *What changes would make doing such public expenditure analysis more impactful in a next round?*

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THANK YOU

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Public expenditure analysis The case of **Burkina Faso**

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Agriculture Public Expenditure –
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1

Plan

- Methodologies of the reviews (MAFAP and World Bank)
- Public expenditure levels
- Technical efficiency (budget execution rate)
- Economic and functional compositions
- Recommendations and follow-up actions

2

Comparison with previous PER Works

➤ Both reviews built on previous works:

• Sector level:

- DGPER/ReSAKSS West Africa; WB/PER 2009;
- MAFAP/FAO works

• National level:

- Public Expenditure Review: Roadmap for successful decentralization and more efficient public expenditure (WB 2009)
- Measuring the performance of public expenditure management using the PEFA method (Ministry of Economy and Finance 2010).

➤ However:

- Agriculture sector expenditures were not exhaustively covered in past reviews;
- Surestimation of the Maputo ratio by including clean water and sanitation expenditures in agriculture sector expenditures;
- Limited disaggregation of expenditures at the regional level (54%).

3

Timeline of the 2 reviews

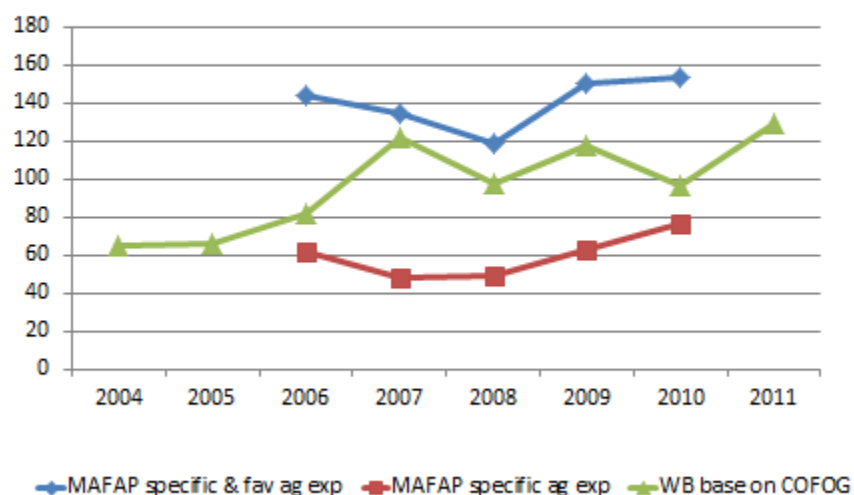
	World Bank	MAFAP
Period of the review	2004-2011	2006-2010
- Study begins	May 2012: - Setting-up of a Steering Committee (about 20 members/focal points) - Orientation for data collection and analysis	October 2011: - Constitution of a thematic group comprising focal points in participating institutions (DGPER, SP/CPSA) with FAO support - Direct involvement of staff (civil servants) in the analyses
- Launching workshop	May 2012	October 3, 2011
- Mid-review support missions	July-August 2012	- 3 training workshops organized for focal points - Consultation workshops with Mali
- Workshop to present first results	December 2012	n.a.
- Validation workshop	May 2013	September 2012
- Duration	8 months	9 months

4

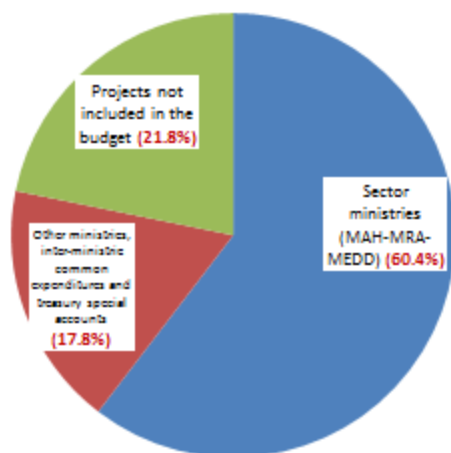
Comparison WB/MAFAP Methodologies

	WB Public Expenditure Review	MAFAP Public Expenditure Analysis
Objective	Ensure effective, efficient and transparent execution of public expenditures in agriculture for greater impact while ensuring alignment with national development priorities	Inform policy makers and stakeholders on the nature of expenditures, and examine the coherence between the composition and national agricultural and price policies
Scope	<ul style="list-style-type: none"> - Expenditure monitoring: Agriculture, Livestock, Fishery, Forestry & Hunting - Based on COFOG Classification - Period: 2004-2011 	<ul style="list-style-type: none"> - Agriculture-specific expenditures (including transfers to consumers) and expenditures favorable to agriculture (health, education, infrastructure in rural areas) - Based on OECD classification, but compatible with COFOG - Period: 2006-2010
Partner Institutions	All rural sector ministries and other ministries that executed agricultural expenditures	Same as WB
Classifications disaggregation & analyses	Functional classification based on: <ul style="list-style-type: none"> - Existing disaggregation (operational, investments, sub-sectors) - National sector objectives (PNSR in Burkina) → comparability issue with other countries. - Specific analyses : inputs, irrigation, livestock, and forestry (+ ag research, rural roads and NGOs) 	Classification based on: <ul style="list-style-type: none"> - How expenditures are executed (direct payments to producers, general support to agriculture, expenditures favorable to agricultures) - Aid products and types (loans, grants)

Level of PE in Agriculture 2004-2011 (in billion CFAF)



Nearly 40% of Agriculture Sector PE is executed outside rural sector ministries (WB)



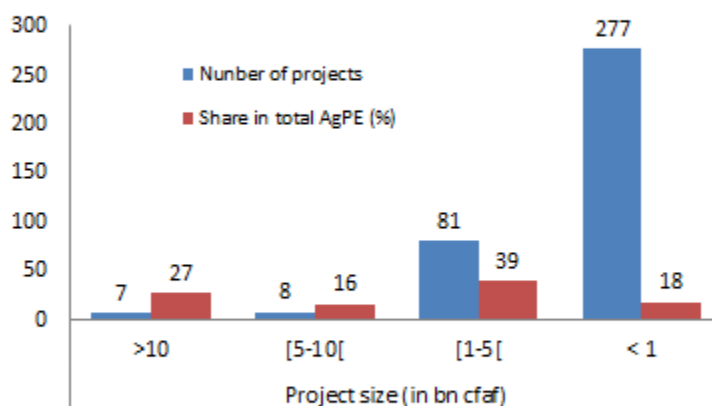
✓3 rural sector ministries + 14 other ministries are involved in PE execution in agric.

However:
 ✓Existence of centralized database on projects non-included in the budget (APD at the Ministry of Finance);

✓High level accessibility and transparency to the database

A highly fragmented portfolio (WB)

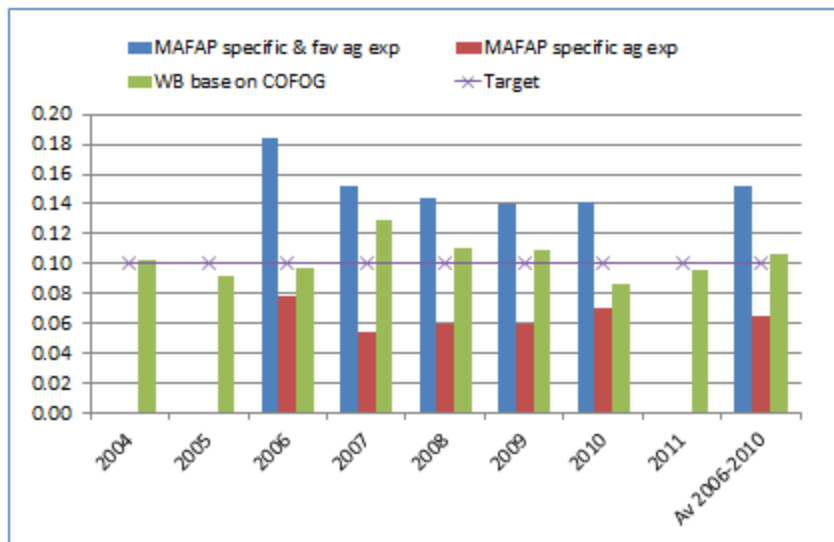
➤ Size of ag sector projects financed with foreign aid



➤Fragmentation of PE in Agriculture: a large number of projects, creating serious coordination and M&E challenges, thereby reducing overall efficiency

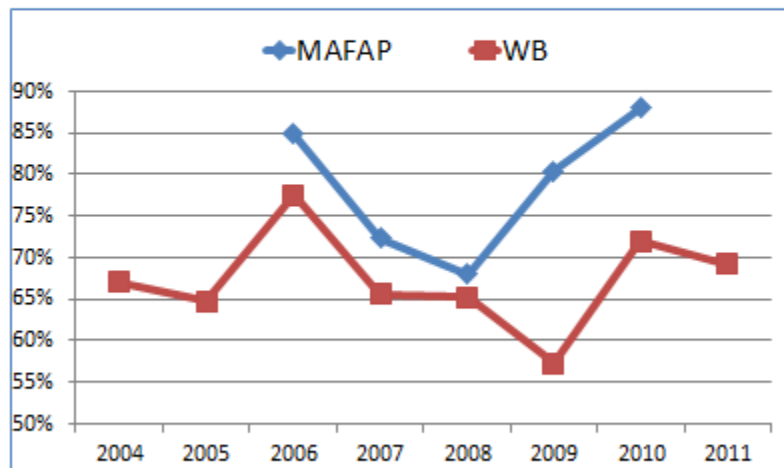
8

Trend in the Maputo Ratio: 2004-2011



Efficacy of AgPE Management (1/2)

Budget execution ratio 2004-2011



Efficacy of AgPE Management 2/2

Budget Preparation, Execution and M&E

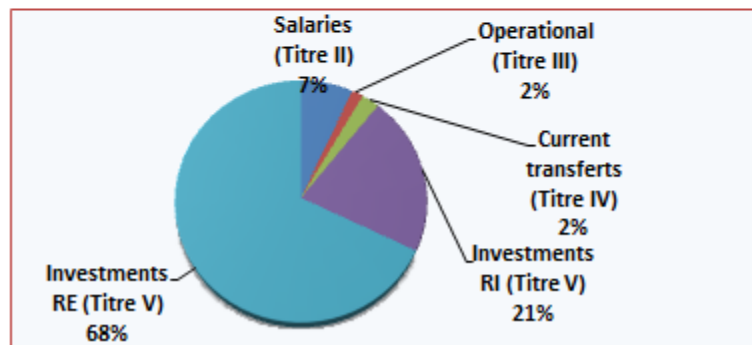
➤ Major issues/findings:

- **No knowledge of execution ratios on external resources;** the setting-up of an integrated tracking system of external resources will solve the problem assuming full cooperation by development partners;
- **Mis-alignment** between national and projects' budget preparation processes;
- **Complex procurement procedures** (min. 3 month to sign contracts, but often 6-12 months);
- **Difficiency in communication** between development partners and project coordinators;
- In some cases, **complex donor procedures**

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Economic Composition of AgPE-WB(1/2)

- A large share of investment expenditures (89%) vs operational costs (9%)
- However, 16% of investments expenditures are used for salaries and operational costs;
- Therefore, actual operational costs in ag sector ministries' budget is estimated between 20%-25%



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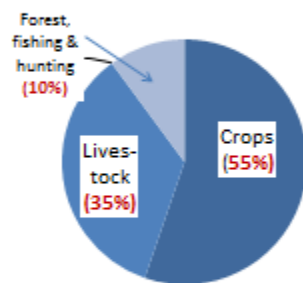
Economic Composition of AgPE-WB(2/2)

- Non transparent budget due to hidden operational costs;
- Limited sustainability of investments: limited results capitalization, no or limited provisions for O&M of investment at the end of projects: ➔ need to pay greater attention to O&M costs in the budget;
- Need for a more precise analytical accounting of economic composition of the budget: staff compensations, operating costs, investments (by officials) and investment (by beneficiaries).

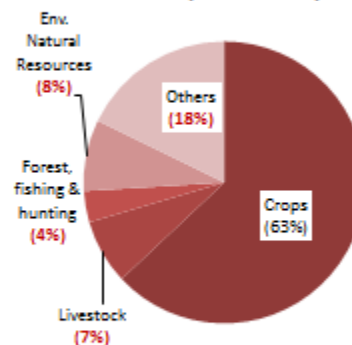
13

Functional Composition of AgPE – WB (2/4)

Subsector Shares in AgGDP
(2004-2011)



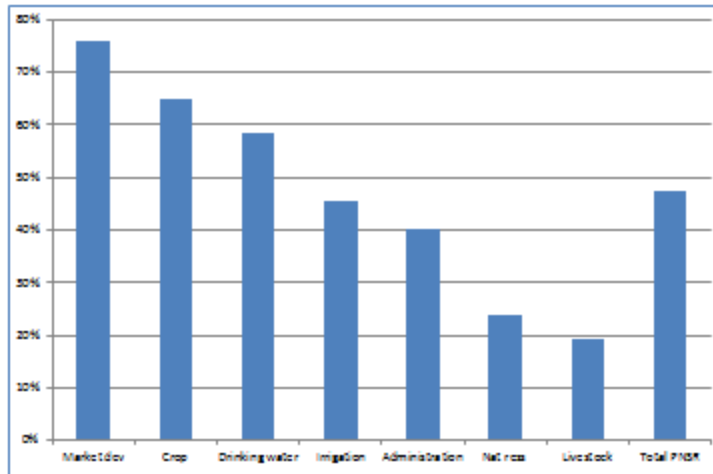
Subsector Shares in AgPE
(2004-2011)



- 30% des dépenses non agricoles (AEPA: 26%, infrastructures sociales 3%, pistes rurales 1%);
- Faiblesse du soutien à la recherche (0,1%) à l'élevage et dans une moindre mesure au secteur forestier.

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Alignment



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Functional Composition of AgPE – MAFAP (1/4)



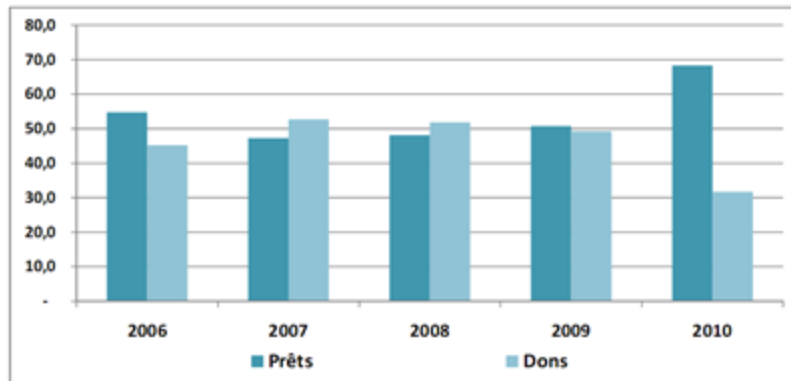
Legend:

Green (top): Support to rural development sector

Red (middle): Direct support to sector agents

Blue (bottom): Indirect support to sector agents

Functional Composition of AgPE – MAFAP (3/4)



- ✓ Loans accounted for an average of 54.2% of sector foreign aid
- ✓ Loan dominant in 2006, 2009 & 2010 (54.8%, 50.7% et 68.3%)
- ✓ Grant dominant in 2007 & 2008 (more than 50%)

Functional Composition of AgPE (3/4)

Difficulties and possible solutions

➤ Limitations of the functional disaggregation:

- ✓ Overall, weak analytical accounting;
- ✓ Inadequate MAFAP classification of the national ag sector program (PNSR)

➤ Possible solutions:

- ✓ Use activity reporting from projects (tedious)
- ✓ A more global solution would be to define and systematically apply an analytical accounting system in the rural sector all over the country.

Major Recommendations (1/2)

1. Include all ag sector project in sector ministries' budget;
2. Improve functional distribution through increased support to livestock, forestry and R&D;
3. Increase investment in rural roads for greater connectivity
4. Improved analytical accounting;
5. Systematize a mechanism to budget recurrent costs for O&M to improve sustainability of investments;
6. Align ag sector projects programming with the law of finance;
7. Strengthen donors' alignment with national strategies and procedures;

cont'd. 19

Major Recommendations (2/2)

8. Put in place an effective ag sector budget M&E system;
9. Make further efforts in reducing procurement delays for improved absorption capacity;
10. Switch the budget process to program budgeting;
11. Improve rationalization through increased use of joint Government-donors' basket funds;
12. Increase allocations to decentralized budget initiatives (public and private);
13. Increase resources and responsibilities (progressive credit delegation) to regional directorates;
14. Improve coordination and optimize resource sharing between deconcentrated rural sector administration.

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Implementing the recommendations

1. Setting-up (ongoing) of an ag sector budget monitoring unit within SP/CPSA
2. Increased budget allocation to Livestock and agricultural R&D (2014 budget);
3. Inclusion of the all projects outside the budget in the Law of Finance 2014, following injunction of the Finance Commission of the Parliament;
4. Implication of private sector businesses in the distribution of ag inputs and equipment all over the country;
5. Institutionalizing the AgPE process, with light annual AgPE reviews and in-depth reviews every 3-5 years.

Thank you!

Session 6. Discussion of Country Presentations

The Togo team made clear that the new national agricultural policy (PNDA) that was elaborated following the AgPER was consistent with the already existing sector investment plan (PNIASA). A new policy had to be elaborated given that the period covered by the previous *Note de Politique Agricole* was coming to an end.

Some methodological points were also clarified by the Togo team. Concerning superior education institutes involved in agriculture/agronomy training, the budget of the institute in charge of training the technicians who then work directly in the agricultural sector was included in the AgPER while higher level institutions (university) were not included, in accordance with NEPAD guidelines. Expenditures to support the agro-processing subsector were included as it is directly linked to and essential for agricultural development.

The inclusion of debt service in agricultural COFOG Plus expenditure in Ghana, along with feeder roads, was noted as being exceptional and a response to a special request by Ghana's Government. It was observed that this could be double accounting as the expenditure that the loans financed were already taken into account.

Still in Ghana, it was observed that the subsidy on fertilizers purchased by cocoa producers should not have been taken into account in the agricultural public expenditure as it is part of an arrangement between cocoa producers and the cocoa authority and comes in compensation for lower than market cocoa purchasing prices. This illustrates the difficulty encountered by some of the AgPER teams in the treatment of state enterprises operations.

In the case of Burkina Faso that has benefited of both an AgPER and a MAFAP study, the necessity to highlight consistent results and recommendations was emphasized.

Still in Burkina Faso, the high level of ownership of the AgPER by the Government, including the Ministry of Finance, was given as the main reason explaining why the Government is already engaging in implementing some of the study recommendations. High level of ownership was obtained through the formation of a committee that gave orientations to the AgPER team so that the study would respond to Government needs. In particular, the fact that the team positively responded to the committee's request to have past agricultural expenditure organized along current agricultural strategy (PNSR) budget categories was greatly appreciated, as it provides policy makers with a reference situation against which PNSR implementation can be measured. The substantial effort put on regional disaggregation was also very much appreciated as it produced completely new data. The importance of associating Parliament and development partners was also emphasized. The Parliament reacted by writing to the Government to ensure that some recommendations would be implemented (inclusion of off-budget expenditure in national accounts).

It was noted that the studies cannot come up with an optimum intra-sectoral and functional composition for agricultural expenditures but can provide policy makers with evidence on how the past and current composition compare to what was planned in strategy documents. Again, comparing the share of expenditure in favor of a subsector to that subsector's share in the AgGDP was judged possibly oversimplistic as the contribution of a subsector to the economy may go beyond its share in the AgGDP (contribution to food security, to poverty reduction, to foreign exchange earnings, etc.). A subsector may

also need greater support because of its greater development potential. The need for better indicators for agricultural development (including not only output growth but also food security, poverty reduction, level of investment, etc.) was underlined.

Session 7. Specialized Analysis: Case of Tanzania voucher program NAIVS,
by Mr. Mink

UNITED REPUBLIC OF TANZANIA



Public Expenditure Review of National Agricultural Input Voucher Scheme (NAIVS)

June 13, 2013

Context and Motivation

- Range of Input Subsidy Programs implemented by GOT
- NAIVS focuses on maize and rice, main staple crops in Tanzania.
- NAIVS comprises of 86+% of total crop input subsidy cost

2010-2011	Input Subsidy	Cost in TZS	% of Total Crop Subsidy Cost
Crops	Fertilizers for Maize and Paddy	91,749,331,000.00	62 (NAIVS)
	Improved Maize Seeds	35,185,120,000.00	24 (NAIVS)
	Improved Paddy Seeds	594,840,000.00	<1 (NAIVS)
	Sunflower Seeds	54,560,000.00	<1
	Sorgham Seeds	305,440,000.00	<1
	Improved Cotton Seeds	1,537,400,000.00	1
	Cotton Agrochemical	8,518,350,000.00	6
	Cashew Agrochemical	6,890,850,000.00	5
	Improved Coffee Seedling	1,800,000,000.00	1
	Improved Tea Seedling	1,800,000,000.00	1
Livestock	Veterinary Support	Data not available	Data not available

Source: Ministry of Agriculture, Food and Cooperatives

Main Questions

- **Costs:**
 - Analyze relationship between planned and actual expenditures
 - Trends over time and across regions
 - Number of beneficiaries
- **Gains:**
 - Evaluate benefits derived from NAIVS programme and measures of success
 - Production and Productivity gains
 - Food security and income gains experienced by farmers
- **Cost-Benefit Analysis:**
 - Value of production gains relative to investment costs
 - Sensitivity analysis to evaluate investment trade-offs
 - Alternative implementation decisions

Preliminary Results

- Heterogeneity in Effects across Regions and Crops
- **Maize:**
 - Program most effective in Arusha, Iringa, Mbeya, Rukwa, Ruvuma
 - Program least effective in Morogoro, Kigoma
- **Paddy:**
 - Program most effective in Morogoro and Rukwa
 - Least effective in Arusha, Kilimanjaro, Iringa, Mbeya, Ruvuma
- Program cost-effective for Maize in most regions but not for paddy
- Weak improvements in overall productivity in lower rainfall regions
- Graduates continue to purchase seeds and fertilizers commercially
- NAIVS improved adoption rates of improved seeds and fertilizers

Possible Use of the Results

- Targeting/Scale
 - Poorer or middle income farmer
 - Alternative regions of the country
 - More responsive crops

- Graduation and Sustainability
 - Do graduates continue to purchase seed and fertilizer
 - Challenges of agricultural credit supply for staple grains
 - Sustainable commercial seed and fertilizer supply

- Displacement
 - Building sustainable input markets
 - Investment by seed and fertilizer companies
 - Reducing implementation costs and irregularities – electronic vouchers?

Session 7. Discussion of Specialized Analysis

Regarding Togo's agriculture sector MTEF, the team explained that the country medium-term budgetary framework they used was provided by the Ministry of Finance.

Regarding the NAIVS impact evaluation study, it was noted that although its cost could seem high at first sight (approximately USD 250,000, jointly financed by a Government, World-Bank financed project and the Bill and Melinda Gates Foundation), it only represented 0.2% of the total expenditure over the first three years of the input subsidy program, which is a minor addition to monitoring and evaluation costs. Precisions were given on the sampling methodology (2,000 households belonging to the three categories: participants, eligible not participating and not eligible) and on the project objectives (explicitly food production increase, hence targeting productive rather than subsistence smallholders).

Session 8. Panel: Process

Panelists: Nancy Laibuni (KIPPRA Research Institute, Kenya), Ousman Tall (Ministry of Agriculture, Liberia), Daniel Ohemeng-Boateng (Ministry of Agriculture, Ghana). Facilitator: Stephen Mink (World Bank).

The Facilitator drew on the questions below to request responses from the panelists drawing on the experience of the country study with which they were involved.

Question 1: What were the most difficult and time consuming aspects of the basic data collection?

The main points reported by the panelists are:

- Disaggregated data is scattered in many institutions. Solution to overcome this is to bring on board, from the beginning of the study, all relevant Ministries and data holders. If possible, this could be done through a working committee with representatives of each institution, to identify and fill the gaps more easily (example of Ghana).
- Socio-political turmoil affecting the quality of data from previous years.

Question 2: Are the technical teams sufficiently involved to be able to replicate/update the analysis in subsequent rounds?

In order to replicate the study, the panelists put forward the need to build a team of trained technicians that are able to carry out the analysis independently through the years (Ghana example). The team needs to be set in an institution of which it is the mandate (statistics or other) so that is accountable. NEPAD could make public expenditure monitoring/review part of the CAADP compacts to ensure the States internalizes this function. CABRI is also a new network on PE analysis – building a network of practitioners in Africa may reduce dependency on technical assistance from Rome or Washington.

Question 3: Did coordinating mechanisms adequately encompass the institutions covered in the scope of analysis?

No note.

Question 4: Did the analysis become available in a timely way in relation to the annual budget process?

In Ghana, the results are embedded in the policy process of METASIP through the METASIP steering committee, and once endorsed will be used for budget preparation.

Question 5: Was involvement of sector stakeholders adequate through workshops (launch, validation) and meetings by the studies' teams?

There are two aspects to take into consideration to involve other stakeholders. On one hand, high-level representatives from the Ministries and other institutions need to be brought on board, for instance through the National Policy Framework steering committee/agency (Ghana or Burkina example). On the other hand, it is good to present sectoral results to raise interest, for instance results for a specific value chain or a policy (input subsidies). Kenya organized a successful national consultative workshop on tea/coffee/sugar.

The balance between committed technicians and policy-makers is crucial, and this should be thought of from the onset of the study.

Session 9. Panel: Analytical Results

Panelists: Naman Keita (Rural Economics Institute, Mali), Isaac Shinyekwa (Research Institute, Uganda), Kofi Treku (Togo), Yapo Dagou (Ministry of Agriculture, Côte d'Ivoire). Facilitator: Jesus Barreiro-Hurlé (FAO, MAFAP)

The Facilitator drew on the questions below to request responses from the panelists drawing on the experience of the country study with which they were involved.

Question 1: Are sector strategies sufficiently detailed so as to allow you to identify whether the public expenditure is aligned with these priorities?

Globally, the panelists made the point that policy strategies were sufficiently well defined to assess policy coherence between public expenditure and national objectives. This makes it all the more interesting to analyze public expenditure. However, policy priorities can shift due to a troubled socio-political context (Ivory Coast for instance) and public expenditure should also be analyzed in the light of these "emergency" policy objectives.

Question 2: How convincing were the results based on the data you had obtained to guide policy processes?

The panelists did not question the fact that results were convincing and it seems their validity was recognized. Therefore, they triggered debate on three main points:

- Share of expenditure going to certain commodities compared to their weight in the agricultural production or importance for food security triggered intensive debate and lobbying from NGOs, FOs... (Ivory Coast, Uganda, Mali)
- Geographical and level of government allocation of expenditure was surprising and triggered debate (Ivory Coast, Togo)
- How the State did with regards to the Maputo target.

So, "it is not just how much you spend but also what and where"

Question 3: What results in the analysis appeared to raise the most interest amongst other stakeholders?

All the panelists mentioned the same result: the Maputo target. Policy makers and stakeholders debated on the methodology used to obtain the Maputo target result:

- Close or far to Maputo target and why? Some surprising result (very low in Ivory Coast... quite high in Mali)
- Scope of expenditure going to agriculture taken into account in the calculation: rural development (or COFOG +) or not? The Ministry of Agriculture prefers not to: if the country is below Maputo target, it makes for easier advocacy to obtain funds from the Ministry of Finance. The Ministry of Finance prefers the opposite.
- Inclusion of recurrent versus investment and donor versus national. Certain people argue that donor expenditure should not be taken into account, (i.e. Mali were a large amount of donor money was pulled out after 2010) or that recurrent should not be taken into account.

Question 4: Do you feel your findings can lead you to formulate strong recommendations?

All panelists formulated strong recommendations:

Process

- Increasing funding to Ministry of Agriculture (Ivory Coast)
- Better financial system: data collection, budget planning, coordination between Ministries (Ivory Coast);
- Increasing releases (actual versus) budget (Uganda)
- More capacity for staff in Ministry of Agriculture and more staff (Togo)

Composition

- Better targeting to commodities with relation to their importance in the economy and with more coherence with price policies (Mali, Uganda)
- Re-balance the sub-sectoral composition: mechanization, input subsidies...(Togo)

Open questions from the room (main points)

1. Regional equality of expenditure in Togo and Ivory Coast : inequality is normal, every region have their own importance in the country's economy

Answer from panelists: This is true, but in Ivory Coast the surprise came from the fact that the non-governmental zone (rebel) received the biggest share of money from the government. In Togo, the disparity was that the funds were mainly going to the region where the State central services are , and that more decentralization, not just deconcentration of offices, is needed.

2. Should one focus on actual or budget expenditure?

Answer from panelists: actuals were always used. It also allows assessing efficiency.

3. The study needs to involve from the onset the Planning and Finance Ministry. This is needed to have the best data.

Answer from panelists: They were included in most countries.

Session 10. Panel: Achieving Impact

Panelists: Kofi Nouvé (Burkina Faso – World Bank consultant), Diop (Sénégal), Ourou-Bodi Tchassanti (Togo). Note: several non-panelists were asked to contribute by the facilitator. Facilitator: Simon Kisira (NEPAD NPCA)

The Facilitator drew on the questions below to request responses from the panelists drawing on the experience of the country study with which they were involved. Other country representatives were also engaged in the questions.

Question 1: Which of the recommendations from the Togo study have policy-makers put in place?

- Recognition of the importance of agriculture in the economy.
- More resources to the Ministry of Agriculture.
- Consideration on increasing funding to research.
- Consideration of increased decentralization of funds.

Question 2: In South Africa, how were the results of the study taken into account at central and provincial level?

- Realization from policy makers involved that institutional arrangement for decentralized budget are too complex.
- Greater will that the expenditure at provincial level matches with the policy objectives at national level.

Question 3: In Burkina Faso, what decisions policy makers took based on the results, and what is the process to implement them?

- Debate in the Ministry on how to take off-budget expenditure into account.
- Thinking on having a better balance of resources to sectors based on their importance in the economy (i.e. livestock).
- Quality of public expenditure.
- Process: Implication of the Parliament, so the Ministry is now accountable to the Parliament on recommendations taken.

Question 5: In Chad, how can recommendations be implemented and used by policy makers?

Policy-makers have their own agenda. They may or may not accept recommendations. Not given for granted: political economy is also important.

Question 6: In Senegal, how to ensure that the policy makers take the recommendations into account?

- Report recently finalized. Validation workshop needed.

- The process is to go through the planning units, which have been involved in the study and will take recommendations into account.
- But the study gives the same results as a previous study (GASFP), so some recommendations (i.e. input subsidies) already taken into account.

Question 7: In Ghana, how were various stakeholders involved to ensure buy-in of recommendations?

Project steering committee involving MPs, Finance Ministry, many stakeholders... Getting final comments on the report from them and then will disseminate results with their endorsement.

Question 8: In Togo, how were results made accessible intellectually and physical for all stakeholders, from to level to grassroots?

- Working group with several Ministries, meetings with Parliament to share results.
- Workshop to present results with the producers' organizations invited. "Lobbying" to have them taken into account in the budget 2014.
- Launch a MTEF in MinAg since the study was made generates interests from other Ministries now.

Question 9: "In Lesotho, what foras work to disseminate results?"

Farmer organizations, district-level associations: avenue to disseminate results at grassroots level. Umbrella NGOs too.

Question 10: In Senegal, what is the role of civil society in the process in your country?

The National Investment Plan for Agriculture (PNIA) has put in place a good structure to disseminate results:

- Planning units
- PNIA committee (civil society, academia, ministries...)
- Pilot committee (technical advisors from ministerial cabinets)

Question 11: In Burkina Faso, to what extent has the Ministry of Burkina Faso taken the lead in policy dialogue based on the results?

- Too many ministries (4) need of a coordination agency for agricultural policies.
- The Permanent Secretary to coordinate sectoral policies (SP/CPSA) acts in that sense and disseminates results to all Ministries involved in agricultural policies.
- But the worry is that the dissemination may stop at persons in the various committees of SP/CPSA but does not go deeply in their institution. Need follow-up.

Question 12: In Kenya, how have recommendations made through the Agricultural sector Coordinating Unit go beyond the people involved in this policy arena?

A structure called ASCU coordinates the issues on agriculture from all Ministries and deal with them.

Question 13: In Nigeria, how was the Ministry of Agriculture put in the lead of the process?

- Minister of Agriculture that is on the driving seat, committed
- Agriculture seen as a commercial activity.

- Need to ensure this energy is sustained institutionally after the Minister leaves.

Question 14: “If the public expenditure review is done again, what should be done differently to ensure that it is very well used?”

- Monitor and evaluate how recommendations of the 1st study have been addressed before doing the 2nd study.
- Need of a pilot committee and orientation committee involving relevant stakeholders from the beginning. Need policy makers involved from the onset of the study.

Question 15: How does COMESA, as a REC, see itself supporting the countries to do this?

Acting as a platform to bringing practitioners and policy makers together, mobilize technical resources and build peer learning and lessons sharing.

Question 16: Togo, how can key decisions be taken into account in the budgeting?

- Forum put in place, for farmers to share their concerns with policy leaders.
- Creation of a Technical Pilot Committee of the PNISA for endorsement of results, then sent to a Strategic Pilot Committee bringing together Ministers.
- Use of an orientation review every year to define new budgetary orientations. Results from the study will be used for this orientation.

Sessions 14 and 15. Synthesis and Closing Remarks

In his closing remarks, Mr. Stephen Mink, the World Bank Task Team Leader of the AgPE program, reminded participants that one of the key objectives of the workshop was to “keep the ball rolling”. Against this metric and judging by the interest and enthusiasm generated throughout the two-day workshop, the overall assessment was that the workshop reached its stated objectives. To name a few results, the meeting was successful in getting the discussions going (i) among countries teams and consultants, (ii) on the AgPE tools, and (iii) on experience sharing between countries.

Mr. Mink’s remarks underscored ten (10) key messages that have emerged from the workshop, and which are summarized below:

1. There was a clear agreement among meeting participants that there is a **need for a lighter model for the basic AgPE study**, which can be routinely and independently conducted by country teams. The methodology for this type of model needs to be tested and worked out in collaboration with countries;
2. There was a commonly perceived need for **creating a community of practitioners**, so as to continue the process of learning and exchanging between countries;
3. The rich set of experience available among countries participating in the AgPE studies creates an opportunity to **use exchange visits to facilitate cross learning**;
4. **Sustainability of the AgPE work is critical**, and there was a general agreement that there is a need to (i) put in place a pool of technical expertise; (ii) bring this expertise to a cutting-edge professional level through targeted capacity reinforcement, and (iii) facilitate countries’ access to this pool of expertise;

5. **Building partnerships**—with IFPRI, ReSAKSS and other institutions—and continuing partnership with MAFAP will be critical in carrying this program forward and in continuing to make it relevant for countries’ needs.
6. Two encouraging trends have emerged from workshop discussions: first, there was a vibrant **stakeholders’ participation** in the planning and validation of AgPE studies, facilitated through active effort by the study teams in engaging these stakeholders in the AgPE process; second, there are **emerging evidence that the AgPE process is having initial impacts**, and some the studies’ conclusions and recommendations has echoed favorably in policy decision-making circles in some countries.
7. Despite these initial impacts, however, it was made clear from discussions that the debates among participants disproportionately focused on “*quantity*”, i.e. the type, level and composition of public expenditures in agriculture. To a large extent, discussions have been missing on expenditures “*quality*”, i.e. their process and cost efficiencies. Consequently, it was agreed that **the quality agenda needs to receive greater attention**.
8. Discussions on the various AgPE analytical tools and concepts indicate that some of the tools need to be further clarified, improved, or simply dropped. For example, one could question the relevance of the comparison between subsectors’ AgGDP share and their AgPE shares. The fundamental question for the work ahead is **how best to linked expenditures to outcomes?**
9. Moving ahead, additional work may be useful in articulating the rich complementarities between the AgPE approach used by the World Bank on the one hand, and the MAFAP approach supported by the FAO on the other hand. In essence, the scope of the MAFAP appears to be larger than AgPE scope, the latter being defined by COFOG classification. The inquiry could focus on questions such as: (i) Is the scope of AgPE under COFOG adequate? (ii) How can some of the powerful presentations or analyses using the MAFAP approach be mainstreamed in the AgPE approach? Overall, it is important for countries to understand that both tools are not competing but rather complementary; **therefore countries should pick the right tool given the needs**.
10. Finally, irrespective to the tool used, all participants emphasized the **need for quality data**. In that vein, capturing off-budget expenditures is a critical challenge that needs to be addressed as countries work toward institutionalizing AgPE activities.

The representative from FAO, Mr. Christian Derlagen, on behalf of the MAFAP team reinforced the ten key messages shared by Mr. Mink. In particular, he reiterated the following six messages:

1. Compared to MAFAP’s price analysis work, which appears to have generated greater interest from stakeholders over the past two years, one is tempted to question the relevance the huge amount of work that has gone into the AgPE studies. The success of the workshop has squarely demonstrated that this doubt is unfounded, and the emerging impacts of the AgPE process clearly show that **the relevance of the AgPE programs is unquestionable**;
2. The MAFAP program is at the end of its first phase, and the workshop is very timely with respect to **the preparation of the second phase**, which could scale up what has worked, and revise what have not, and add what have been missed during the first phase;
3. The collective experience from countries shows that **access to data is difficult**. Looking ahead, it would be useful to focus some of the activities on how to make data access more flexible, particularly in regards to specific data disaggregation. There is a **need to move toward a common data handling methodology**, so as to allow comparability over time (in the same country) and across space (between countries);
4. **Involving all stakeholders in the AgPE process is critical** to ownership and follow-up impacts. Data is nothing without interpretation, and interactions with stakeholders help put more meaning into the data;

5. **Capacity building at all levels must be ensured** for ownership and sustainability.
6. For greater impact, link of the AgPE process with the CAADP process must **build on existing Steering Committees and M&E systems**.

In addition to the concluding remarks by the World Bank and FAO, and before the closing remarks by NEPAD, two countries representatives have shared their thoughts on the workshop, and more broadly on the two AgPE programs. Representing Francophone countries, the representative from Togo, **Mr. Nasser Tchassanti**, thanked meeting organizers and participants, the World Bank, FAO and NEPAD as well as AgPE consultants and the B&M Gates Foundation for their technical and financial supports. He emphasized that on behalf of his colleagues, the main takeaway message was a call for actions. These actions should focus on continuing learning through regular exchanges among countries and on immediate implementation of recommendations from studies through the preparation and close monitoring of agreed follow-up actions.

Speaking on behalf of Anglophone countries, the representative from South Africa, Mr. Jacob Hlatshwayo, also expressed deep recognition for meetings organizers and participants, as well to supporting institutions and AgPE experts, for making the event such as success, and for their various support to countries. He emphasized the importance of knowledge and experience sharing among countries: drawing on the wisdom of an Africa proverb, he concluded by saying that “If you want to go fast, go alone; if you want to go far, go with others”.

The final closing remarks were made by the representative of NEPAD, Mr. Simon Kisira. After thanking all participants, Mr. Kisira drew the meeting to closing while re-emphasizing the following six key messages, which are also an invitation for actions:

1. Continue providing opportunities for **learning exchanges**;
2. Establish a **community of practitioners**;
3. Focus on quantity is good; but **focus of quality is even better** (in reference to the types, level and composition of AgPE on the one hand, and to the cost/process efficiency of AgPE on the other);
4. **Provide improved guidelines for AgPE** through technical assistance and financial support;
5. **Political economy matters**; if AgPE studies are to lead to durable impacts on processes and outcomes;
6. Ensure greater coordination by **institutionalizing and mainstreaming AgPE studies** into joint sector reviews, joint accountability reviews and other joint, multiple stakeholders, dialogue platforms.

Mr. Kisira concluded by renewing NEPAD’s readiness to support incoming countries as they engage themselves into the process of preparing AgPE studies.

Annex 1: Workshop Participants List

AgPE WORKSHOP - PARTICIPANTS LIST

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Annex 2: Breakout Groups for Discussion of Process, Analytical Results, and Achieving Impact

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SEFEFO
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