WORKING PAPER No. 1

Toward an Agricultural Policy Monitoring System (APMS)

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Foreword

The Working Paper series aims at supporting Syrian development and modernization process by enriching public availability of documentation on agricultural economics and policy studies conducted at the National Agricultural Policy Center.

This first working paper focuses on a subject of special relevance for agricultural policy reforms: the establishment of an Agricultural Policy Monitoring System that the NAPC is designing with the support of the Italian funded FAO Project "Assistance in Capacity Building through Enhancing Operation of the NAPC".

To assess options for initiating this challenging undertaking, Mr M. De Benedictis, member of the Scientific Committee of the NAPC and of the Italian "Accademia dei Lincei", was invited to animate a workshop held at the NAPC on November 7, 2002.

In preparation for the workshop, Mr De Benedicts, making use of the training manual on "Monitoring Policy Impacts" recently drafted for FAO and GTZ by Mr M. Metz, produced a background paper for advance circulation among NAPC staff, international experts collaborating with the Project, and national experts representing various Syrian institutions.

To further stimulate the debate, and welcoming comments and contributions on the subject, the background paper is hereby reproduced together with the proceedings of the workshop.

In thanking all those that participated in the workshop, special gratitude is expressed to Mr De Benedictis for his support to the NAPC and for welcoming the idea of inaugurating with his contribution the Working Paper series of the NAPC.

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Part I- Policy Monitoring: General Principles and Methodological Steps*

1.1. Monitory Policy Impact (MPI): Purpose and General Features

In very general terms, the overall **purpose** of monitoring policies is the possibility to give reliable answers to following general questions:

- What are the intermediate and final results of a set of policies (a strategy) or of a specific policy?
- On the basis of the ascertained results which adjustments should be introduced in the policy framework?

More specifically, MPI is a **policy management instrument,** aimed at:

- Tracing and analysing the **effects** of policies;
- Assessing the **effectiveness** of policies in reaching their objectives;
- Identifying **critical factors** in the process of policy formulation and implementation which affect the effectiveness of policies in reaching their objectives;
- Identifying **external factors** (other relevant factors and policies) determining policy impacts;
- Identifying crucial external and unintended **side-effects** of policies;
- Providing prompt **feed-back** on the results of MPI to the policy makers.

An effective implementation should allow **real-time adjustment** in policy design and implementation towards increasing the effectiveness of policies in reaching their objectives.

The following graph illustrates the role of MPI in the process of policy formulation and implementation.

1.2. The Cycle of Policy Formulation and Implementation

Policy formulation is rarely done as a one-step ad-hoc decision by the government. It is usually an iterative process, involving different stakeholders and population groups (interest and lobby groups, experts, media, institutions, organizations, civil societies).
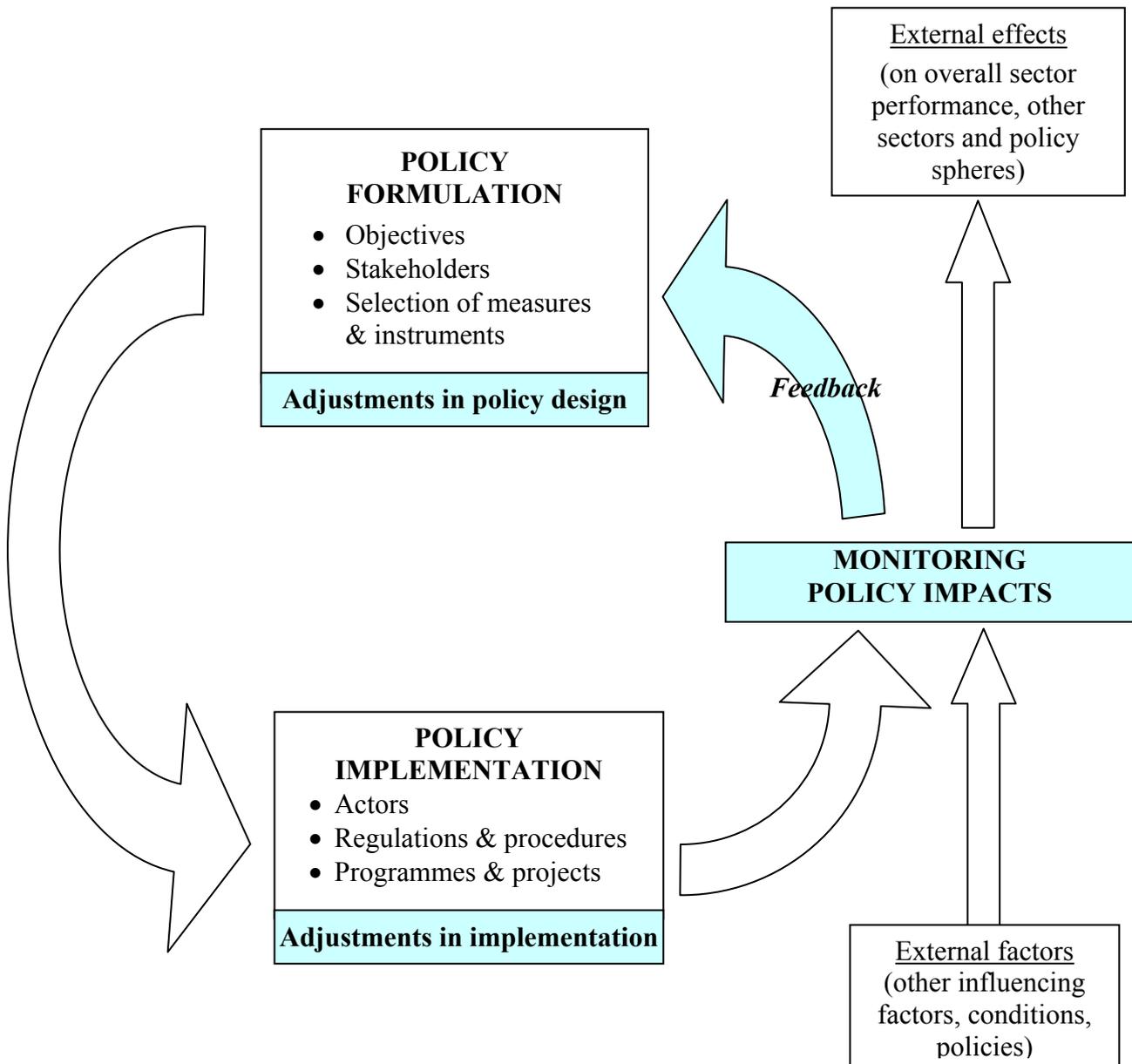
The cycle of policy formulation and implementation typically comprises the following elements as steps:

a) Setting the **policy objectives;**

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* The content of Part I is largely based on Chapter 1 of *FAO/GTZ Training Manual on Monitoring Policy Impacts* (2nd draft, 30-10-2001) prepared by Manfred Metz.

b) Choice of **measures and instruments** for policy implementation
c) Identifying the role of **stakeholders**
d) **Implementation** of the policy measures

Graph 1. Monitoring policy impacts (MPI) in the process of policy formulation and implementation

POLICY FORMULATION
- Objectives
- Stakeholders
- Selection of measures & instruments

Adjustments in policy design

POLICY IMPLEMENTATION
- Actors
- Regulations & procedures
- Programmes & projects

Adjustments in implementation

Feedback

External effects
(on overall sector performance, other sectors and policy spheres)

MONITORING POLICY IMPACTS

External factors
(other influencing factors, conditions, policies)

a) Setting of policy objectives

It is conceptually useful to distinguish between **overall objectives** and **intermediate or sub-objectives. Overall objectives** are an expression of what government strives at with a particular policy. They tend to be set in a relatively broad manner, such as: economic growth, agricultural sector growth, poverty alleviation, achievement of food security; sustainable natural resource use, improved education and health, etc.

In order to become operational the overall objective(s) need(s) to be broken down in **intermediate or sub-objectives** and, subsequently, measures will have to be defined how those are to be attained. As a result, one arrives at a **hierarchy** of objectives ("an objective tree", structured in such a way that, if the objectives are consistent, each intermediate objective contributes to the attainment of the objective of the next higher order). In reality, the recourse to a given policy instrument may help to achieve one objective may counteract another one.

Example: To increase agricultural production and income (policy objective), the price of irrigation water id kept low and subsidised (instrument). The low price of irrigation water encourages excessive use and waste of the scarce resource, thus contradicting the policy objective of sustainable and effective resource use.

The degree of consistency or competition among objectives can only be judged in connection with the policy instruments being selected and applied to reach the objectives and through an assessment of their anticipated effects. A useful tool in this context is the **Logical Framework approach (LFA)**, bringing the objectives of different hierarchical levels, the measures to be implemented and the anticipated effects into a logical, concise and transparent order.

b) Choice of measures and instruments for policy implementation

It is analytically useful to distinguish between **regulatory measures** and **operational measures**. The **regulatory measures** set the conditions under which institutions, organizations, and individuals will have to operate (new regulations on taxes, import or export duties and/or restrictions, subsidies, abolishment of government monopolies, setting the rules for private operations, etc.)

The **operational measures** refer to all activities which are planned and implemented with some kind of direct public intervention into the economy and society. Such public interventions (programmes, projects, activities) usually involve public funds as well as governmental organizational and human resources.

c) Identifying the role of stakeholders

In the policy cycle, **stakeholders** are all institutions, organizations, groups and individuals who are concerned with or are affected by a policy and/or have a role to play during policy implementation. The set of stakeholders that operate in any given context can also be conceived as **institutional framework** within which policy formulation and implementation takes place

As to the role of stakeholders in policy implementation, the following distinctions can be made:

- *Supervisory and monitoring functions, and decisions on policy adjustments* when and if deemed necessary. This, of course, is the genuine role of *policy makers*
- *Initiation and co-ordination* of the policy measures. This is the genuine task of the responsible *government bodies.*
- *Implementation of policy measures.* Different categories of stakeholders are usually involved:
1. The *line ministries* or *government agencies* themselves may be mandated to implement, including their departments, sections or special units

2. Implementation of policy measures is done through *non governmental agencies or institutions*, based on an agreement with the responsible governmental body.

3. Implementation through *private sector companies*, based on contracts with the responsible governmental body.

4. Implementation through the *community, self-help groups, beneficiary groups*

d) Implementation of the policy measures

Once the policy objectives, the policy measures and the role of stakeholders are defined, the implementation process can start. Usually the implementation of a package of different policy measures is set out in sequences, depending on prerequisites to be fulfilled and preparation required, such as:

Release of new laws and regulations

Mobilization of required funds

Upgrade of implementation capacities , when needed

Identification of implementation partners and stipulation of agreement and contracts

Establishment of new organizational and management structures, when needed.

It is important to stress that monitoring of the implementation process is a prerequisite to MPI, in order to be able to relate the changes and effects observed to the type and state of the policy measures implemented.

A schematic representation of the policy cycle is depicted in graph 2 with reference to a standard model for food security policy.

Graph 2: Example for typical policy objectives, policy measures and stakeholders in the case of food security policy
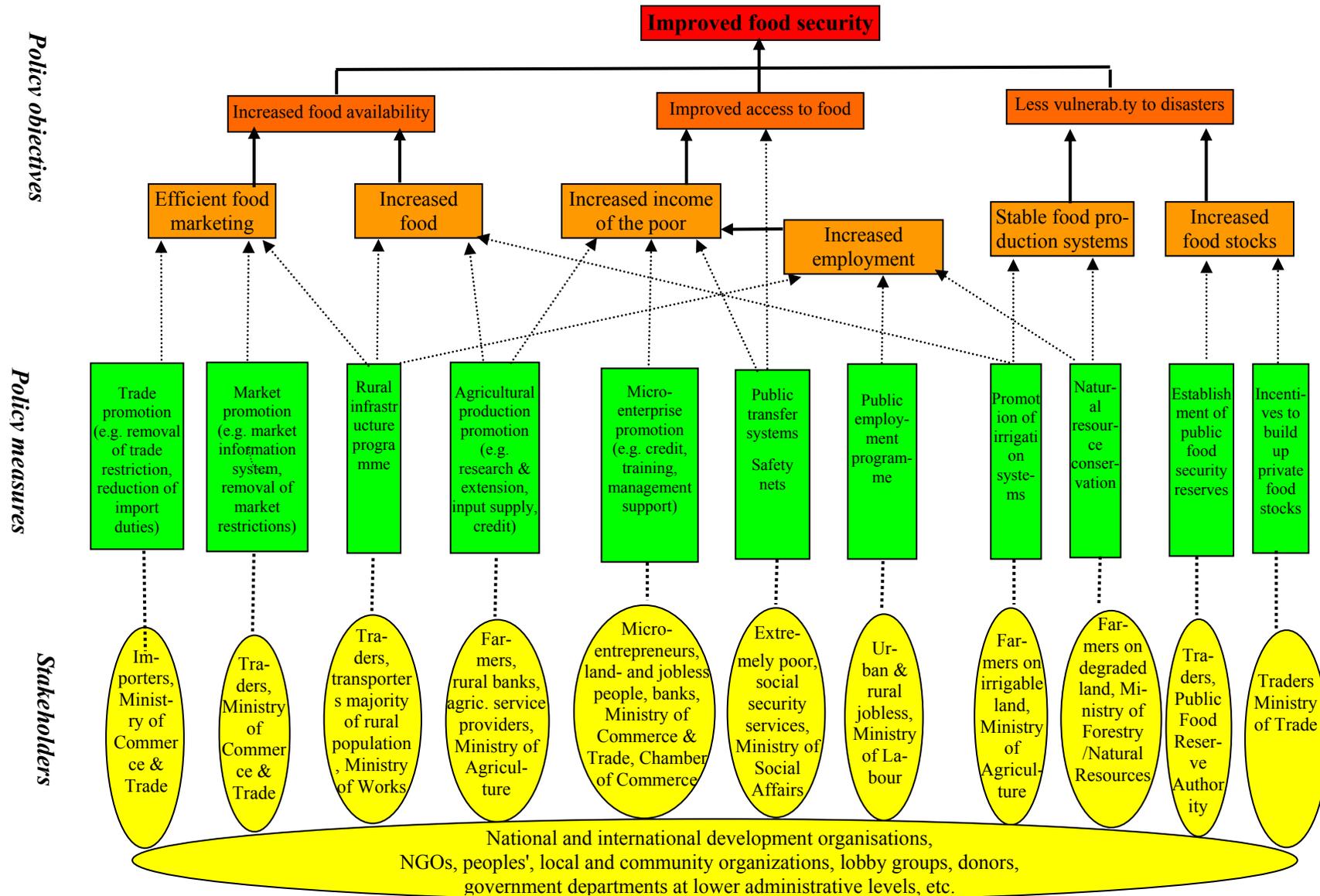
1.3. **Steps for MPI**

MPI is a process, comprising a number of consecutive steps as presented in Graph 3. The steps are interlinked and there are circular relationships between progressive and preceding steps. For example, research design and data availability (step 5) will influence the choice of indicators (step 4). An important circular relationship also exists between step8 and 2: if the results of MPI suggest policy adjustments, the resulting modifications in policy design and/or implementation need to be taken into account during the further impact monitoring process.

Step 1: Clarification of objectives of MPI and tasks to be performed

Under an **overall objective**, to ensure that a policy is effective in reaching its objectives, MPI may, for example, serve one of the following purposes (**specific objectives**):

To trace all significant impacts of a set of macro and/or sector policies, such as the impact of macro-economic reforms or sector reform policies;

To trace the impacts of one specific policy of particular importance, e.g. sector investment, land use policy;

To concentrate on the assessment of one policy, considered of particular importance, such as outcomes on poverty, on the environment or food security.

Although different bodies will usually be involved in activities related to MPI, there must be an institution or organisation with the overall responsibility and coordinating functions for MPI.

Step 2: Review of relevant policy(-ies)

Impacts can be attributed to a certain policy only if the features of the policy (objectives, measures, stakeholders) and the state of implementation are duly considered. Therefore, the policy needs to be reviewed before a detailed assessment of their impacts can be done. A policy review for policy monitoring comprises:

An analysis of the policy objectives (hierarchy of objectives, compatible/conflicting objectives, compatibility with other policies);

Assessment of the measures and instruments selected for policy implementation (rules and regulations, programmes/projects, actions)

Review of the state of implementation (Measures, under implementation, delayed/partial implementation, outputs achieved);

Assessment of the role and performance of stakeholders, their performance in policy implementation and their response to policy measures.

Graph 3. Eight steps of Policy Impact Monitoring (PIM)

Step 1:

Initiation and preparation of MPI
Clarification of objectives of MPI
Assignment of responsibility for MPI
Definition of tasks of MPI

Step 2:

Policy review and analysis
Policy framework: objectives and measures
Stakeholders and role of institutions involved
Performance and state of implementation

Step 3:

Development of impact model
Identification of impact areas
Identification of impact path(s)
Formulation of impact hypotheses

Step 4:

Selection of impact indicators

- Intermediate/ proxy / final indicators
- Quantitative / qualitative indicators
- Applying criteria for 'good' indicators

Step 5:

Research design

- Determination of research approaches & methods
- Determination of data/information requirements
- Planning of specific quantitative/qualitative surveys

Step 6:

Data collection / survey execution

- Tapping existing information and data sources
- Upgrading of existing data collection system
- Execution of specific quantitative/qualitative surveys

Step 7:

Data compilation, processing and analysis

- Compilation of primary/secondary data
- Data processing and analysis
- Assessment and conclusions

Step 8:

Communication and presentation of results of MPI
to policy makers, clients, public

Step 3: Development of the impact model

An '**impact model'** comprises the following elements:

Identification of impact areas, i.e. the sectors/spheres which are likely to be affected by the policy interventions

Assessment of impact paths, i.e. the ways and sequences of expected changes induced by the policy interventions

Formulation of impact hypothesis on type and significance of expected impacts

Step 4: Selection of impact indicators

In order to be able to examine whether the changes induced by the policy go into the right direction, suitable indicators are to be selected. Indicators can be classified as:

- ***Intermediate and final indicators:***

Intermediate indicators are used to measure changes which happen 'on the way' towards reaching the overall objectives. They usually relate to policy sub-objectives. The intermediate indicators which are most useful in tracking progress towards achieving an impact are those which refer to key determinants of that impact.

Final indicators provide a measurement of the expected final outcome.

<u>*Example*</u>*: Final indicators for assessing the impacts of a poverty alleviation policy would be the poverty line (number of people living below the poverty line) and poverty gap (depth of poverty, distance to poverty line for those living below the poverty line). Intermediate indicators would be the amount of new jobs created, employment and income opportunities offered in public employment programmes, etc)*

- ***Direct and proxy indicators***

The example above presents *direct indicators*, i.e. measurements which directly relate to the expected outcome of a policy. Due to lack of suitable and up-to-date data, it is sometimes necessary to use *proxy indicators*.

<u>*Example*</u>*: A direct indicator for measuring the impact of a food security policy would be a sustainable improvement of nutritional status of the population. Because of lack of adequate data and the huge costs involved, proxy indicators are used, such as the nutritional status of children in selected areas, the prevalence of nutrition related diseases, the phenomenon of "hunger migration", etc.*

- ***Quantitative and qualitative indicators***

A further distinction has to be made between *quantitative* and *qualitative* indicators. Qualitative indicators will have to be applied if meaningful quantitative data on impacts are not available or when qualitative and participatory approaches to impact assessment are applied. They can be classified in categories such as: better and worse, more or less, important or insignificant

Step 5: Research design

Once the preceding steps are accomplished, the methods for tracing policy impacts have to be determined. The following principal assessment methods can be distinguished:

a) Comparison with counterfactual (experimental design)

This approach involves comparing the situation *with* policy intervention with a situation *without* intervention. In applying this method, treatment and control groups need to be formed.

This approach is generally applicable in partial coverage programmes which only affect part of the population, but it cannot be applied to assess the impacts of country-wide policies because there is no control group.

b) Comparison of situations before and after (reflexive comparisons)

By comparing the situations before and after the policy is being implemented, using appropriate indicators for this comparison, the relevant changes observed are conceived as effects of the policy measures introduced. This comparison can be carried out with quantitative as well as qualitative approaches for impact assessment.

The pertinent research design and the indicators selected in step 4 determine the data requirements. Adequate and reliable data essential for the validity of the results of impact assessment.

Step 6: Information and data collection
According to the selected observation methods and the information and data sources identified in the preceding step, actual collection of data will be effected through:

- **Tapping existing information and data sources,** making sure that the required data are made available for impact monitoring in suitable form and time.
- **Upgrading of existing data collection system**, in the case that the existing statistical services and data collecting system may not generate exactly the type of data required
- **Execution of specific quantitative/qualitative surveys**: quite frequently, even if the two preceding possibilities are used, there remains the need to conduct special surveys, not necessarily to be done by the impact monitoring unit but can be outsourced to external institutions.

Step 7: Data compilation, processing and analysis

Once the data are collected they will have to be compiled, processed and analysed, according the research approaches and analytical methods defined in step 5.

Step 8: Communication and presentation of results of MPI

This final step is indeed a delicate and crucial one: communication and presentation of the MPI results should be guided by criteria of clarity, comprehension and digestibility in view of clients and audience

Applicability of MPI

MPI can be applied to assess the impacts of:

- **Macro and sector policies**, e.g. macro-economic reform, stabilization and/or adjustment sector policies;

- **A particular policy**, e.g. sector investment, market reform, trade, gender policy;

- Policies with respect to **specific effects** which are considered to be **of special importance**, such as the impact of policies on poverty ,on food security, on the environment, etc.

There is also the possibility to apply MPI in a **reverse mode**: instead of starting from policy measures and tracing down their effects, MPI can be launched because certain undesired changes have been observed, in order to monitor such changes and track them back to their causes, thus to be able to address these factors in a way which helps to avoid or mitigate the harmful effects.

Part II- Agricultural Policy Monitoring In Syria: Preliminary Steps Toward a Conceptual and Operative Framework

2.1. MPI in the Syrian Context: Some Specific Characteristics

The eventual design and implementation of an Agricultural Policy Monitoring System (APMS) in Syria should take into account a cluster of country-specific characteristics that should be incorporated in the setting up of the APMS. Very broadly, the characteristics concern the following relevant issues:

First of all, there should be awareness that the pursue of the agricultural strategy – as the one specified in the Mar's document *Orientation to the Agricultural Development Strategy in the Syrian Arab Republic* (2000) – cannot be conceived and analyzed as an isolated sectorial policy action, but it is part of the overall process of transition and opening of the economy. In this perspective, a major implication is that macro-policies, because of their likely impact on the performance of agriculture should also be the object of close monitoring (i.e. modifications in the trade regime, financial and fiscal measures to facilitate private investment, etc).

In the "standard" MPI model, the **institutional framework** (the **stakeholders** of Graph 2) is usually considered as a fixed element in the model, while in the Syrian case the modification of the institutional framework (revision of the role of Government in the economy, modification of the governmental structure) is explicitly stated as an objective-instrument of the strategy. This specific feature adds complexity both to the monitoring phase and to the identification of impacts of the strategy. To my knowledge, very little attention is devoted to this aspect in the MPI literature. The specification of suitable indicators for, firstly, monitoring significant changes in the Institutional framework and, secondly, to assess their impact, thus represents a crucial issue in setting up an MPI system in Syria.

It is worth stressing that the assessment policy impacts should be preceded by a carefully designed phase aimed at *monitoring those policy actions* that are being implemented. Adequate policy monitoring, to be conducted by the same *Institutional Unit* responsible for the impact assessment, represents an essential precondition for successful impact assessment. In the Syrian context, an initial step toward MPI should consist in a careful survey of the state of monitoring the numerous actions foreseen by the agricultural strategy.

2.2. Monitoring the Agricultural Development Strategy: a Sketch of Alternative Approaches

2.2.1 General Features of the Agricultural Strategy

The following discussion is based on the MAAR's Document *Orientations to the Agricultural Development Strategy in the Syrian Arab Republic* (Damascus, 2000), hereafter OADS. This document, in addition to a synthetic assessment of the agricultural current situation,, contains a comprehensive policy effort, articulated into a hierarchy of objectives and a multiplicity of policy actions, which are planned to be deployed over a time horizon extending to 2010.

The essential feature of OADS are schematically recalled, as a premise to the subsequent discussion aimed at advancing possible approaches for monitoring its implementation and its impacts.

The Hierarchy of Objectives pursued and the Hierarchy of Policies , as a subjective interpretation of OADS, is synthesized in the following table.

From the point of view of its implementation, the Strategy is further articulated in the following **Sub-sectorial programmes**:

- **Natural Resources**
- **Plant Production**
- **Livestock Programme**
- **Support Services**
- **Production Inputs**
- **Agricultural Policy**

Within each Programme, Targets to be achieved are specified:

For example, the **Plant Production Programme** pursues the following targets:

- Yield increase in irrigated and rain fed land

- Fulfillment of requirements of agrofood industry

- Lowering the cost of productions

- Enhance competitiveness and achievement of an export surplus

In the **Agricultural Policy Programme** the following areas of intervention are identified:

- Increase investments in agriculture

- Within the framework of economic diversification specify the roles to be played by public, private and cooperative sectors

- Eliminate responsibility fragmentation among ministries and institutions involved in agriculture

- Reconsideration of financial policies

- Development of domestic and international marketing activities

- Adoption of an appropriate pricing policy

For each Target, the Actions to be undertaken are identified with regard to two intermediate time horizon (2003 and 2005) and the final one (2010).

From the point of view of Policy Monitoring, considering the complexity of the Strategy traced by OADS, it seems analytically appropriate to distinguish three alternative levels: 1) Monitoring

at the level of Sub-sectorial Programme; 2) Monitoring the performance of the overall strategy; 3) Monitoring the performance with regard to a Primary objective (i.e food security)

Classification of objectives and policy measures

Hierarchy of policies	Hierarchy of objectives
P1. Horizontal policies	O1. Primary Objectives
O.1.1 Improve performance of agrofood sector	
O1.2Achieve a sustainable level of food security	*P.1.1 Reconsideration of institutional responsibility within Government*
O1.3Achieve a sustainable level of conservation of natural resources	*P.1.2Further steps toward liberalization and privatization*
O2. Intermediate objectives	*P2. Specific policy actions*
O2.1 Target of annual production growth (4-7%) trough:	P2.1 Increase investment in irrigation
2.1.1 expansion of irrigated area	P2.2 Technological change through research, and extension
2.1.2 expansion of tree crops	P2.3 Strategic crops: revision of mechanism for resource allocation and price setting
2.1.3 expansion of forest area	P2.4 Revision of taxes and subsidies
2.1.4 expansion of crops that enjoy comparative advantage	P2.5 Reconsideration of credit policies
2.1.5 Increase of yields	
2.1.6 Production targets of specific crops	
O2.2 Improvement of producers income	
O2.3 Improvement of structure and efficiency of agric. markets	P2.6 Regulations and investments to improve the Marketing system
O2.4 Enhancement of agricultural exports	*P2.7 Establishment of a public export agency*

2.2.2. Monitoring at the level of sub-sectorial programme

Let us first consider the policy monitoring approach to be used for a Programme such as **Plant Production.** Considering the prevailing technical (agronomic) nature of the Programme, the application of the standard **impact model** (Step 3, discussed in Part I), that is:

- Definition of **impact areas** (i.e. crop intensification in irrigated areas)

- Identification of **impact paths** (i.e. the adoption of water saving technology)

- Formulation of **impact hypotheses** (i.e. positive impacts in terms of intensification and water saving)

appears in this case quite straightforward.

A fundamental decision for the design of the model is the one concerning the level of aggregation at which the assessment of the programme impacts is to be carried out, whether at the national level, at regional or sub-regional level. Availability of information of the institution(s) responsible for the implementation of the various policy actions, as well as the information on effective policy monitoring, are probably the crucial factors in determining the appropriate level of aggregation.

Once this decision is taken, the subsequent steps for monitoring impacts, concerning the **selection of indicators,** the **research design,** the **data collection, processing and analysis**, though demanding in terms of human resources, appear also fairly straightforward.

More complex appears the case of monitoring and assessing the impacts of the **Agricultural Policy Programme**. The complexity arises from several factors: the heterogeneity of the actions contained in the Programme, the qualitative and not easily monitored actions involving institutional change, the generic definition of actions such as "Adoption of an appropriate pricing policy".

Probably, the best approach, though heavily demanding in terms of resources, is to design distinctly the sequence of steps for MPI for each type of action included in the Programme.

While the standard procedure can be applied to the action **Increase investments in agriculture,** monitoring the actions concerned with institutional changes require specific and not simple adaptation in all the steps of MPI. Just to give an example: what kind of indicators can be selected for the impacts of institutional changes?

2.2.3   Monitoring yhe Overall Sectorial Performance and Sustainability

At the opposite extreme of the spectrum, one can conceive an MPI effort aimed at assessing the overall efficacy of the Agricultural Strategy in terms of its impacts on the structure and performance of the entire agro-food sector.

In other words, for evaluating to what extent the objectives pursued by the Strategy are being achieved, two basic questions should be addressed:

- To what extent and at what speed Syrian agriculture is moving in the directions set by the Strategy?

- What can we say about the long run **sustainability** of the pattern of growth that is being pursued and realized?

An attempt to provide in depth answers to the above questions by applying the MPI standard model should recognize the presence of some evident and major difficulties. Most difficulties stem from the dimension of the problem itself, i.e. from the simultaneous pursue of a multiplicity of objectives and the simultaneous implementation of multiple and interconnected actions. From an analytical point of view, considering Step 3 (Development of the impact model), the main difficulty would lie in the identification, and isolation, of "impact paths": since, most likely, any specific "impact area" is affected by a considerable number of actions, the formulation of sensible "impact hypotheses" and the attribution of individual impacts may turn out to be somewhat arbitrary. With the likely end result, that the exercise, in a cost/benefit perspective, would perform quite poorly. It is therefore plausible to assume that the complexity of the model, also in terms of data collection and analysis, would be such that the task could turn out to be unmanageable

As a possible alternative one should consider what could be labelled as a **Simplified approach to MPI (SAMPI).** Though less effective, and less ambitious, than the MPI standard model, this approach could be of some usefulness in monitoring the overall performance of the strategy.

In very schematic terms, the SAMPI could be articulated according to the following steps:

1) Select a limited number of **major impact areas**, with regard to which the overall impact of the strategy is to be monitored and assessed.

2) For each impact area select a **cluster of indicators**, through which "measure" the level of achievement of the Strategy

3) Establish   for   each   indicator   the   **threshold   levels**,   corresponding   to satisfactory/unsatisfactory performance

4) For those areas with unsatisfactory performance, formulate **hypotheses** on the actions possibly responsible of this result.

5) Investigate the actions identified, through **specific ex-post monitoring**.

Considering a possible application of SAMPI to the strategy as specified in OADS, as a possible contribution to the discussion, the following considerations seem to be in order:

- As far as the **impact areas** are concerned, two main domains could be identified: **a) Nature and dimension of agricultural growth; b) sustainability of the pattern of growth**. The first area, aimed at measuring the sectorial performance in terms of its growth capacity, does nor require specific comments. The second area would be aimed at measuring the sustainability of the pattern of growth with regard to some crucial **sustainability dimensions**. In the Syrian current context, special attention should be devoted to three dimensions: **demographic sustainability, environmental sustainability, financial sustainability**[1]

- As far as the indicators are concerned, for the first area also they do not require specific comments. They could basically coincide with the standard indicators for assessing a sectorial performance[2] On the contrary, the selection of the indicators for the second area demand special attention since they should constructed in such a way to capture crucial trends within each sustainability dimension. Just to give an example, for the demographic dimension, pertinent indicators should measure employment in agriculture and non-agricultural activities in rural areas, flows of rural-urban migration. Further suggestions on how to assess the performance in terms of the sustainability dimension could hopefully result from the discussion in the workshop.

- Also some exploratory discussion on the criteria to be used in setting the **threshold levels** for the selected indicators could hopefully find space within the workshop.

- It is also worth exploring the hypothesis, if and when an initial application of SAMPI will be attempted, to divide its five steps into two phases: a) to concentrate initially the effort in designing and implementing steps 1, 2, 3; b) once the first phase is successfully completed, to move to the more analytically demanding phases 4 and 5.

2.2.4. Monitoring at the level of a Primary objective: the case of Food Security

A third alternative approach could consist in concentrating the MPI on a specific Primary Objective of the Strategy, such as Food Security The following graph presents the structure of the model for assessing impacts in terms of Food Security[3].

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[1] The logic behind the three sustainability dimension is discussed in M. De Benedictis, *Agricultural Development Strategy,* February 2000.

[2] Implicit suggestions about the sectorial indicators can be found in A. Sarris, *Agricultural Development Strategy for Syria: Background Reference Paper*, December 2001, and in A. Sarris, *Final Report on Agricultural Development Strategy for Syria*, December 2001.

[3] . The graph and the following table are taken from M. Metz "A model to capture and trace the impacts of Food Security Policies", Berlin, May 2001.
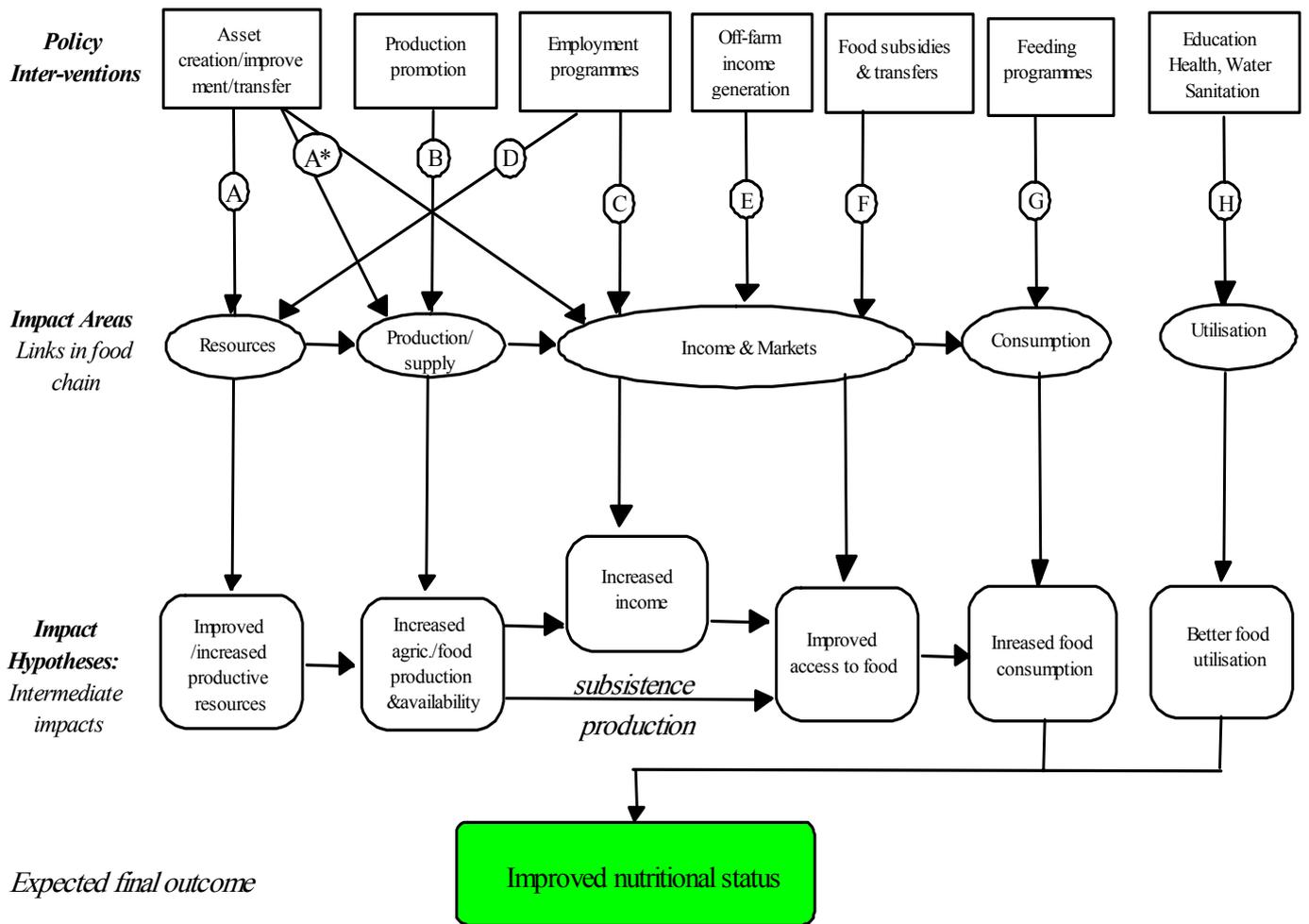
Policy Inter-ventions

Asset creation/improvement/transfer

Production promotion

Employment programmes

Off-farm income generation

Food subsidies & transfers

Feeding programmes

Education Health, Water Sanitation

A*

A

B

D

C

E

F

G

H

Impact Areas
Links in food chain

Resources

Production/ supply

Income & Markets

Consumption

Utilisation

Impact Hypotheses:
Intermediate impacts

Improved /increased productive resources

Increased agric./food production &availability

Increased income

subsistence production

Improved access to food

Inreased food consumption

Better food utilisation

Expected final outcome

Improved nutritional status

Table 1- Impact paths, impact areas and impact hypotheses of food security policy interventions

Impact path	Food security policy intervention	Impact area	Impact hypotheses	
			Intermediate impacts	Impact path continued until *final impact*
A A*	Example: Natural resource (soil, water) conservation, land reform / land tenure in favor of small farmers / tenants. Example: Improvement of rural road infrastructure	Natural resource endowment, quantity and quality of productive resources available to small farmers. Economic infrastructure, with impacts on production, markets and income.	Vulnerable groups of small farmers gain access to more / improved productive assets and utilize them. Improved rural roads network facilitates input and produce marketing (lower input prices, higher producer prices, lower consumer prices, availability of food over time and space).	Increased smallholder production →...→ *improved nutritional status* Increased access to and availability of food →...→ *improved nutritional status*
B	Promotion of agricultural extension, research, input supply, credit, etc.	Agricultural / food production, particularly smallholder sub-sector	Increased agricultural and food production by smallholders	Increased sales increased income →...→ improved nutritional status; Increased home consumption →...→ *improved nutritional status*
C	Employment generation schemes (cash / food for work) for rural and urban un- or underemployed.	Income and Markets	Increased income (cash/kind) of poor and vulnerable population groups (market access)	Improved access →...→ *improved nutritional status*
D	Productive assets created through public work schemes	As under A: Natural resources and rural infrastructure	As under A: Productive assets improved / increased and utilised.	As under A
E	Off-farm income generation, e.g. through training, credits.	Income and Distribution	As under C: Increased employment and income	As under C
F	Targeted food subsidies / cash - / food transfers	Real / nominal income of target population	Increased real/nominal income of target population	Improved access → increased food consumption → *improved nutritional status*
G	Feeding programmes	Food consumption of target population	Increased food consumption	→ *improved nutritional status*
H	Education, health, water, sanitation	Utilization	Better knowledge, improved health, hygiene, clean water, food utilization	→ *improved nutritional status*

If time allows it, part of the discussion in the workshop could devote in placing the above model in the Syrian context: i.e. raising and answering the following questions concerning the modifications to be introduced in the various components of the model: a) types of policy interventions; b)impact areas; c) impact hypotheses; d) impact paths.

2.3.   The Design of an APMS: a Tentative Road-Map

Within the framework sketched above, the design of an APMS adapted to the Syrian context should be based on a preliminary and fundamental decision concerning the dimension and the depth of analysis to be carried out.

It seems operationally appropriate to think initially in terms of an **experimental phase** , through which build and test the analytical and operational capacity needed to set up and to operate a **permanent APMS**. The following considerations refer essentially to the experimental phase.

With reference to the eight steps for MPI discussed in Part I, the **experimental phase** could be organized according to the following sequence:

- Identify the **policy areas and policy actions** to be monitored (Step 1)
- Formal establishment of a **working group** responsible for steps 3,4,5,7,8
- Formal establishment of an **operational network** responsible for step 6

With reference to the alternative approaches sketched above, the MPI exercise could be aimed at two tasks:

- Apply the MPI model to two **policy actions** included in the Sub-sectorial Programmes contained in OADS. One policy action should be selected among those contemplated in the first five Sub-sectorial programmes (Natural resources, Plant Production, Livestock production, Support services, Production inputs) and the second action chosen among those included in the Programme "Agricultural Policy".

- The second task of the exercise should be initially addressed to the first three steps of SAMPSI, thus aiming at providing a synthetic information about the overall performance of the Strategy and its sustainability. It is worth considering that a possible outcome of this part of the exercise could become a permanent chapter in SOFAS, presenting and interpreting the relevant indicators.

As far as the composition of **working group**, this will depend on the nature of the policy actions chosen. In fact, in addition to staff members of NAPC responsible for conducting the experiment, the other members should belong to institutions, public and private, directly involved in the implementation of the policy actions under analysis.

A similar consideration applies to the establishment of the **operational network.**

2.4.   A Guideline ror Discussion

As a preliminary contribution to the discussion at the workshop, the following questions are put forward:

- Is OADS still a valid basis of information for design the experimental phase of an APMS? Any **significant modifications** in the Strategy and related policy actions have occurred since then?

- The **specifics of the Syrian context** discussed in section 2.1 are relevant for an APMS? Are there other specifics worth singling out?

- What is the state of knowledge about **monitoring** the actions foreseen by the strategy that are being implemented

- Are the **three approaches to an APMS** presented in section 2.2 appropriate as a guideline for designing an APMS?

- Which **objectives and actions** should be chosen for monitoring at the level of a Sub-sectorial Programme?
- What **type of indicators** should be used for assessing the overall Sectorial performance and sustainability?
- What **type of modifications** should be introduced to adapt the standard Food Security Model?
- Is the **road-map** sketchily traced appropriate to conduct an experiment in APMS?

ANNEXES

Annex 1- Proceedings of the Workshop on an Agricultural Policy Monitoring System (APMS) Held at NAPC on Nov. 7, 2002

Introductory Intervention by Mr De Benedictis

The introductory presentation has been divided into two parts: the first one aimed at illustrating the principles and the methodological steps of a general model for monitoring the impacts of policy (MPI), the second part devoted to trace the preliminary steps toward the establishment of an Agricultural Policy Monitoring System (APMS) in Syria.

MPI is essentially a policy management instrument aimed at tracing and analyzing the effects of policies and assessing the effectiveness of policies in reaching their objectives, thus providing prompt feed-back to policy makers.

Any exercise of MPI should be based conceptually framed in the context of a *cycle of policy formulation and implementation*, composed of a sequence of steps: a) setting the policy objectives; b) the choice of measures and instruments; c) identifying the stakeholders and their role; d) the implementation of the measures. The different components of the cycle have been illustrated with reference to the overall objective of food security.

Some attention has subsequently been devoted to the illustration of the eight standard steps for MPI:

Step 1: Clarification of the objectives of MPI and tasks to be performed

Step 2: Review of relevant policy(ies)

Step 3: Development of the impact model

Step 4: Selection of impact indicators

Step 5: Research design

Step 6: Information of data collection

Step 7: Data compilation, processing and analysis

Step 8: Communication and presentation of results of MPI

Some attention has then been devoted at illustrating the areas of applicability of MPI, which can be used to assess the impacts of: a) macro and sector policies (macro-economic reform, stabilization and/or adjustment sector policies); b) a particular policy (sector investment, market reform, trade, gender policy); c) policies with respect to specific effects which are considered of special importance, such as the impact of policies on poverty, on food security, on the environment, etc.

2. The second part of the presentation has been devoted at examining some general issues

and hypotheses for a possible application of APMS in Syria. At the outset, two basic questions have been raised:

Considering the process of policy transition involving the Syrian economy and the agricultural sector, a research effort in the direction of policy monitoring is it worthwhile?

With reference to the steps composing the MPI and considering the present status of information on the various components of the policy cycle, is this effort <u>feasible</u>?

Any attempt to give reliable answers to the above questions should preliminarily take into proper account some specific features of the Syrian context: the strong interlinkage between the Agricultural Strategy and modifications in the context of macro-policies; the implications for MPI of the fact that the modification of the Institutional Framework is itself a major component of the strategy; the need of an accurate knowledge of the status of policy monitoring as a precondition for designing and implementing an APMS.

The subsequent considerations and suggestions toward the establishment of an APMS have been based on the assumption that the MAAR's Document of December 2000 "Orientations for the Agricultural Development Strategy in the Syrian Arab Republic" (hereafter OADS) is still valid and operational in terms of the objectives stated, of the policy actions specified and of the articulation of the time horizon into three phases: 2000-2003; 2003-2005; 2005-2010.

Some attention has then been devoted to a sketchy reading of OADS aimed, from the perspective of APMS, at identifying a Hierarchy of objectives and a Hierarchy of policy actions and at pointing out the articulation of OADS into six *Sub-sectorial Programmes: Natural Resources; Plant Production; Livestock Programme; Support Services; Production Inputs; Agricultural Policy.*

From the point of view of Policy monitoring, considering the complexity of the Strategy traced by OADS, it seems appropriate to distinguish three alternative levels:

Monitoring at the level of Sub-sectorial Programmes

Monitoring at the Sectorial level

Monitoring at the level of a Primary Objective (e.g. Food Security)

<u>Monitoring at the level of sub-sectorial programmes</u>. In order to illustrate the applicability of APMS at this level, some examples have been put forward. Considering the case of Plant Production, it has been suggested that, for some of the objectives specified in the Programme, such as the yield increase in irrigated and rainfed crops or the reduction of costs of production, the application of the standard MPI model should be fairly straightforward, under in condition that appropriate information on the different steps can be collected. More analytically challenging, because of its greater complexity, would be the monitoring of the objective of increase of export surplus, an exercise that would demand, first of all, the construction of an appropriate "objective tree", and its various connections with the policy actions implemented.

For several reasons even more complex appears the application of the MPI model to the policies in the Agricultural Policy Programme. On one hand, a couple of objectives are addressed at substantial changes in the Institutional Framework (review of the roles of public, private and cooperative agents; elimination of the fragmented responsibility among Ministries and other governmental institutions) so that the selection of appropriate indicators may indeed become an analytical bottleneck. On the other hand, the specification of other objectives (review and modify the finance policies, adopt appropriate pricing policy) is, at the present stage, too generically formulated in order to become the object of an MPI exercise.

<u>Monitoring at the sectorial level</u>. In principle, it would be logical to attach a high priority to an MPI effort aimed at assessing the efficacy of the overall Strategy in terms of its impacts on the structure and performance of the entire agro-food sector. However, any attempt to provide in depth and articulated answers to this task, should immediately recognize the presence of some major difficulties stemming mainly from the dimension and the complexity of the problem itself: the multiplicity and simultaneity of objectives and of policy actions would likely turn out to be a major stumbling block when confronted with the identification of "impact paths" and the formulation of "impact hypotheses".

On the other hand, a less ambitious but more operational alternative, which could be defined as a Simplified Monitoring Policy Impact (SAMPI), could be conceived and designed to provide the monitoring of some major trends in the evolution of the agricultural sector. Very sketchily, SAMPI could be articulated in the following steps: a) selection of a limited number of *major impact areas*, chosen in such a way to provide key parameters for a reading of the nature and dimension of the agricultural growth, as well as of the sustainability of the pattern of growth; b) for each impact area, select a *cluster of indicators* with which to monitor the relevant trends in the chosen impact areas; c) formulate *hypotheses* about the actions presumably responsible for the ascertained trends; d) if possible, to draw from the hypotheses relevant indications in terms of policy adjustment.

Obviously, this approach, based on the ascertainment of trends, could provide meaningful indications only for a long term perspective. However, its feasibility and usefulness could be tested by an ex-post application, for instance by applying the above steps to the performance of Syrian agriculture during, say, the last decade.

Monitoring at the level of a primary objective. A brief illustration was then given of the general features of the MPI model when applied to the Food Security objective. Because of the complexity of the model and of the amount of quantitative and qualitative information required, it is reasonable to argue that the adaptation of the model to the Syrian context, with regard either to the Food Security or to another Primary Objective, could be pursued only after some other, simpler, exercises in APMS are carried out.

The conclusive part of the presentation has been devoted to sketch a tentative road map in the case that the NAPC will decide to undertake an exercise in APMS. It would wise to approach this new thematic area in terms of an *experimental phase*, structured according a sequence consisting of: a) the identification of the *policy areas* and *policy actions* to be monitored; b) the establishment of the *working group* technically and institutionally responsible of the experimental phase; c) the establishment of the *operational network* responsible for collecting the necessary information.

Summary of the discussion

Atieh El Hindi, *NAPC Director*

Mr Atieh El Hindi, in an articulated intervention, pointed out that:

the MAAR's Document on the Agricultural Strategy is still valid both in terms of the policy actions - though at various stages of implementation – and of the subdivision into sub-periods up to 2010;

up to now no systematic effort has been done in the area of policy monitoring, mainly because of the lack of expertise within the Governmental structure;

that a series of relevant policy actions are being implemented such as:

a major Programme of distribution of State agricultural land (90% allocated to farmers, 10% to research activities);

the conversion of irrigated crops to modern technology, though at a slower pace than planned;

the disengagement of the State in the production of poultry, cattle and aquaculture;

the reorganization of the Seed sector, with the elimination of fragmented responsibilities;

the elimination of duties and other fees on agricultural exports;

and that a series of policy changes are presently under consideration, such as:

in the credit area, a programme of loans specifically aimed at small farmers;

new Projects addressed specifically at the alleviation of unemployment and at income generation;

the assumption of major responsibility by MAAR in the area of agricultural price policy;

the revision of the price mechanism for cotton.

Darwich, Mustafa, *University of Aleppo*

Prof. Darwich, with regard to policy monitoring, called the attention to a proper identification of stakeholders and to their direct involvement, stressing the crucial role of participation in policy implementation. He argued that, though a reconsideration of the role of the State is certainly appropriate, public direct intervention remains essential in the provision of public goods. On the other hand, the private sector should be given a greater role, for example, in the domain of cotton processing and export.

Taweel, MHD. Waleed, *General Commission for Agricultural Scientific Research*

DrTaweel, acknowledging the relevant role of policy monitoring, expressed the wish of a research initiative by the NAPC in this direction. This effort appears particularly worthwhile in the present period of transition toward privatization and liberalization. Particular attention should be devoted not only to monitoring but also to a quantitative assessment of the impacts of the major policy changes.

Al Ashkar, Haitham, *Agricultural Economics Department, MAAR, Member of NAPC Scientific Committee*

Mr Al Ashkar, sharing the view of the importance of policy monitoring, addressed his intervention to the following points:

That the annual progress reports that MAAR requires from the different Departments could be a valuable input for policy monitoring

That the fragmentation of responsibilities within Government should be properly taken into account in designing an APMS: he gave the example of the loans for irrigation, provided by the Agricultural Cooperative Bank, that falls under the jurisdiction of the Ministry of the Economy.

That in several cases it will be necessary to use qualitative indicators, certainly not easy to construct

Kseibati, Samar, *Director, Planning and Statistics Section, Ministry of Economy and Foreign Trade*

Ms Kseibati, devoting particular attention to policy monitoring in the Syrian context, raised several important issues, related to: a) the need and the problems of measuring the impacts and the efficiency of externally funded projects; b) if and how the task of policy monitoring could be assigned to private institutions; c) how to ascertain properly the existence of conflicting objectives; d) how to isolate and measure the impacts of external factors.

Al Zuhaili, Munir, *Agricultural and Irrigation Planning Department, State Planning Commission*

Mr Al Zuhaili called the attention to a crucial element: that the implementation of practically all policies aimed at agriculture face several and diversified constraints. The identification of these constraints, in view of their alleviation or removal, should receive proper attention in designing and implementing an APMS.

Romano, Donato, *Trainer, GCP/SYR/006/ITA-Phase II*

Prof. Romano, stressing the importance of agricultural policy monitoring in the present Syrian context, put forward a host of methodological recommendations:

To calibrate any eventual APMS exercise to the resources available and to explore the feasibility trough a pilot study

That the exploratory exercise could be addressed to an ex-post evaluation of policies

To pay specific attention to the crucial role of *information*: an improvement in this areas, increasing the flow of information would, by itself, represent a worthwhile objective

That the indicators selected should fulfill the characteristic of being "good" (i.e. trustful, relevant and simple) and of discriminating, in assessing the impact of policies, between winners and losers

That the APMS should be designed in such a way to keep appropriate track of impacts on the different social strata

Verceuil, Jacques, *Senior Project Advisor, GCP/SYR/006/ITA-Phase II*

Mr Verceuil, endorsing the view of the relevance of agricultural policy monitoring in the present Syrian context, suggested to distinguish, conceptually but mainly operationally, the phases of *Documentation* and that of *Evaluation*. Significant and systematic progress in the area of Documentation, in addition of being a prerequisite, would represent a valuable objective in itself.

In any case, a research endeavor by the NAPC should have, as an initial step, a careful survey of the overall policy framework and should be based on appropriate forms of coordination with other relevant stakeholders.

De Filippis, Fabrizio, *International Consultant, GCP/SYR/006/ITA-Phase II*

Prof De Filippis, endorsing Prof. Romano's recommendations, called the attention to place conceptually the policy monitoring in the framework of *positive* and *normative* economics. In effect, MPI can be seen an approach in which positive analysis (the understanding of reality of current policies) is addressed to a normative objective (to introduce the adjustments in policy design and implementation). He also stressed that one should never forget the relevance of the fact that policies in the real world are indeed the outcome of the interests of various stakeholders in the "policy market".

As far as a possible activity by NAPC in this area, he recommended that initially this could take the form of an ex-post exercise with regard to the past policy context.

Husni, Wafica- Nahhas, Bashar- Baghasa, Hajar, *National Agricultural Policy Center*

The interventions by members of NAPC's technical staff stressed several points relevant for policy monitoring in the Syrian context: a) the difficulty of assessing the performance of private parties within the MPI framework; b) the crucial need of establishing a monitoring unit in close coordination with the various branches of Government; c) the difficulty coming from the scarcity of data availability.

Fiorillo, Ciro, *CTA, GCP/SYR/006/ITA-Phase II*

Mr Fiorillo, first of all stressed the relevance of the conceptual framework illustrated by Prof. De Benedictis. This would provide an useful guideline to be adapted with intelligence and flexibility to the Syrian context. There should be awareness that a first major constraint for any exercise in APMS is represented by a lack of adequate documentation on the policies implemented and on the specific roles played by the relevant stakeholders. Therefore, the initial compulsory step in policy monitoring should consist in establishing a coherent classification of the existing set of policies and of their evolution. Once the documentation phase is satisfactorily completed, it would become easier to tackle the monitoring and the evaluation phase.

Conclusive remarks

First of all, Prof. De Benedictis expressed his appreciation for the contributions brought up by the numerous and qualified interventions. He felt that the unanimous opinion about the *worthiness* of an analytical and institutional effort in the area of agricultural policy monitoring should be registered by the NAPC as a strong encouragement to include this issue in its research agenda.

However – he stressed – one should keep in mind that this general encouragement has also been accompanied by several words of caution about the obstacles to be faced and overcome in order to guarantee to this effort an adequate guarantee of *feasibility*.

With the intention to provide the NAPC with some further elements for the design of an eventual research activity in agricultural policy monitoring, Prof. De Benedictis, also on the basis of the considerations brought up in discussion, put forward the following recommendations:

Considering the high importance of policy monitoring in the present Syrian context, but at the same time the lack of previous experience in this area, it seems advisable to conceive an initial research activity in terms of an *experimental phase*, aimed basically at providing reliable answers to the feasibility issue.

As pointed out strongly and reiteratively in the discussion, an initial and fundamental component of the policy monitoring exercise should take the form of an accurate and articulated *Policy Documentation Programme (PDP)*. The objectives of the programme should be of monitoring: a) the present status of the policy actions specified by the strategy; b) the evolution of the policy framework, both with regard "regulatory" and "operational" measures. A successful implementation of the Documentation Programme could bring about two important research outputs: a) the elaboration of a systematic framework – involving the construction of the "objectives tree" and related policy measures -, which could become the basis for further research efforts in policy monitoring; b) the establishment at NAPC of an *Agricultural Policies Data Bank,* which could become a valuable instrument both for all categories of stakeholders interested in the progress of Syrian agriculture.

It is obvious that an adequate realization of the PDP cannot rely exclusively on NAPC's technical and financial resources: a direct and strong involvement of the appropriate governmental stakeholders becomes a necessary pre-requisite to ensure feasibility and sustainability to the project. The involvement of external stakeholders could probably take the form of the establishment of a joint *operational network*, responsible of designing and enforcing the actions aimed at collecting and elaborating the inputs needed for the PDP.

Still in the experimental phase, the PDP could be accompanied by a parallel project aimed at identifying and quantifying a set of indicators for assessing the performance of the overall agro-food sector. An ex-post application of the indicators to the major trends characterizing Syrian agriculture during the last 10-15 years, in addition to providing information on the analytical validity of the indicators, could also provide the elements for the inclusion in SOFA of a regular section devoted to the analysis of the performance of Syrian agriculture.

Finally, only if adequate resources are available, a third, certainly more ambitious, component of the experimental phase could be addressed at applying, with the appropriate adaptations, the MPI model to a *specific policy action* within the agricultural strategy. Some examples in this direction have been given in the initial presentation. But Mr El Hindi, in his contribution to the discussion, also indicated other areas of potential fruitful application: the undergoing programme of distribution of State land has probably all the technical characteristics for a "standard" application of MPI; furthermore, once the modification of the price regime for cotton, now under consideration, will become operative, monitoring the implementation of the

new regime and the assessment of its impacts could become a challenging testing ground for the MPI methodology.

Prof. De Benedictis concluded its remarks with the hope that, in spite of the difficulties, a research project in the area policy monitoring will be undertaken in the near future by the NAPC and that a similar meeting, in a year or so, could be convened to discuss the preliminary results.

Annex 2- List of Participants

Agricultural Chambers' Federation

Mohammed Al Alo, *President*

Food and Agriculture Organization

Fiorillo, Ciro, Chief Technical Advisor, GCP/SYR/006/ITA-Phase II

Romano, Donato, Trainer, GCP/SYR/006/ITA-Phase II

Vercueil, Jacques, Senior Project Advisor, GCP/SYR/006/ITA-Phase II

Ministry of Agriculture and Agrarian Reform

Al Ashkar, Haitham, Agricultural Economics Dept., Member of NAPC Scientific Committee

Baghasa, Hajar, *National Agricultural Policy Center*

Dahas, Yehia, *National Agricultural Policy Center*

El Hindi, Atieh*, Director, National Agricultural Policy Center*

Husni, Wafica, *National Agricultural Policy Center*

Nahhas, Bashar, *National Agricultural Policy Center*

Saa'di, Usama, *National Agricultural Policy Center*

Sheheideh, Akram, *National Agricultural Policy Center*

Zoughbi, Samira, *National Agricultural Policy Center*

Taweel, MHD. Waleed, *General Commission for Agricultural Scientific Research*

Ministry of Economy and Foreign Trade

Kseibati, Samar, Director, Planning and Statistics Section

State Planning Commission

Zuhaili, Muneer, Director, Agriculture and Irrigation Planning Department

Prime Minister's Office

Fawwaz, Marwan, Advisor to the Prime Minister

University of Aleppo, Faculty of Agriculture

Darwich, Mustafa, *Professor of Agricultural Economics, Member of NAPC Scientific Committee*

University of Rome 3

De Filippis, Fabrizio, *Professor of Agricultural Economics*

Annex 3- Slides of the Presentation

**WORKSHOP ON
AN AGRICULTURAL POLICY
MONITORING SYSTEM (APMS)
DAMASCUS, NOVEMBER 7, 2002
MICHELE DE BENEDICTIS**

Project GCP/SYR/006/ITA - Phase II

Part I: Policy monitoring: general principles and methodological steps

1.1 Monitory policy impact (MPI): purpose and general feature

1.2 The cycle of policy formulation

1.3 Steps for MPI

Part II: Agricultural Policy monitoring in Syria : preliminary steps toward a conceptual framework

2.1 MPI in the Syrian context: some specific characteristics

2.2 Monitoring the Agricultural Development Strategy: a sketch of alternative approaches

2.3 The design of an APMS: a tentative road-map

2.4 A guideline for discussion

PART I: POLICY MONITORING: GENERAL PRINCIPLES AND METHODOLOGICAL STEPS

1.1 WHAT IS MONITORING POLICY IMPACTS (MPI)?

MPI is a policy management instrument to:

➢ Trace and analyze the **effects** of policies
➢ Assess the **effectiveness** of policies in reaching their objectives
➢ Identify **critical factors** in the process of policy formulation and implementation which affect the effectiveness of policies in reaching their objectives
➢ Identify **external factors** (other relevant factors and policies) determining policy impacts
➢ Identify crucial external and unintended **side-effects** of policies
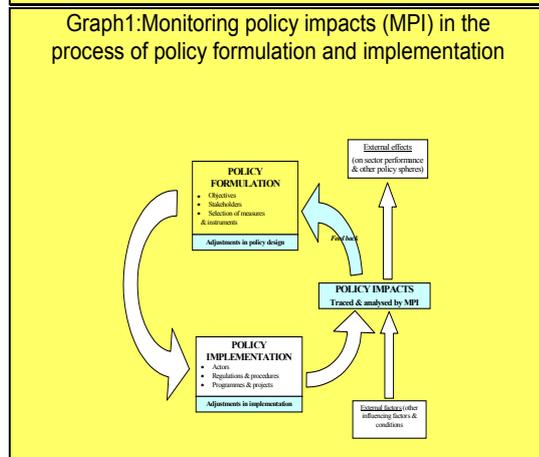➢ And to provide prompt **feed-back** on the results of MPI to the policy makers

MPI allows real-time adjustment in policy design and implementation

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Graph1:Monitoring policy impacts (MPI) in the process of policy formulation and implementation

1.2 THE CYCLE OF POLICY FORMULATION AND IMPLEMENTATION

The <u>cycle of policy formulation and implementation</u> comprises the following steps:

- Setting the **policy objectives;**
- Choosing **measures and instruments** for policy implementation
- Identifying the role of **stakeholders**
- **Implementing** the policy measures

**A) Setting of policy objectives**

A conceptual distinction:

overall objectives (economic growth, agricultural sector growth, poverty alleviation, achievement of food security; sustainable natural resource use, improved education and health, etc.)

intermediate or sub-objectives (increase the income of the poor, increase food production, etc.)

Establishment of a **hierarchy** of objectives ("objective tree")

Degree of **consistency\competition** among objectives => **Logical Framework Approach .**

Example of an Objective Tree
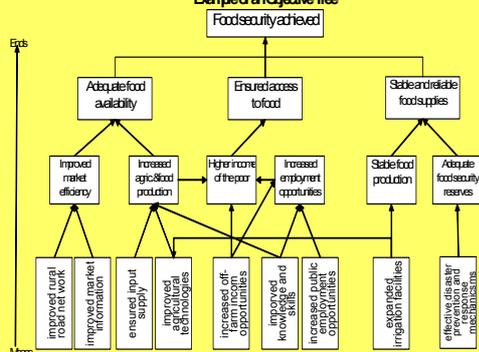
B) Choice of measures and instruments for policy implementation

It is analytically useful to distinguish between :

➤ **Regulatory measures**

set the conditions under which institutions, organizations, and individuals will have to operate (new regulations on taxes, import or export duties and/or restrictions, subsidies, abolishment of government monopolies, setting the rules for private operations, etc.)

➤ **Operational measures**

refer to all activities which are planned and implemented with some kind of direct public intervention (public interventions - programs, projects, activities - usually involve public funds as well as governmental organizational and human resources).

C) Identifying the role of stakeholders

Stakeholders are institutions, organizations, groups and individuals concerned with or affected by a policy and/have a role to play during policy implementation.

The set of stakeholders that operate in any given context can also be conceived as **institutional framework** within which policy formulation and implementation takes place

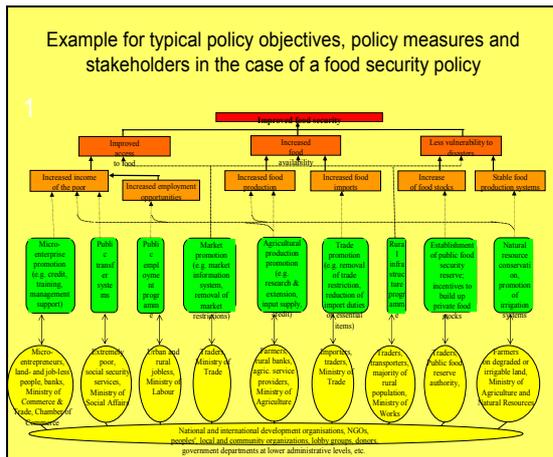A conceptual distinction of the **role of stakeholders** in policy implementation:

- *Supervisory and monitoring functions; decisions on policy adjustments ↔ policy makers*
- *Initiation and coordination* of the policy measures ↔ *government bodies*
- *Implementation of policy measures.* Different categories of stakeholders are usually involved:
- The *line ministries* or *government agencies* themselves may be mandated to implement, including their departments, sections or special units.
1. Implementation of policy measures is done through *non governmental agencies or institutions*, based on an agreement with the responsible governmental body.
2. Implementation through *private sector companies*, based on contracts with the responsible governmental body.
3. Implementation through the *community, self-help groups, beneficiary groups.*

D) Implementation of the policy measures

The implementation of a package of different policy measures is set out in sequences:

- Release of new laws and regulations
- Mobilization of required funds
- Upgrade of implementation capacities, when needed
- Identification of implementation partners and stipulation of agreement and contracts
- Establishment of new organizational and management structures, when needed.

Monitoring of the implementation process is a prerequisite to MPI, in order to be able to relate the changes and effects observed to the type and state of the policy measures implemented.

Example for typical policy objectives, policy measures and stakeholders in the case of a food security policy

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1.3 STEPS FOR MPI

Step 1 — Clarification of objectives and task of PIM

Step 2 — Review of relevant policy(ies)
- Policy framework
- Institutional set-up
- Implementation

Step 3 — Development of impact model
- Identification of impact areas
- Identification of impact path(s)
- Formulation of impact hypotheses

Step 4 — Identification of impact indicators
- Intermediate/ proxy / final indicators
- Quantitative / qualitative indicators
- Benchmarks, milestones, trends

Step 5 — Selection of observations methods
- Determination of data/information requirements
- Review of existing information/data (sources)
- Planning of specific quantitative/qualitative surveys

Step 6 — Information and data collection
- Tapping existing information and data sources
- Upgrading of existing data collection system
- Execution of specific quantitative/qualitative surveys

Step 7 — Data compilation, processing and analysis
- Compilation of primary/secondary data
- Data processing and analysis

Step 8 — Communication and Presentation of PIM results

Part II – Agricultural policy monitoring in the Syrian context: a very preliminary road-map

2.1 – MPI in the Syrian context: some specific characteristics

- Strong interlinkage between the Agricultural Strategy and Macro-policies
- Modification of the Institutional Framework as a component of the Strategy
- Survey of the status of policy monitoring as a pre-condition for designing and implementing an APMS

2.2. Monitoring the Agricultural Development Strategy

2.2.1 General features of the Agricultural Strategy (based on OADS)

- The Hierarchy of Objectives and Policies
- The articulation of Sub-Sectorial Programs

**2.2.2 Monitoring at the level of Sub-sectorial Program**

- The application of the standard impact model
- The application of the subsequent steps of MPI
- A few hints for discussion

Classification of objectives and policy measures

Hierarchy of objectives	Hierarchy of policies
O1. Primary Objectives	**P1. Horizontal policies**
O.1.1 Improve performance of agrofood sector	*P.1.1 Reconsideration of institutional responsibility within Government*
O.1.2 Achieve a sustainable level of food security	*P.1.2 Further steps toward liberalization and privatization*
O.1.3 Achieve a sustainable level of conservation of natural resources **O2. Intermediate objectives**	**P2. Specific policy actions**
O2.1 Target of annual production growth (4-7%) through:	*P2.1 Technological change through research, and extension*
2.1.1 expansion of irrigated area	*P2.2 Strategic crops: revision of mechanism for resource allocation and price setting*
2.1.2 expansion of tree crops	*P2.3 Revision of taxes and subsidies*
2.1.3 expansion of forest area	*P2.4 Reconsideration of credit policies*
2.1.4 expansion of crops that enjoy comparative advantage	*P2.5 Regulations and investments to improve the Marketing system*
2.1.5 Increase of yields	*P2.6 Establishment of a public export agency*
2.1.6 Production targets of specific crops	
O2.2 Improvement of producers income	
O2.3 Improvement of structure and efficiency of agric. markets	
O2.4 Enhancement of agricultural exports	

2.2.3 Monitoring the overall Sectorial performance and sustainability

- Performance in terms of agricultural growth and its sustainability
- A simplified approach to MPI (SAMPI): MPI in a "reverse mode"

2.2.4 Monitoring at the level of a Primary Objective: the case of Food Security

- The structure of the model
- Impact paths, impact areas, impact hypotheses (Table 1 of M. De Benedictis' document)
- Adaptation of the model to the Syrian context (to be discussed in the workshop)
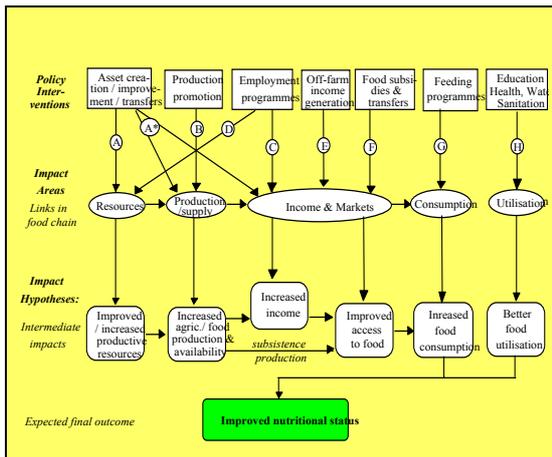
2.3 The design of an APMS: a tentative road-map
- The logic behind an approach based on an <u>experimental phase</u>
- The design of the experimental phase:
- ✓ Identification of the **policy areas** and **policy actions** (Step 1)
- ✓ Establishment of the **monitoring unit** (Steps 3,4,5,7,8)
- ✓ Establishment of the **operational network** (Step 6)
- The experimental phase structured according to the approaches presented in 2.2.2, 2.2.3
- Hypotheses about the composition of the **monitoring unit** (to be discussed at the workshop)

2.4 A guideline for discussion
PART I
- Actual **validity of OADS** and/or significant modification intervened
- Relevance of the **specifics of the Syrian context**
- Survey of the **present status of policy monitoring**

PART II
- Pertinence of the alternative approaches to the **experimental phase**
- Selection of **objectives and policy measures** to be monitored at the Sub-sectorial level
- Exploratory discussion about the **type of indicators** and **data availability**
- Feasibility of the **road-map**