

AgPERs in the Pacific

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What type of AgPER to choose?

- ▶ Kofi provided an overview of the different types of agriculture public expenditure reviews:
 - ▶ Basic Agricultural Public Expenditure Diagnostic Review
 - ▶ Expenditure Component Impact Evaluation
 - ▶ Public Expenditure Tracking Survey (PETS)
- ▶ These approaches vary in terms of:
 - ▶ Breadth: thematic and institutional coverage
 - ▶ Depth: level of detail proposed for the analysis of flow of funds and impact
- ▶ WB has developed template TOR for each approach - a framework for the scope, methodology and processes that should be adopted

Basic Agricultural Public Expenditure Review

- ▶ Pre-requisite to other types of analysis
- ▶ Scope: formulate a sound descriptive overview of the public expenditure budget in the agriculture sector, and assemble a synthetic set of budgets for analytical purposes
- ▶ Steps for an AgPER:
 1. Engaging with government and development partner counterparts
 2. Defining the objectives and scope
 3. Identifying the types and sources of data
 4. Preparing the concept note
 5. Estimating the task budget and time frame
 6. Data analysis, reporting and dissemination

Basic Agricultural Public Expenditure Review

- ▶ Includes analysis of **sector budget**:
 - ▶ **Expenditure levels and trends**: share of budget and actual expenditure in govt budget; per-capita expenditure; alignment of budgets with stated policies and priorities; comparison of govt expenditure with off-budget investment...
 - ▶ **Expenditure composition**: capital (development) vs recurrent (revenue) budget balance; composition of recurrent budget in particular wage vs non-wage; expenditure on provision of public vs private goods...
 - ▶ **Financing sources**: govt financing volume and share of total; revenue generation variations and impact on expenditure patterns; volume and share of donor grants and loans...
 - ▶ **Subsidies and cost recovery**: levels and trends in major subsidies; level and adequacy of cost recovery...

Basic Agricultural Public Expenditure Review

- ▶ Also includes analysis of **budget performance**:
 - ▶ **Flow of funds (qualitative assessment)**: MoF rules and procedures for the release of funds; timing of fund release during the year; procedures for modifying budgets during the year...
 - ▶ **Public financial management**: gap between planned budgets, approved budgets and actual budget; processes for monitoring budget expenditures and use of funds...
 - ▶ **Institutional arrangements**: whether there is a results-based budget system; mechanisms for coordinating inter- and intra-agency programmes and budgets...
 - ▶ **Outputs and outcomes**: detailed assessment not possible in basic AgPER, but could look at selected major expenditures

Expenditure Component Impact Evaluation

- ▶ Scope: assess the outcomes or impact of specific areas of public expenditure in the agriculture sector, to strengthen the evidence base for policy making and scaling-up programmes
- ▶ Examples of potential topics for individual evaluations:
 - ▶ Extension and training
 - ▶ Support for marketing and value chains
 - ▶ Support for a specific commodity/product group (e.g. poultry, cocoa, taro...)
- ▶ Pre-requisites:
 - ▶ Sound level of public expenditure management, so that the use of funds can be identified in some detail
 - ▶ Good sectoral evaluation system and program M&E framework in place, to provide a data base which allows outputs to be quantified and impact on households to be measured
 - ▶ Have recently completed a basic AgPER

Expenditure Component Impact Evaluation

Steps in setting up an impact evaluation:

1. Selection of the evaluation topic

- ▶ Large share of public expenditure?
- ▶ Has some innovative features?
- ▶ Uncertainty over its impact?

2. Assessment of data and information sources

- ▶ Time series? Level of detail? Quality? Is there a baseline?

3. Supplementary data gathering

- ▶ Some form of beneficiary impact assessment might be required

4. Data analysis, reporting and dissemination

Public Expenditure Tracking Survey (PETS)

- ▶ Scope: a survey that tracks resources through the administrative and procedural steps of budget execution, to pinpoint bottlenecks, inefficiencies or deviations from the intended purposes
- ▶ Could cover issues such as:
 - ▶ Cash and in-kind leakages in the delivery system
 - ▶ The share of total resources reaching each administrative level
 - ▶ The effectiveness of targeting expenditures and services
 - ▶ Staff quality and the extent of absenteeism and “ghost” workers
 - ▶ Governance of the system and accountability
 - ▶ Specific dimensions of service delivery, such as equity, transparency, adequacy, timeliness and regional disparities

Public Expenditure Tracking Survey (PETS)

▶ Pre-requisites:

- ▶ Sound level of public expenditure management, to ensure that funds can be tracked and possible misallocations and misappropriations of budget can be identified
- ▶ Have recently completed a basic AgPER
- ▶ Concerns have been expressed regarding the delivery of services, or the effectiveness of substantial expenditure items
- ▶ The government concerned has expressed a willingness to explore the sources of ineffectiveness of delivery

Public Expenditure Tracking Survey (PETS)

Steps in setting up a PETS:

1. Preparation for the survey

- ▶ Identify the focus area and understand the context
- ▶ Assess data availability and collection capacity

2. Sampling and questionnaire design

- ▶ Design the sampling frame so that the results are statistically credible
- ▶ Prepare questionnaire for frontline service provider staff (government staff or staff of NGOs or other agencies), local government staff (including civil servants and politicians), and central government staff

3. Implementation

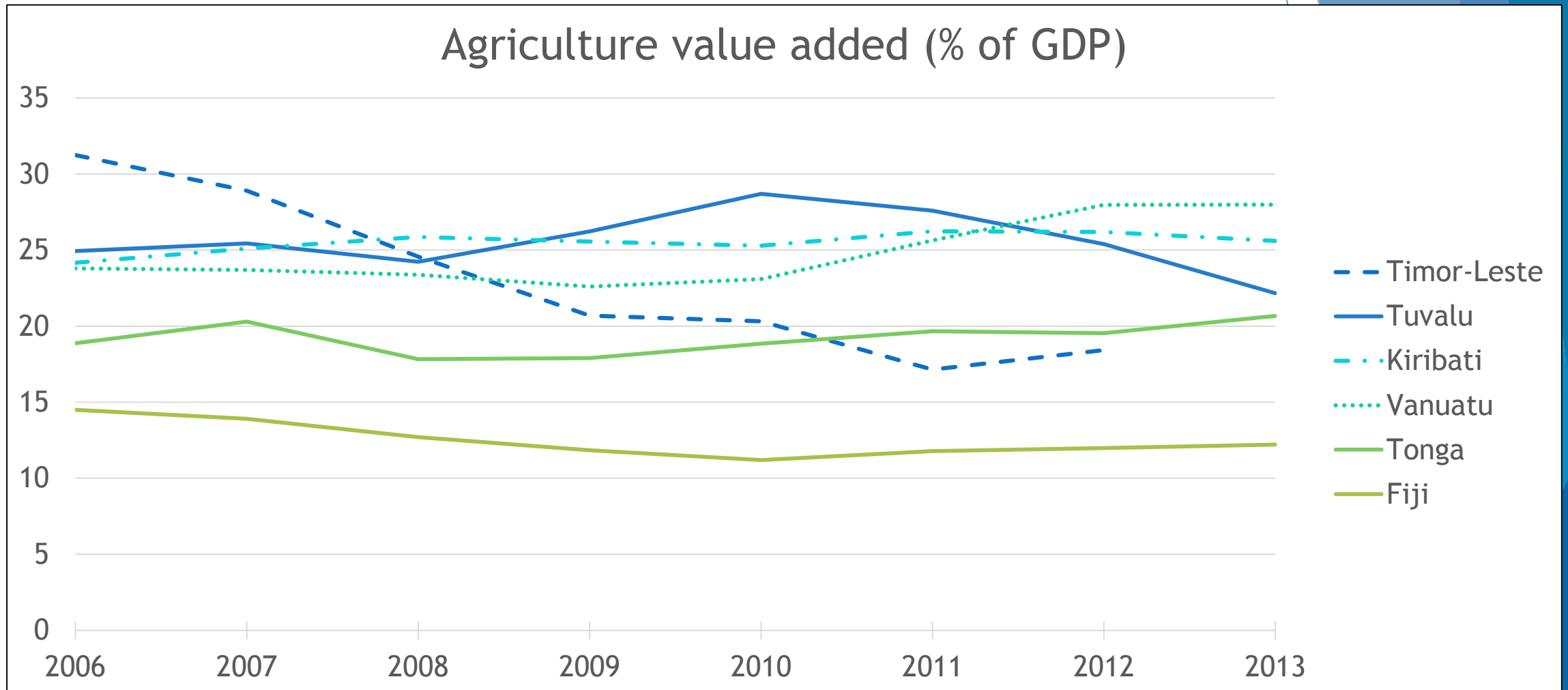
- ▶ Identify interviewers; pilot the survey; collect data, enter and clean data

4. Data analysis, reporting and dissemination

Choice of AgPER tool

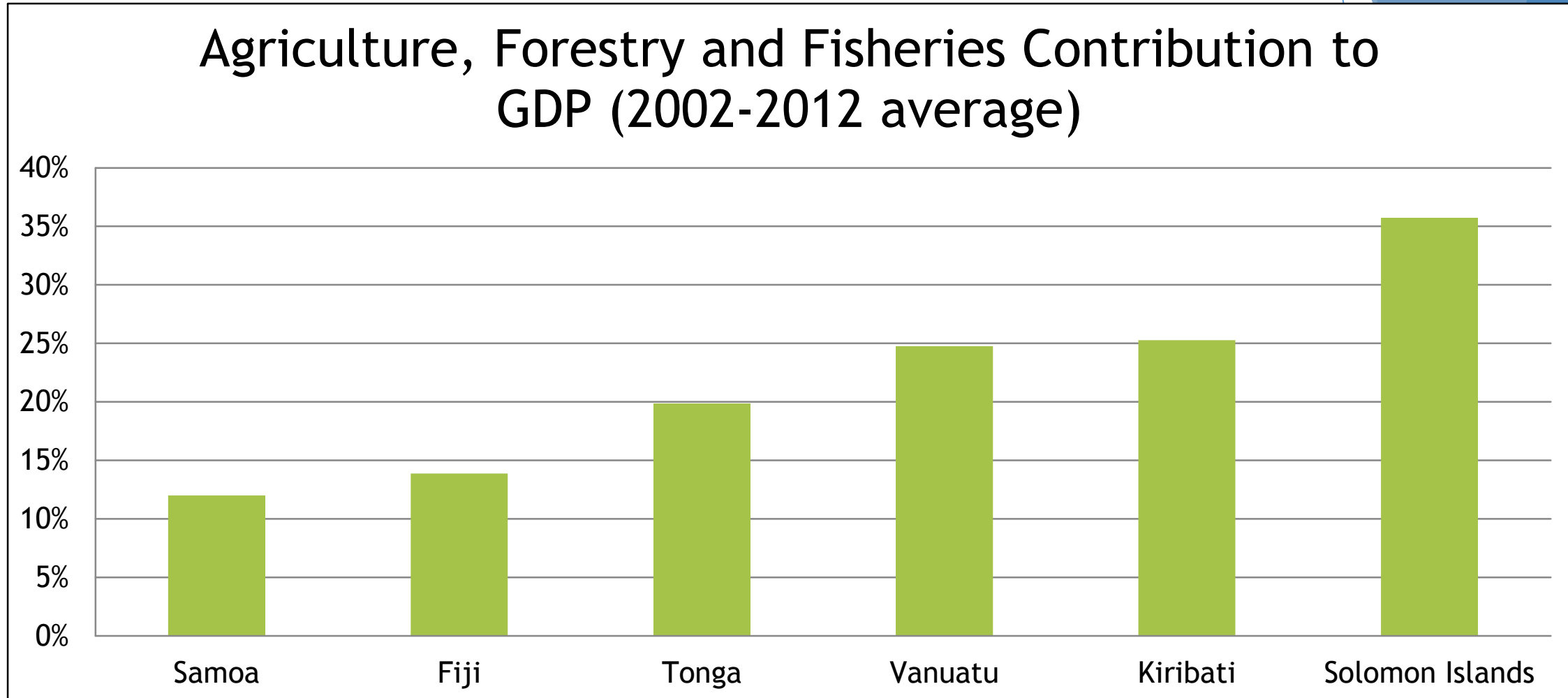
- ▶ Choice of which AgPER tool to use depends on:
 - ▶ The country's needs / policy objectives
 - ▶ Data availability and quality
 - ▶ The time and budget available

Pacific context (selected countries)



Source: World Bank Development Indicators

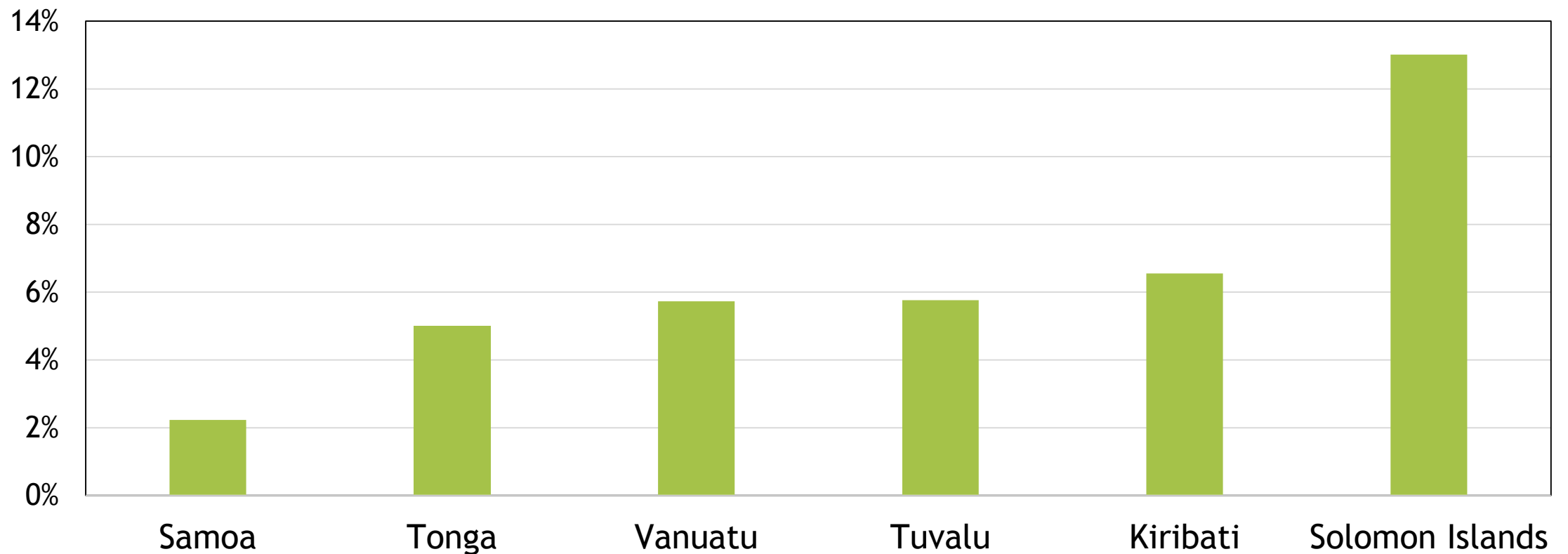
Pacific context (selected countries)



Source: World Bank Development Indicators

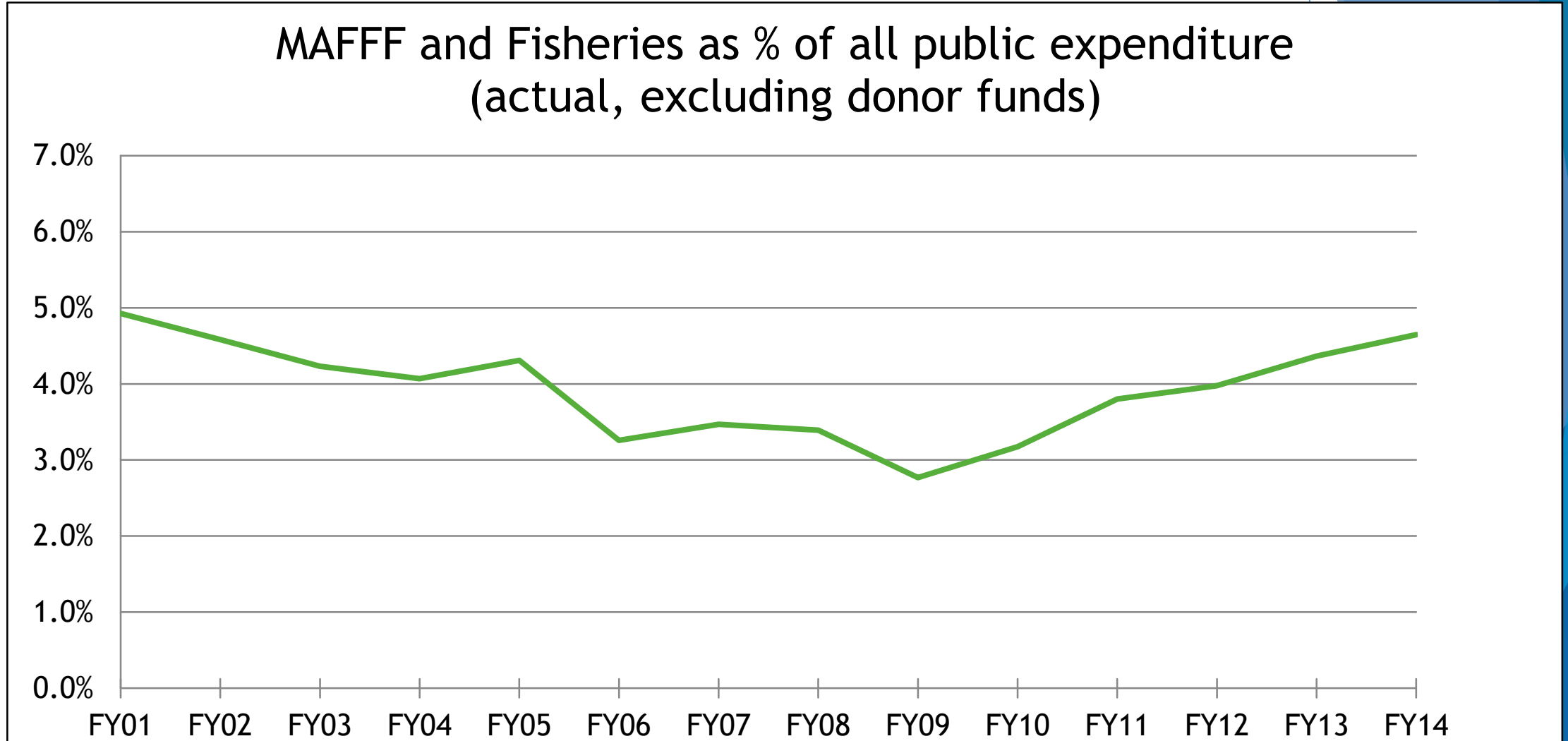
Pacific context (selected countries)

Agriculture, land, rural development and fisheries as % of all public expenditure (budgeted, 2011-12)



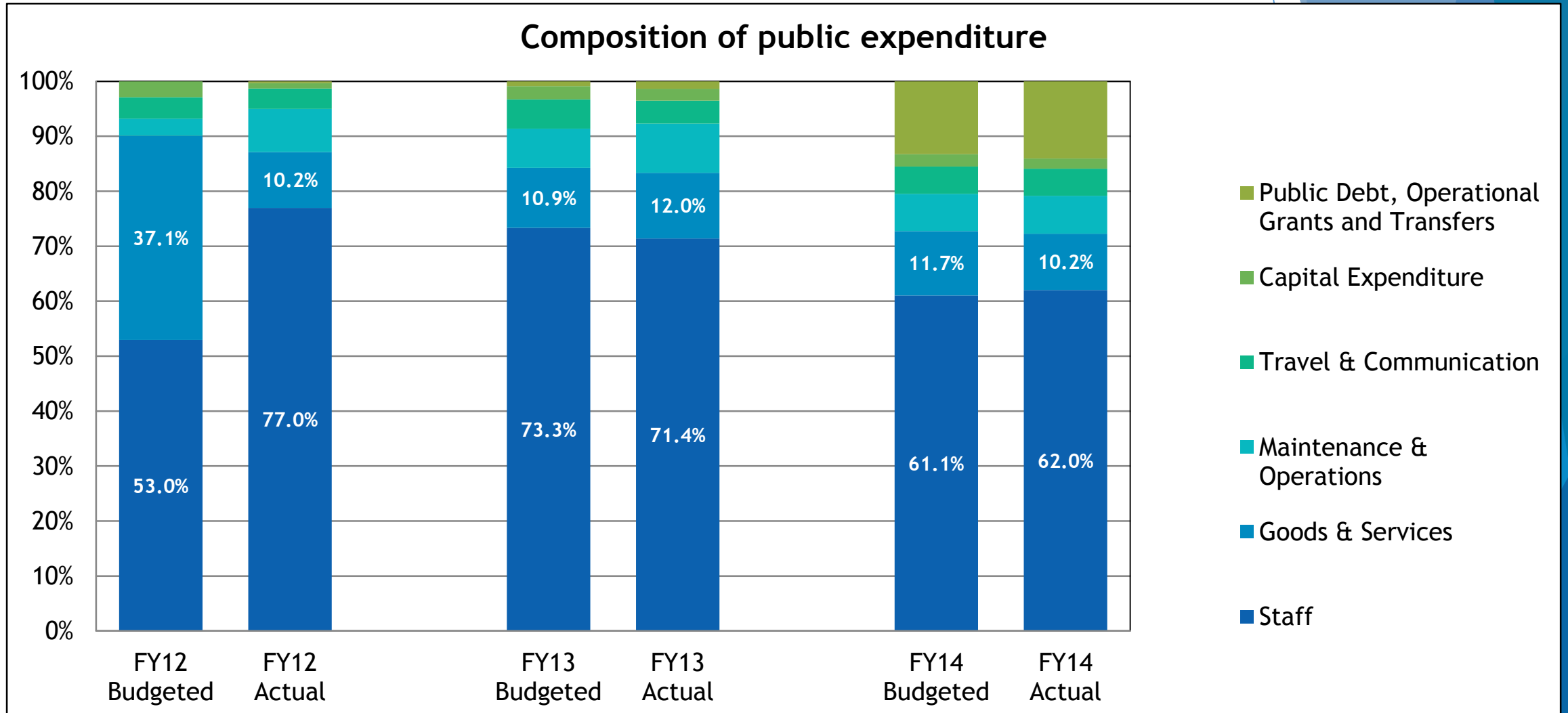
Source: World Bank macroeconomic datasets

Pacific context: Tonga example



Source: World Bank macroeconomic datasets

Pacific context: Tonga example



Source: World Bank macroeconomic datasets

Pacific context - country needs / objectives

- ▶ Pacific countries face many constraints to agricultural development:
 - ▶ Changing climate (less predictable rainfall)
 - ▶ Constrained extension services
 - ▶ Limited: farmer awareness of best practices / genetic diversity / arable land...
- ▶ But, from the public perspective, what is the main bottleneck?
 - ▶ Effectiveness of the enabling policy environment?
 - ▶ Planning and budget process?
 - ▶ Administrative structure of service delivery?
 - ▶ Effectiveness and efficiency of public expenditure programs?
 - ▶ Or all of the above?

Each question requires a different approach to the AgPER

Pacific context - data availability

- ▶ Data sources for the Pacific:
 - ▶ World Bank macroeconomic and fiscal team: already have budget spreadsheets for some countries
 - ▶ IMF government finance statistics
 - ▶ National budgets/accounts
- ▶ Likely constraints:
 - ▶ Inconsistent reporting of budgeting and actual expenditure over time
 - ▶ Insufficient level of detail
 - ▶ Standard classification of the function of governments (COFOG - UN classification system) is not always used
 - ▶ Difficulties in tracking activities over time:
 - ▶ Institutional roles can vary over time (e.g. merging or separating of Ministries)
 - ▶ Several public institutions may contribute to agriculture (Ministry of Ag plus Ministry of Climate Change / Natural Resources / Environment / Forestry...)

Pacific context - existing PERs

- ▶ PERs/expenditure reviews have been undertaken in some countries with the support of DFAT, MFAT and the World Bank
- ▶ These are cross-sectoral, i.e. covering whole economy at a high level
- ▶ Besides agriculture PERs, World Bank is planning other related work in the region:
 - ▶ Solomon Islands: line ministry expenditure analysis + Health PER
 - ▶ FSM: public expenditure analysis
 - ▶ Tonga, Samoa, Tuvalu: update and expand previous expenditure analysis work
 - ▶ Vanuatu: Health PER
 - ▶ Regional: continue existing work on budget databases for PICs
- ▶ Any agriculture PER work will seek to complement these activities, so as to minimise the burden on Ministries of Finance / Budget and Planning

	Most recent PER
Samoa	2014
Tuvalu	2014
Kiribati	2013
Tonga	2012
Solomon Islands	2011
PNG	2004

Pacific context - time and resources available

- ▶ No previous experience with AgPERs: will be a steep learning curve
- ▶ Limited staff time and budget
- ▶ Possibility of support from World Bank and SPC

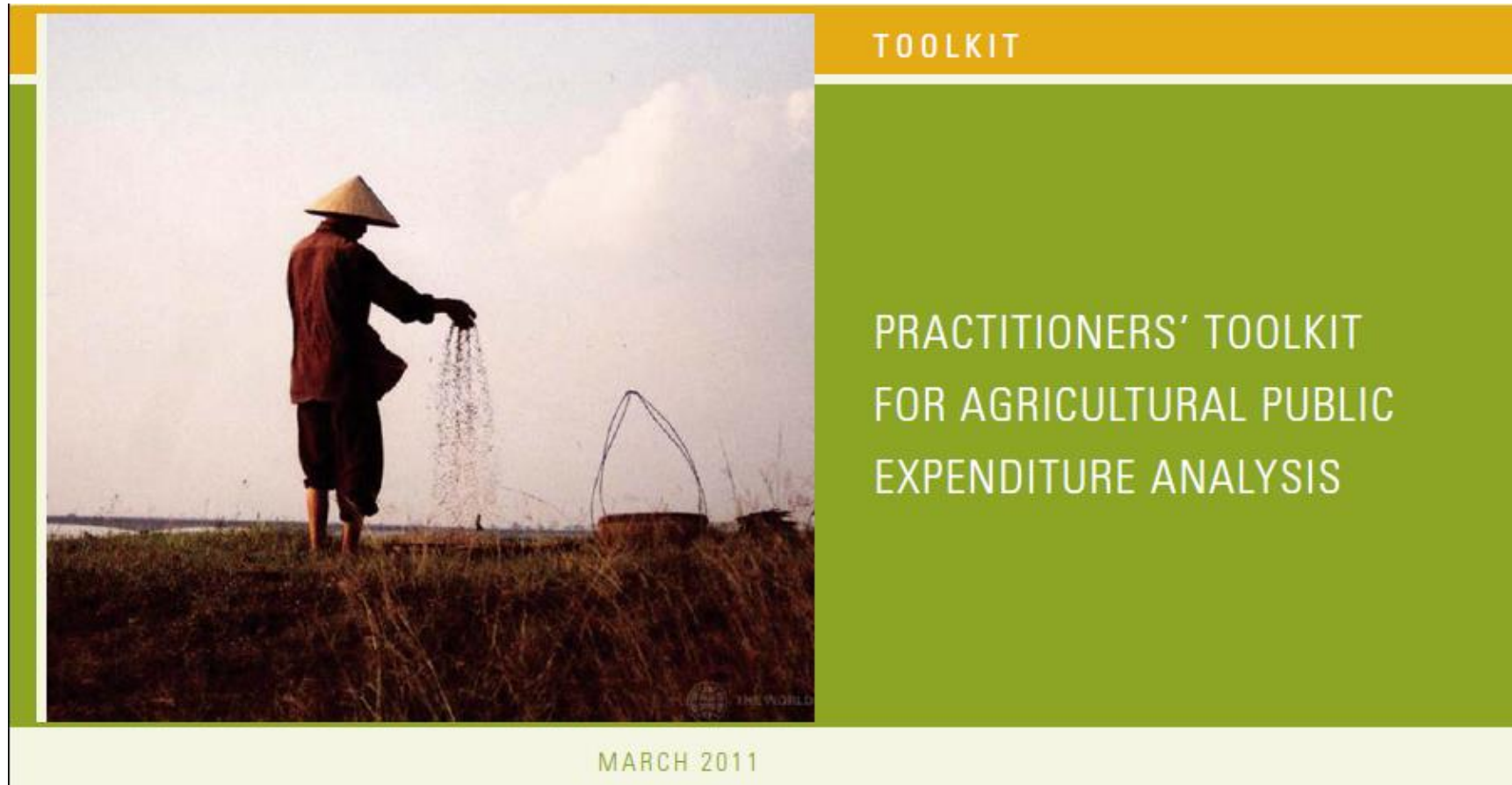
Which approach would suit the Pacific?

- ▶ No previous experience with AgPERs
- ▶ Each country will have its own specific objectives for this analysis
- ▶ Data probably limited
- ▶ Limited time and budget available
- ▶ Best to start with a **basic Agricultural Public Expenditure Review**
 - ▶ Can then assess needs for other more detailed studies

How will the information be disseminated and used?

- ▶ Completion of an AgPER report is just the beginning
- ▶ Ultimate objective is to contribute to improved policies and to a greater impact of agricultural expenditure
- ▶ Ministry of Agriculture and Ministry of Finance must be actively involved from the start
- ▶ **Dissemination:** Ministry of Ag responsible for consultative workshops with key stakeholders - central and local government, the private sector, academia, donor agencies, key civil society groups
- ▶ **Implementation:** Ministry of Ag will take lead on implementing the recommendations from the AgPER - but closely involving other stakeholders
 - ▶ How can civil society and the private sector (e.g. farmers' groups) contribute?
 - ▶ How can development partners support the government?

Where to start?



<https://openknowledge.worldbank.org/handle/10986/2822>