

Agricultural Policy Indicators: FAO's Work Programme

**Commodities and Trade Division
FAO**

FAO's Work Programme on API

- The plan.....
- The approach...
- What we've done...
- What we plan in 2007...

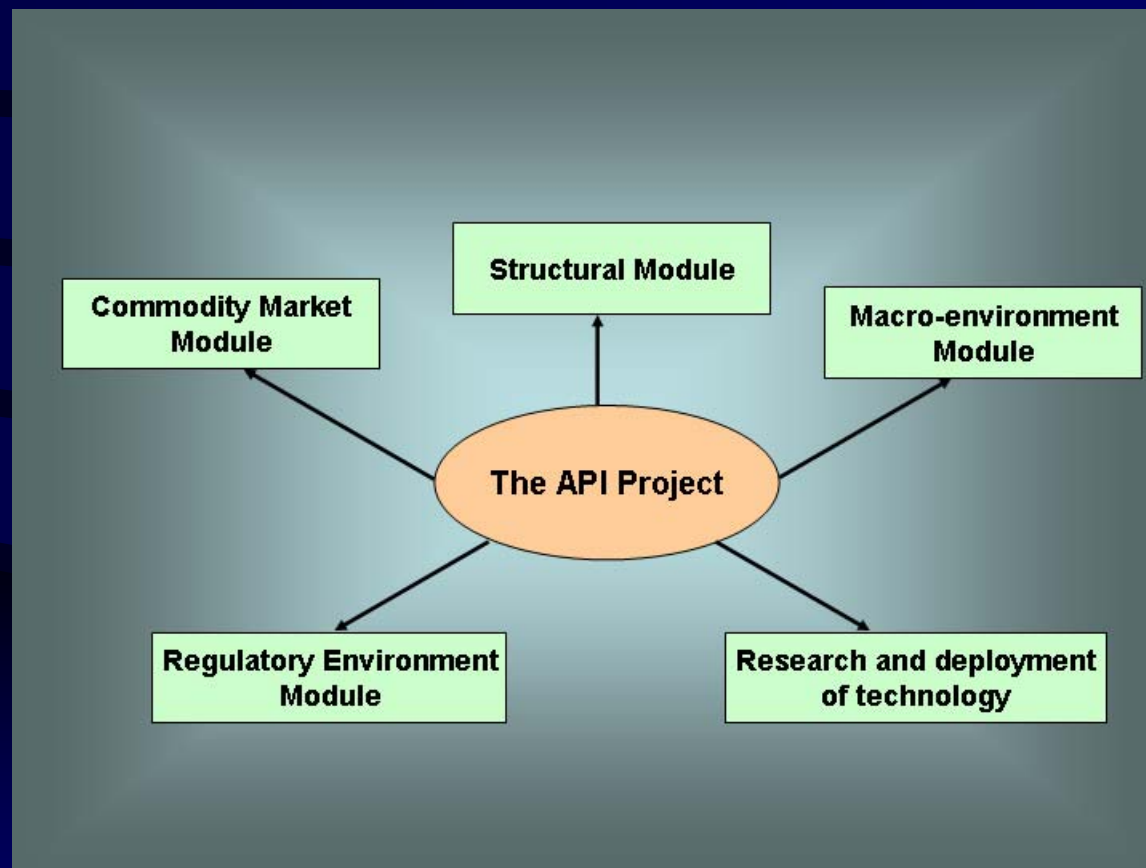
The plan

- To develop and monitor Agricultural Policy Indicators for 100 developing countries
- Initial approach was outlined for FAO by Josling and Valdes (2003)
- FAO-OECD-IFPRI-WB Consortium
 - Tier I and Tier II country approach

Agricultural Policy Indicators

- Measures to assist policymakers in the formation of agricultural policy
 - monitoring policies over time
 - comparing policies across countries
- Developing country counterpart to OECD's policy monitoring

Structure of the Agricultural Policy Indicators (API) project



What do APIs consist of?

4 levels of indicators:

1. explicit distortions
2. implicit distortions
3. variables that *explain* implicit distortions
4. measures of policy effort to reduce the “development gap”

Example (commodity market):

1. market price support (explicit distortion)
2. excessive transport costs (implicit)
3. data on rural roads & physical infrastructure
4. public spending on rural roads

How are APIs useful?

- Benchmarking policy priorities across different areas
 - Where are distortions the greatest?
 - Where is policy effort directed?
- Input into policy analysis (complement to activities such as Roles of Agriculture (RoA) project)
- Cross country comparability provides a basis for policy dialogue

The Approach

- Seek extra-budgetary funding to initiate project for X countries
- Subject to funds complete API modules for X countries
- Train in-country data collectors and analysts
- Conduct review and evaluation workshops
- Disseminate results in various ways

What we have done...

- Developed proposal for initial work on 6 countries
 - cost of USD 1.2 million.
 - No support found
- Little progress to date securing funding... lack of critical mass of funding has prevented progress
- FAO - OECD exchange –Jonathan Brooks.
 - Lessons learned on specification of modules
 - Ghana study

The plan from here

- Examine cross linkages with recent work by World Bank.
- Re-engineer project approach by developing prospectus, and talking with donors.
- Conduct workshop on API/Policy Monitoring for FAO's Committee on Commodity Problems April 23 to 25
 - Purpose to motivate interest, participation and secure needed funding