

Strengthening National Comprehensive
Agricultural Public Expenditure
in Sub-Saharan Africa

83155

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Project Information

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The World Bank

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34 months

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BILL & MELINDA
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CAADP

Grant Proposal – Summary Information

Charitable Purpose: To improve the impact of scarce public resources spent by Sub-Saharan African governments on agricultural sector development activities, hence improving the welfare of rural (predominantly poor) populations.

Project Description: This project supports the AU Maputo Declaration's focus on agricultural public expenditure to reduce poverty and increase growth. Progress is accelerating through Comprehensive African Agriculture Development Programme (CAADP) leadership on strengthening institutional capacity and support programs. However, reinforcement is still needed on the formulation of scaled up, comprehensive, government expenditure programs for agriculture, guided by evidence-based analysis of expenditure priorities and impacts. To address this, the project would provide national teams working on sector expenditure programming with analytical support selected on-demand from a toolkit including core diagnostics, medium-term expenditure framework development, expenditure tracking and sub-sector impact evaluation. Finally, analysis will be undertaken to clarify public agricultural expenditure links to aggregate sector outcomes. The project will work closely with CAADP implementation efforts at country and regional levels, the regional knowledge network ReSAKSS, and will be administered by a World Bank-hosted project management team.

Grant Proposal – Narrative

I. Background and Rationale

An important factor in the past two decades of weak Sub-Saharan agriculture performance on growth and broad income generation is low government expenditure on public goods and services. During the Green Revolution, numerous countries in Asia sustained about 6 percent annual sector growth while their governments were committing 11 percent of budget expenditure to the agricultural sector. In the most recent decade, Sub-Saharan countries' public expenditure on agriculture has scarcely achieved half that rate.

Recognizing this constraint, African political leaders have committed to scaled-up public sector expenditure to support agricultural. The Maputo Declaration (2003) of African Heads of State set a target of 10 percent of public expenditure being allocated to the agricultural sector. The African Union's New Partnership for Africa's Development (NEPAD) was tasked with helping governments to achieve this, and launched the Comprehensive African Agriculture Development Programme (CAADP). By

emphasizing the role of public expenditure, the Maputo Declaration also served to draw attention to the decades-long decline in overseas development assistance (ODA) to agriculture.

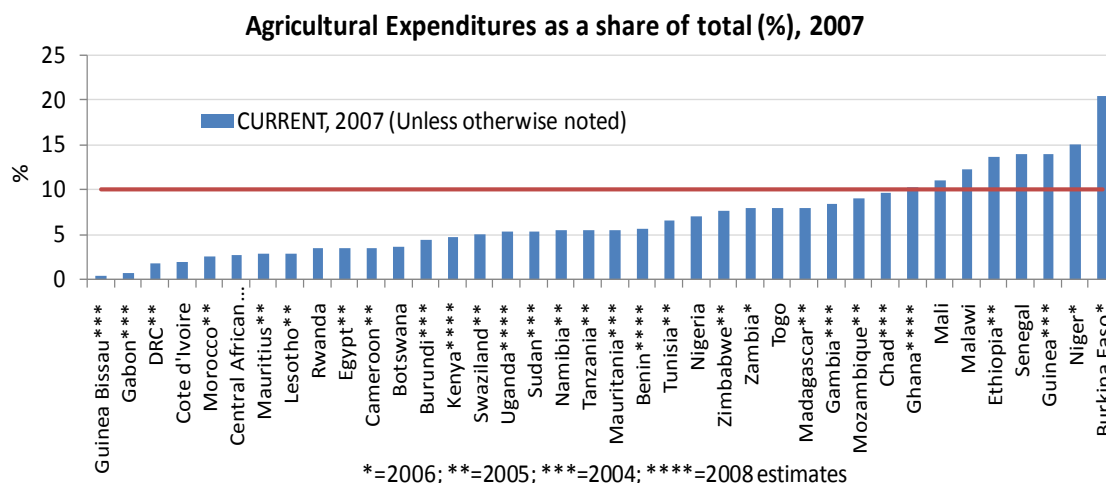
The World Bank is also refocusing on agriculture and contributing to the scale up of public expenditure, through a nearly tripling of agricultural project finance and through support of the CAADP approach. This focus also encompasses better articulation of comprehensive national agricultural expenditure programs: identifying the need for these in its Africa Action Plan flagship on agriculture; building on the solid analytical focus on public expenditure provided by the 2008 World Development Report on Agriculture; and responding to the Bank's Independent Evaluation Group (IEG) assessment of 20 years of Bank support for SSA agriculture that both better donor coordination and increased finance were needed, noting that World Bank financial support on its own was unlikely to succeed.

The World Bank's effort to support this scale up of public agricultural expenditure has made some progress but also faces constraints at a juncture when the demand for solid national programs is ramping up through CAADP efforts. The analytical foundations have been strengthened through a World Bank/DFID Partnership on public expenditure analysis (nearing completion) which has developed and piloted practical approaches to such analysis (www.worldbank.org/apea). Three country case studies on agricultural sector public expenditure in SSA have been supported under this Partnership – Nigeria, Uganda and Ethiopia. An agricultural sector public expenditure toolkit is a final output of this Partnership, along with a number of capacity building workshops (e.g. Addis, May 2009) that focused on government representatives and donor field staff with hands-on responsibility for undertaking public expenditure planning and implementation for the agricultural sector. However, the scope for the World Bank to undertake more agricultural public expenditure work is limited by the roughly constant overall budgets for all analytical work, and analytical task priorities being set in multi-year Country Assistance Strategies which take time to catch up with new priorities. Within these constraints, some increase in agricultural public expenditure work is possible in World Bank programs, but nowhere near the level needed in the context of SSA's big push on agricultural development.

In view of its own constraints, the World Bank has sought to work with other development partners in supporting governments to develop solid agricultural expenditure programs. The Bank in some countries is participating with other donors in joint reviews of annual expenditure plans where programmatic sector financial support is being pursued. It mobilized an Institutional Development Fund (IDF) grant that enabled NEPAD to define and implement an Agricultural Expenditure Tracking Survey to enable consistent, cross-country monitoring towards the Maputo Declaration goal on public expenditure.

Several bilateral donors independently began supporting the CAADP process several years ago, and as part of this, also facilitated the undertaking of public expenditure assessment for agriculture. Implemented through the CGIAR network and with IFPRI leadership, this support strengthened a network – the Regional Strategic Analysis and Knowledge Support System (ReSAKSS) – which has contributed technical and logistic support at the national level towards the CAADP goal of establishing country-level comprehensive agricultural sector programs with requisite financing. This has been delivered through institutional capacity linked to Africa's Regional Economic Commissions (RECs) agendas and work programs. The CAADP secretariat, with this ReSAKSS support, has developed pillar (4) frameworks for agricultural development, established an M&E approach, assisted with public expenditure tracking, and produced methodological and guideline documents. Through this support, additional country public expenditure diagnoses for agricultural sector have been undertaken.

CAADP's agricultural expenditure tracking survey indicates that eight countries have reached the 10 percent target (2007 data), while another eight are within about 2 percentage points of this threshold. The high food price crisis of 2008 prompted a number of SSA countries to increase public resources to the agricultural sector on an urgent basis to assist national production of food staples, but this effort is now confronting the global economic downturn and attendant tightening of government's fiscal resources. Effectiveness of public expenditure is also an issue that encompasses even some countries which have reached the 10 percent target with heavy spending on input subsidies at the expense of adequate funding of essential public support for agricultural research and extension. In this context, high-level political commitment continues to put improved public expending for SSA agriculture in the spotlight. The July 2009 AU Heads of State Summit reviewed, and reinforced, its commitment to the original Maputo Declaration. The subsequent G8 meeting pledged \$20 billion to agriculture, much of this destined for SSA, and specifically endorsed that this operate through the country-owned mechanisms that CAADP strives to strengthen. So while expectations are high, much remains to be done to improve the level and composition of public expenditure at the national level in support of agriculture in SSA.



Sources: Various, compiled by ReSAKSS.

It is expected that both the ReSAKSS capacity and World Bank country programs will continue to undertake agricultural public expenditure work directly. But there is a need to increase the scale and number of countries addressed by this work beyond the level achieved in recent years through World Bank and ReSAKSS effort.

II. Project Objective

The overall objective is, through analytical support, to promote the articulation of strengthened national comprehensive agricultural public expenditure programs, thereby building consensus for increased levels and efficiency of public expenditure for agriculture in Sub-Saharan Africa.

The outputs of the project that will contribute to this objective are country-specific reports, placement of these analysis into expenditure program management processes through national workshops with stakeholders and direct work with Ministry of Agriculture staff, promotion of a network of practitioners through wide dissemination of reports, availability of guidelines and toolkits for public expenditure analysis through updated websites, and regional workshops for training and cross-fertilization. In addition, cross-country examination would be done to clarify evidence of agricultural expenditure's impact on agricultural growth and rural poverty reduction. Appendix A details outputs.

The customized country reports would provide evidence supporting recommendations for priority measures for agricultural budget improvement. The dimensions of budget improvement sought are likely to be a mix in any given country of:

- expenditure level - when this is only around 3-4% of total government expenditure, improvement will usually entail increasing this to a higher level;
- expenditure composition such that allocation is (i) consistent with official strategies' stated objectives; (ii) increasingly based on evidence of sufficient positive impact; (iii) reducing funding of activities and programs of dubious merit; and (iv) an appropriate balance of recurrent and capital expenditure to ensure sustainability of investments and increase absorptive capacity in public administration of expenditure programs;
- planning and implementation - including: (i) increasingly transparent procurement; (ii) minimizing the gap between planned and actual expenditure; (iii) moving towards budgeting by objectives; (iv) bringing off-budget activities (including donor financing in many cases) on budget; and (v) planning within a medium-term expenditure framework.

For the project to be successful it must go beyond producing reports and workshops. The evidence these outputs provide needs to contribute to better stakeholder agreement on expenditure priorities and financing, and the translation of this into improved public agriculture expenditure planning and implementation. While progress in this direction should start to be realized within the project's timeframe, it is likely to take longer for impacts on sector growth and rural income generation to emerge.

To move from analytical reports to concrete changes in public expenditure will require contributing at several key intersections:

(i) Can the Ministry of Finance be convinced by the sector ministry of the soundness of an alternative budget allocation and configuration? The products of project will inform this inter-ministerial dialogue and the introduction of concrete reforms. Basic agricultural expenditure diagnostic reports will clarify where the main problems are and help identify a joint agenda for action that can be agreed between ministries of finance and agriculture. Subsequent specialized expenditure studies can focus on specific areas of concern, such as expensive ministry of agriculture programs for which impacts are unclear. Support to ministries of agriculture to join ministry of finance initiatives to implement medium-term expenditure frameworks will move them towards more sustainable, multi-year budgeting and linking of budget resources to programmatic objectives. Finally, by conducting the analytical work collaboratively with counterpart teams of ministries of agriculture staff, there would be additional benefits in increasing these public officials' capacity to articulate and provide evidence-based justification for expenditure proposals put forward to ministries of finance.

(ii) Can the government communicate with its domestic constituencies - whether in parliament, the private sector or civil society - on the need for expenditure reconfiguration, and consolidate consensus around such changes? The results of this project's analysis will provide the sector ministry with a stronger evidence base on which to engage with domestic constituencies on expenditure issues. The project will also seek to place its outputs into national CAADP processes where possible, since CAADP promotes open dialogue between governments and these wider domestic constituencies as an important ingredient of sustainable support for national agricultural strategies and their expenditure implications.

(iii) Can external development partner financing support be mobilized for the resulting public expenditure programs? At the country level, staff of the various external development partners have typically created active working groups on agriculture. These front-line staff are important to determining their development agencies' views on the soundness of national agricultural strategies, the related expenditure plans, and implementation capacity. The public expenditure analysis that this project will undertake will include an early step that consults with these working groups, builds agreement on the TOR, and aims for consensus on how to move from results to coordinated donor engagement with government on the results. Greater confidence amongst the resident donor professionals that expenditure frameworks and budget plans are being strengthened is an important step towards establishing sustained external support.

The main outcomes that are sought parallel the dimensions of expenditure improvement described above. First, and consistent with the CAADP targets, the program's activities are expected to contribute to scaled-up comprehensive public expenditure programs for the sector, as is often appropriate, and their financing. Further, in some countries the program intervention will focus more on expenditure composition (through impact evaluation and medium-term expenditure framework strengthening) than on scale-up, and in these cases, the desired outcome would be consistent composition shifts in public expenditure in the sector, and in improved implementation as measured by the planned-actual expenditure gap. The implementation of these expenditure programs should contribute to improved agricultural sector growth, albeit with a lag likely beyond the project timeframe. Finally, another outcome sought is a strengthened consensus on priorities and capacity to implement that permits a transition in a number of countries towards programmatic finance support by external funding partners of government's expenditure program and away from stand-alone donor-financed projects. Appendix A details monitorable outcomes.¹

For this translation of outputs into outcomes, the proposed co-funding of this project by the newly established CAADP Multi-Donor Trust Fund (MDTF) brings a number of

¹ Capacity for generating baseline information on countries' agricultural expenditure and composition is being built: the Agricultural Expenditure Track System exists, but is transitioning to a second funding phase. This is occurring in parallel and separate from the current proposal, but this may be revisited if circumstances warrant.

advantages. First, it is developing a partnership mechanism and procedures with African institutions that can build this proposal's expenditure analysis into the capacities and work programs of African institutions. Specifically, the CAADP MDTF is helping the Regional Economic Commissions (RECs) and the CAADP Secretariat to prepare and implement annual work programs, and over the next several years aims to help these institutions integrate into their country support activities the AgPER activities that will initially be executed through the present proposal. Second, the CAADP MDTF has an implementation period that extends several years beyond that of the current proposal's three years, thereby providing a funding bridge between this proposal and the eventual integration of the activities directly into the work programs of the relevant African institutions.

III. Project Design and Implementation Plan

Design

Strengthening public expenditure programs for the agricultural sector rarely starts from scratch, since almost all countries have some program in place, yet countries are at different stages of capacity for program development and implementation. Hence, this proposed support program needs to accommodate the differing public expenditure capacities upon which countries are presently building. Different analytical tools for public expenditure become useful as capacity and the knowledge base develop. This project proposes four main areas of activity:

- Basic agricultural public expenditure diagnostics at the country level (Activity 1)
- Specialized public expenditure analysis and management improvement (Activity 2)
- AgPER-outcomes links analysis, focused on links to sector objectives of growth and poverty alleviation (Activity 3)
- Workshops for coordination, training and dissemination (Activity 4)

Mapping of Project Activities

A3-AgPER-Outcomes Links Analysis <i>6 country studies</i> <i>1 cross-country study</i>	
A1-Basic AgPER Country Diagnostic Studies <i>12 country studies</i>	A2-Specialized AgPER Country Studies <i>3 main specialized study types¹</i> <i>26 country studies</i>
A4-Workshops for Coordination, Training and Dissemination	
(Multi-Country Agricultural Expenditure Tracking Survey) ²	

¹ Public expenditure tracking surveys, medium-term expenditure framework development, sub-sector expenditure impact assessment

² The AETS will be implemented autonomously by the CAADP Secretariat, likely with technical assistance and financial support through ReSAKSS.

This program of activities will liaise closely with the continued implementation of an annual public expenditure tracking survey, conducted by CAADP with ReSAKSS support, to provide a SSA-wide, basic monitoring of progress of aggregate agriculture public expenditure at the national level.

Activity 1 - Basic Agricultural Public Expenditure Diagnostic Review. This is a basic diagnostic review of public expenditure in the agricultural sector, conducted on a country basis. It is largely a backward looking analysis, pulling the basic expenditure data together for the most recent 5-10 years, providing an assessment of expenditure levels, trends and composition, and compares these with stated national plans and priorities to identify any consistency and gaps, and assessing the institutional context of budget planning and implementation so as to relate this capacity to the performance history.

In the SSA context, it is anticipated that this basic review will establish the following: (i) incorporation of donor investment finance, often still off-budget, in the government's own resource reporting, to give a complete picture of resources being spent on public

programs; (ii) presentation of the national public expenditure on the sector using classification of the functions of government (COFOG) methodology, to permit cross-country comparability; (iii) gaps between planned and actual expenditure, to highlight budget management capacity issues facing intended CAADP scale-up; (iv) ascertaining the availability of information on private investment flows to the sector, to enable eventual assessment on public expenditure's impact on leveraging in such private investment flows to the sector.

The program will support the completion of about twelve separate basic country AgPER diagnoses at the pace of four each year of the program. This will provide a significant addition to the existing stock of recently-completed studies diagnoses (e.g. for Nigeria, Ethiopia, Uganda, Ghana) completed with World Bank and IFPRI support.

As these basic diagnoses establish the knowledge base and identify the main issues in each country, it is possible move to more detailed analysis in identified priority area, using methods described next.

Activity 2 - Specialized Country Agricultural Public Expenditure Analysis.

Countries for which the basic AgPER diagnosis has recently been completed have typically identified a second phase of expenditure issues which merit more detailed examination as part of expenditure program improvement. Sometimes this may be to assess more closely the effectiveness of a particular expenditure program, or in other cases to bring more sustainability to an overall program by moving from annual to multiple-year budget planning. Hence, this second activity will assist countries in this stage to apply more detailed agricultural expenditure analytic tools to drill down into this level of expenditure management. Among the main tools that will be applied under this activity are public expenditure tracking surveys, medium-term expenditure framework development, and sub-sector expenditure impact assessment. About 26 country-specific specialized studies will be undertaken, for countries that have a recently completed basic diagnostic AgPER in hand.

Public Expenditure Tracking Survey. This tool is useful to assess whether public resources budgeted are effectively reaching the intended programs and beneficiaries on the ground. Such tracking surveys have been applied most frequently in the health and education sectors, but experience is expanding on their use in the agricultural sector (e.g. Uganda, Ethiopia, and Niger). Usually, this tool is used to focus on an important sector expenditure component, rather than the sector as a whole, so its application works best when there is consensus (e.g. from PER diagnosis) that a program component is critical but with concerns about ineffectiveness of resources being committed. The analysis focuses on detailed tracking of resources through administrative and procedural steps, to identify where there is inefficient resource absorption or deviation from originally intended purposes.

Medium-Term Expenditure Framework (MTEF) Development. This moves expenditure planning and management limited to an annual horizon, to a multi-year perspective (often three-year). This allows grappling with longer-term forces affecting resource availability and management, and gives management attention to the sustained adjustments needed to align sector expenditure efforts with longer-term goals. However, MTEF application has the best prospects for positive impacts when applied systematically to budget management with Ministry of Finance leadership. In numerous countries in SSA, the World Bank is working closely with Ministries of Finance on MTEF development and related public finance management issues as an integral part of sequenced financial support to national budgets. It is opportune for agricultural sectors to get included among pilot sectors where such MTEF development is being rolled out.

Expenditure Component Impact Evaluation. From the core public expenditure diagnosis, there is often identification of components that absorb significant shares of available resources but which have scope for improved final outcomes. Determination of the impacts that the expenditure is having typically requires methodologically robust analysis, and sufficient data to undertake quantitative analysis. Impacts of irrigation investment, or of fertilizer subsidies (on physical productivity, welfare impacts, and their distribution) are two examples of such evidence-based analysis. Since data may need to be gathered (e.g. farming household surveys), and the methodological approaches vary by agricultural sub-sector), this analysis is typically more focused, and time-consuming, hence likely to be most informative once the basic public expenditure diagnostic work is in hand.

Activity 3 – AgPE-Outcomes Links Analysis. The impacts of public agricultural expenditure levels and composition on sector growth and welfare outcomes remain inadequately understood. A better understanding remains paramount to scaling expenditure levels and composition better to enable attaining sector growth objectives. Analysis of such links has improved over the past decade (e.g. IFPRI analysis of impacts of broad compositional categories through reduced form and computable general equilibrium analysis), and expanding this work both methodologically and across more countries will fill an important knowledge gap. The analysis will combine both cross-country expenditure analyses with a number of in-depth country studies. The methodologies to be used may vary by country, dependant on available data. The World Bank's 2008 World Development Report on Agriculture and Development provide a useful framework for expanding the analysis, recognizing household differentiation has important implications for the geographic and thematic composition of spending.

Activity 4 - Workshops for Coordination, Training and Dissemination. The program would organize workshops with a number of purposes. At the regional level, workshops would bring participants in country teams together for coordination, for training in the

analytical tools of public expenditure analysis, and for shared learning from country study results. Regional workshops would also be held towards the end of the program to disseminate results.

The organization of these regional workshops would be done in close coordination with CAADP-related institutions such as the Regional Economic Commissions and with the CAADP secretariat, as well as with ReSAKSS, since these institutions periodically arrange workshops at the regional and continental level for comparable audiences and on which this program's workshops could be piggy-backed with advantages in efficiency, consistency of communication, and coordination where appropriate with CAADP activities and timeframes. Two regional workshops are programmed for the first year, and three in each of the next two years.

Smaller workshops at the national level are also anticipated for each country study to enable technical validation of draft reports with national policy analysts and decision makers and for dissemination of results to a wider group of domestic constituencies and external development partners. These workshops will be planned in coordination with government CAADP focal teams where these exist (to get cross-ministry attention) and with established in-country donor sector working groups (to inform donors' dialogue with government on sector expenditure issues).

Activity 5 – Project Management. Project management will be assured by a small project management team hosted at World Bank headquarters and overseen by a Program Director (20% FTE), run by a full time Program Manager (100% FTE) and supported by a Program Associate (30% FTE). The management unit would identify country team counterparts, typically amongst existing structures such as CAADP focal teams, Ministry of Agriculture planning and budgeting departments, and national donor sector working groups. The project would work with them to identify the most appropriate AgPER analytical support and specific activities to be undertaken, guided by the types of analyses inventoried above. Work with these counterpart teams will customize these tools to country circumstances, and the consultants will be contracted to undertake the work. The management unit will also monitor overall project progress, ensure that a dissemination plan for completed products is being implemented, produce annual progress reports, and organize an end-project independent evaluation. Other functions of the management unit will include establishment of a consultant roster for conducting the studies, organizing the workshops, and doing technical reviews of all studies' draft inception and analytical reports. Management unit staff costs directly related to Activities 1-4 will be allocated to these.

While these activities focus chiefly on *public* expenditure, it is important to keep in view the impact of public expenditure on leveraging private investment into the agricultural sector. There may be options for establishing links of this proposed activity to a number

of other activities that can bring this private sector business environment into perspective: (i) the second phase of rural investment climate surveys about to be initiated by the World Bank; (ii) the possibility of submitting a proposal to the Statistical Capacity Building Trust Fund to work with a sample of countries on improving macro-level monitoring of private investment in the agricultural (among other) sectors; and (iii) a separate proposal to the Bill and Melinda Gates Foundation on doing business in agriculture. However, the present proposal does include direct work on generating information on private investment in the sector.

Implementation Plan

Getting Going. Progress on scaling up public expenditure work and aligning it with consensus priorities is a multi-year process and involves considerable in-country engagement to succeed. Therefore, in determining participating countries, the project will take into account: (i) direct indications of demand for project activities from government authorities; (ii) country ownership of public expenditure reform as indicated by its level of engagement in the CAADP process, and country willingness to commit MinAg/MinFin staff to a joint work program; (iii) existence of an effective in-country local donor working group on agriculture which works collectively to support improved agricultural public expenditure; (iv) for work on MTEF components, the existence of a WB-supported program (with WB country economics staff) on overall public expenditure management reform.

The demand for the project's country-level activities may originate through a number of institutional channels. Frequently, this will be through the project Management Unit communicating with the Government inter-ministerial CAADP focal committee that is formally established in countries that have agreed to undertake activities leading to a Roundtable Compact on agricultural sector priorities. The CAADP focal committee provides coordination of the activities, documents preparation and additional analytical work that lead to the Roundtable Compact and the subsequent implementation of agreed programs. The identification of the need for, and choice of specific content of, public expenditure analysis at the country level, will most frequently originate through this committee.

Another channel for identifying demand for agricultural public expenditure work under this project is the external development partner working group on the agricultural sector which is active in most SSA countries. These working groups contribute to coordination of the activities of external partners in support of the government ministry/ies responsible for agriculture. These working groups vary by country, yet usually have a designated government official and a chair/co-chair from the external partner

community.² These working groups typically discuss public expenditure and external funding priorities with government, and in this context identify needs for joint work on public expenditure analysis. World Bank country office staff actively participating in these groups and would be an important bridge to the activities of this project.

In instances where the government has not yet engaged in the CAADP process or progressed to the point of establishing a CAADP steering committee, the Ministry of Agriculture may still seek support from this project.

Once there is a general expression of demand through one of these channels, the World Bank participant from the country office, in coordination with other external partners in the country-level sector working groups and ReSAKKS representative at the RECs level, would guide the preparation of detailed TOR, and work with the project secretariat to engage consultant expertise, following World Bank procurement procedures.

Scoping the Country Work. The composition of the support in a particular country will depend on the existing foundation of sector public expenditure work available. Where the basic public expenditure diagnostic work (Activity 1) has not been done previously or is out of date, this will be the first undertaking, but where it is available and recent, the country-level collaboration can begin directly with other elements of analysis (Activity 2) as determined in consultation with country collaborators.

Building on Existing Foundations. This project will draw on the existing foundation of agricultural public expenditure tools and experience consolidated under the World Bank/DFID Partnership on Agricultural PER, and use the external web-site developed under this partnership as a resource for the training workshops of this project.

Forming Balanced Consulting Teams. Almost all the studies will be done by teams that combine the skills of international consultants (bringing global practice experience) and national consultants (who know well the agricultural sector, ministry, and professional networks of the country being studied). The international consultant in many cases will be non-African, but qualified African nationals will be hired whenever possible. The local consultant will almost always be of African nationality, usually from the country being studied or a neighboring country (but possibly resident outside of SSA). Networks of African professionals will be contacted to establish a roster of possible consultants.

Leveraging Partnerships. This initiative will in large measure be embedded in CAADP processes and as such will rely on coordination with a number of institutional partners.

² See Zewdie, Yihenew (2008). "An Overview Of Agricultural Donor Coordination Structures At The Country Level In Africa" Global Donor Platform for Rural Development", December.

At the core will be the CAADP secretariat itself and implementing capacity in the Regional Economic Communities.

Collaboration will also be important with the RESAKSS, on a number of levels. First, the RESAKSS engagement with country-level CAADP committees will be an important channel for identifying and organizing demand for AgPER work. The RESAKSS capacity is already experienced in carrying out building-block analysis into the CAADP Roundtable process, and is well placed as one of the channels of identifying specific needs for AgPER work in support of these processes. Second, RESAKSS has developed a web-based information platform which would be an option for placement of this initiative's products. Third, RESAKSS has provided substantive support through two standard analytical products which put in place basic diagnostic information on public expenditure on agriculture, as well as assessment of aggregate investment implications of sector strategic options and where completed, these analyses would be the starting point for further and more in-depth expenditure analysis. Finally, RESAKSS supports meetings of networks of analytical practitioners at the RECs level in support of CAADP, and the AgPER initiative would be integrated into these networks both in terms of audience and meetings.

Finally, the AgPER initiative anticipates a possible collaboration with a FAO/OECD initiative to gather information and undertake analysis on impacts of agricultural policy in SSA. Data requirements for this analysis encompasses, but also goes beyond the sectoral COFOG scope will orient the data collection focus of the AgPER initiative. The FAO/OECD initiative is considering development of a guidance note on data needs and comparability, and possibly additionality, to the present project proposals expenditure data collection focus. Teams mobilized for this project's activities would be able to use this guidance to determine the feasibility and efficiency of expanding their data collection to include the wider scope needed for the FAO/OECD country-specific analysis.

IV. Potential Risks

There are three main types of risk. One source of risk is related to the proposed on-demand foundations of the program. Such demand from the government authorities is essential to ensure adequate country-level engagement in examining public expenditure. Only as the prospects for proposal funding begin to be clarified, though, is it possible to formally explore interest with government counterparts. The build-up of activities under the program will therefore need early attention to avoid a slow start up. Early identification of demand for the specific studies proposed under the program's Activities 1 and 2 will be done by targeting countries that are in the process of costing the expenditure implications of national agricultural development strategies (mostly, but

not exclusively, countries engaged in the CAADP roundtable process). Contact points will be World Bank field staff (already being contacted), as well as RECs and ReSAKSS staff, who are in routine contact with countries' CAADP focal teams. This same network will be the basis for identification of the candidates for the subsequent two years' of program activities.

A second risk is the often unpredictable pace of country-level decision making on public expenditure allocations once evidence-based analysis is in hand. This is an inherent result of the political content of the decision making and of the array of stakeholders involved, but it weakens the link between project outputs and desired outcomes. The activities of this program aim to contribute to consensus building in order to address this. Some parallel facilitation of progress on decision making is emerging through the activities of the CAADP multi-donor trust fund which is proposed as a co-funder of this program's activities. The recent AU Head of State Summit reconfirmed and refocused country commitments to the CAADP objectives at. The specific analytical work of this project could be done with some autonomy from the particular stage of annual country-level budget decision making, and then brought into the policy dialogue as appropriate, and leverage openings created by CAADP country roundtable processes. World Bank country office staff participates actively in agricultural sector working groups in country, and are engaged in the dialogue with Ministry of Agriculture leadership on public expenditure issues, which will help move the work forward.

A third risk is specific to one component on the menu of possible AgPER engagement at the country level – strengthening agricultural sectors' medium-term expenditure frameworks (MTEF). Among the implementation complexities are dependency on: the existence of a broader MTEF process by the Minister of Finance; on a sufficiently stable fiscal environment to permit medium-term planning; and on consistency of longer-term effort on capacity building in MinAgs for MTEF management. That is, this activity type is wider in both timeframe and inter-ministry interaction than the others, adding to the risks faced in turning outputs into outcomes. In response, this component will be kept to a modest number of countries, and will rely on guidance from World Bank country economists working on MTEF programs with Ministries of Finance to focus the agricultural sector MTEF work on countries with more promising MTEF track records.

V. Monitoring and Evaluation

Monitoring will be undertaken to measure progress on project component activities while evaluation will be conducted to measure progress on improving public expenditure levels and composition, and on strengthening the evidence-based foundation for consensus building among country-level constituencies engaged in expenditure prioritization and implementation, primarily ministries of agriculture and finance.

Monitoring

Study reports will be the major output of this project and milestones of study implementation carefully monitored. These milestones, for each report, will comprise agreement with country stakeholders (principally MinAg and local donor working group) on TOR, study team recruited, inception report submitted, draft report delivered, technical validation workshop conducted, final report completed, and dissemination activities done. Project management will monitor technical quality of each study at the inception and draft final report stages and document review comments provided and study team accommodations agreed to.

The project will make its products publically available on the World Bank website (and possibly the ReSAKSS website) which already exists with other useful AgPER resources, and will conduct periodic web metrics to assess usage and basic demographics of web users. This information will feed back into improving website design, as well as adjusting outreach and product dissemination across formats.

Effectiveness of workshops will be monitored through comprehensive participant evaluation using simple feedback forms, with assessment of the results feeding directly into the design of subsequent workshops. In annual progress reports, the year's completed workshops will be assessed in terms of this evaluation feedback and also in terms of costs per participant and for type of workshop. This information will be available for the end-project independent evaluation.

Workshops gatherings will also be used to examine with participating practitioners how to identify and assess the channels through which evidence-based reports get used as part of the change dialogue amongst public expenditure stakeholders. For instance, Ministry of Agriculture participants will describe ways in which project outputs are being used in budget discussions with Ministry of Finance counterparts and parliamentarians. This information gathering will be undertaken in Years 2 and 3, and provide an input to more structured surveying of stakeholders as part of the end-project evaluation.

Annual progress reports will be submitted by project management. Coverage of these will include: progress on studies, initial evidence on contribution to agricultural public expenditure decisions, workshop activities, and procurement of consultant services, disbursements, and activities of the project management team.

Evaluation

The project analysis and provision of evidence based analysis into decision making is intended to influence outcomes on public expenditure. This will be monitored on the

basis of expenditure data gathered by other entities as part of the Agricultural Expenditure Tracking Survey (AETS), expected to be conducted annually by an entity autonomously of this project, and which will report annually on country level trends and a rudimentary composition breakdown. While the project will not have direct control over this AETS, it is an activity of sufficiently high profile within the CAADP process, and has an initial track record of implementation, such that risk of data accessibility problems is considered manageable.

The project will also monitor changes of ministry of agriculture implementation performance as measured by the actual/planned expenditure ratio, for the sample of countries that have directly participated in project studies.

A final independent evaluation will be conducted. This will be useful as an input to post-project transition of the public expenditure strengthening agenda to other entities associated with building capacity for leading these activities: CAADP MDTF, CAADP Secretariat and the RECs. This evaluation will encompass the outcomes on agricultural expenditure trends and composition (based on Agricultural Expenditure Tracking Survey data) and sector growth. Because of lags in the availability of such annual data, an end-Year 3 evaluation will only have access to such data for the first two years of project implementation.

Comprehensive tracking of impacts on poverty will not be possible because of the cost and complexity of the households socioeconomic surveys required. On a sample basis, Activity 3 will provide an assessment of expenditure-poverty links. Where timing and country coverage permits, the project will liaise with the separate BMGF-funded household socioeconomic survey project that is initiating surveys in seven SSA countries.

VI. Organizational Capacity and Management Plan

The organizational arrangements that will implement the proposed activity will rely primarily on three levels of intervention, under the overall guidance of the World Bank's AFTAR unit:

1. Management unit. AFTAR would host the management unit for the overall activity. This would be comprised of a Program Director (20% FTE) drawn from existing Bank staff, a full time Project Manager, two part-time Project Associates (30% FTE) and part-time secretarial support.

AFTAR manages a number of externally trust funded activities of similar or larger size and implementation complexity, and has well established procedures and staff

experience in their management, and is supported by other World Bank units that provide procurement and financial reporting functions. The AFTAR-hosted management unit for the CAADP Multi-Donor Trust Fund, the proposed co-funder of this project, is in the process of being put in place and will enable some economies in the recruitment and work programming of part time staff of the management unit for the present project.

AFTAR also has professional staff in 23 country offices in SSA with existing and extensive engagement with partners who would be engaged in this program at the country level, particularly in government ministries as well as external partner working groups which collaborate with Ministries of Agriculture on the articulation of sector strategy and related public expenditure program priorities and implementation.

2. Country level. The project will not have dedicated staff at the country level, but will be able to leverage World Bank country office staff who work on the agricultural sector. These staff are frequently already engaged in a dialogue with government authorities on sector public expenditure issues, often as a coordinated effort of the local development partner sector working group. The project which would collaborate with Ministry of Agriculture staff, these local working groups, and existing CAADP focal committees.

3. Regional level. The Regional Economic Commissions support their member countries in the development of sectoral development plans, and for agriculture the RECs have become increasingly engaged in facilitating the public expenditure objectives of CAADP including putting staff and financial resources into supporting CAADP processes. The project would coordinate with these RECs activities in three main ways. First, the RECs hold periodic regional workshops of country CAADP focal committee representatives. The project will seek to piggy-back on these workshops to carry out communication activities, as part of eliciting demand for project support, as well as for training and results-sharing events. Second, RECs technical staff have an emerging role in providing support to country teams on public expenditure management, and will be able to participate in project workshops as part of capacity building. Finally, the possibility will be explored during the project of the RECs establishing and maintaining, building on the existing RESAKSS nodes, a web-based public information platform for AgPER, including products of this project: toolkit guidance, agricultural expenditure monitoring data, and reports. CAADP Multi-Donor Trust Fund participation in this project, through its involvement in assisting RECs develop annual work plans, will provide opportunities for building up REC capacity to sustain this project's activities once it ends.

4. Getting Guidance. An Advisory Committee will be established to provide guidance and facilitate coordination across related activities. The committee will be small, and meet once a year. Representation will be from the Bill and Melinda Gates Foundation, the CAADP MDTF, the CAADP Secretariat, and possibly from ReSAKSS. Meetings will review the annual program reports that review progress and propose activities for the

coming year, and will aim to be held in tandem with scheduled workshops of the program.

Budget Overview

The total requested budget is USD 5.8 million, consisting of direct costs of USD 5.2 million and indirect costs of USD 0.6 million. By activity, the direct cost breakdown is USD 0.9 million for basic country AgPER diagnostics (Activity 1), USD 1.6 million for specialized country AgPER analysis (Activity 2), USD 0.6 million for core analytics (Activity 3), USD 1.7 million for workshops for coordination, training and dissemination (Activity 4), and USD 0.4 million for project management (Activity 5). The USD 0.6 million included under indirect costs covers the standard Trust Fund management fee of 5% plus an initial flat USD 35,000 that is charged by the World Bank for this type of grant. An explanation of cost categories follows below.

A. Management Unit Personnel

Personnel costs for the project management unit will consist of a part time Director, a full time Manager and a part time Associate. Base salaries used for these three positions are the average base salaries for World Bank grades GH, GG and Junior Professional Associate, respectively. In addition, extended term and short term consultants may be recruited for specific secretariat needs that may arise, and have been estimated for budget purposes to include a part time senior associate and a part time program assistant. Shares of full time equivalents for these part time positions are shown in the table below. Options for economizing on management unit staff costs by sharing these part time staff with the secretariat needs of the co-financing CAADP Multi-Donor Trust Fund are being explored.

Actual salaries of these positions claimed will depend on the actual time that the staff work on program activities and administration. The personnel costs (time and associated fringe benefits) have been apportioned among the program activities' budget components based on roles performed by the personnel. The program Activities 1- 4 account for 77 percent of total personnel costs and project management Activity 5 accounts for the remaining 23 percent of these personnel costs.

B. Travel

Travel costs have two main parts. Workshops account for two-thirds of travel costs and of this, two-thirds is allocated to the travel costs to bring African country nationals to regional venues from multiple countries of origin. The other third of travel costs to workshops is for resource people including project management staff to lead these

workshops. Project management travel will combine workshop travel with other project activity supervision to economize on airfare. Project management airfare is budgeted at 66 per cent of round-trip travel costs with this pro rata reflecting that this travel will often be combined with other World Bank task travel. Whenever possible, workshops will be organized to piggyback on related workshop gatherings (e.g. REC-sponsored CAADP workshops for country representatives) which would enable travel costs savings where the same participants are involved, and this may enable economizing on this travel budget.

Consultants' travel to carry out the various studies accounts for the other third of total travel costs. For international consultants, airfare costs are averaged on the assumption that half the consultants hired will travel from US-distance residences and half from EU-distance residences. International consultants' travel costs include airfare and per diem. Per diem costs are significant due time being anticipated for in-country work (one month each at the start and finish, for most studies) sufficient to provide time "learning by doing" knowledge transfer to national counterparts – particularly MinAg staff in the core diagnostic work of Activity 1 – as informal capacity building.

For national consultants it is anticipated assumed that half will be resident in the country being studied and therefore not require air travel or per diem, but that the other half will be from a neighboring country requiring travel budget and per diem.

C. Contracted Services

Contracted services consist of regional and national workshop venue and logistic costs, and project output dissemination (printing, website management) as part of Activity 4, and an independent end-project evaluation under Activity 5.

D. Consultants

Consultants will be hired to conduct tasks in Activities 1-4. For basic and specialized AgPER reports, consultant requirements per study will range from simpler reports done by a team of one international and one national consultant providing between 10 and 12 weeks each, to more complex reports done by teams of two senior and one junior consultant providing 10 weeks each. International consultants are budgeted for USD 3000/week while national consultants are budgeted at USD 1000/week. Consultant travel has been budgeted separately. Consultant costs for workshops cover an anticipated mix of preparation and presentation of workshop materials, and participation and presentation by drafting teams of reports under Activities 1-3.

E. Indirect Cost Allowances

A 5% charge has been included as indirect costs towards the standard World Bank trust fund management fee.

F. Support for Proposed Project from Other Sources

The CAADP Multi-Donor Trust Fund (MTDF) has approved a contribution of \$820, 900 to this program of activity. The MTDF is a trust fund administered by the World Bank with the objective of supporting capacity building and activities of African institutions to lead the adoption and use of CAADP, and to enhance donor coordination in their support of activities under CAADP and to African agriculture more broadly. Requested by the African Union, it is legally established to operate over 2009-2014 and is already partially funded with contributions paid in from USAID, the Netherlands and the EU. Two components of activities are to be executed by CAADP-related African institutions, while a third component – Technical Assistance and Management – is to be executed by the World Bank. This third component, which will account for about 20% of the MTDF expenditure, is the component from which resources will be provided to support the activities of the present AgPER proposal.

Appendix A – Objective and Outcomes

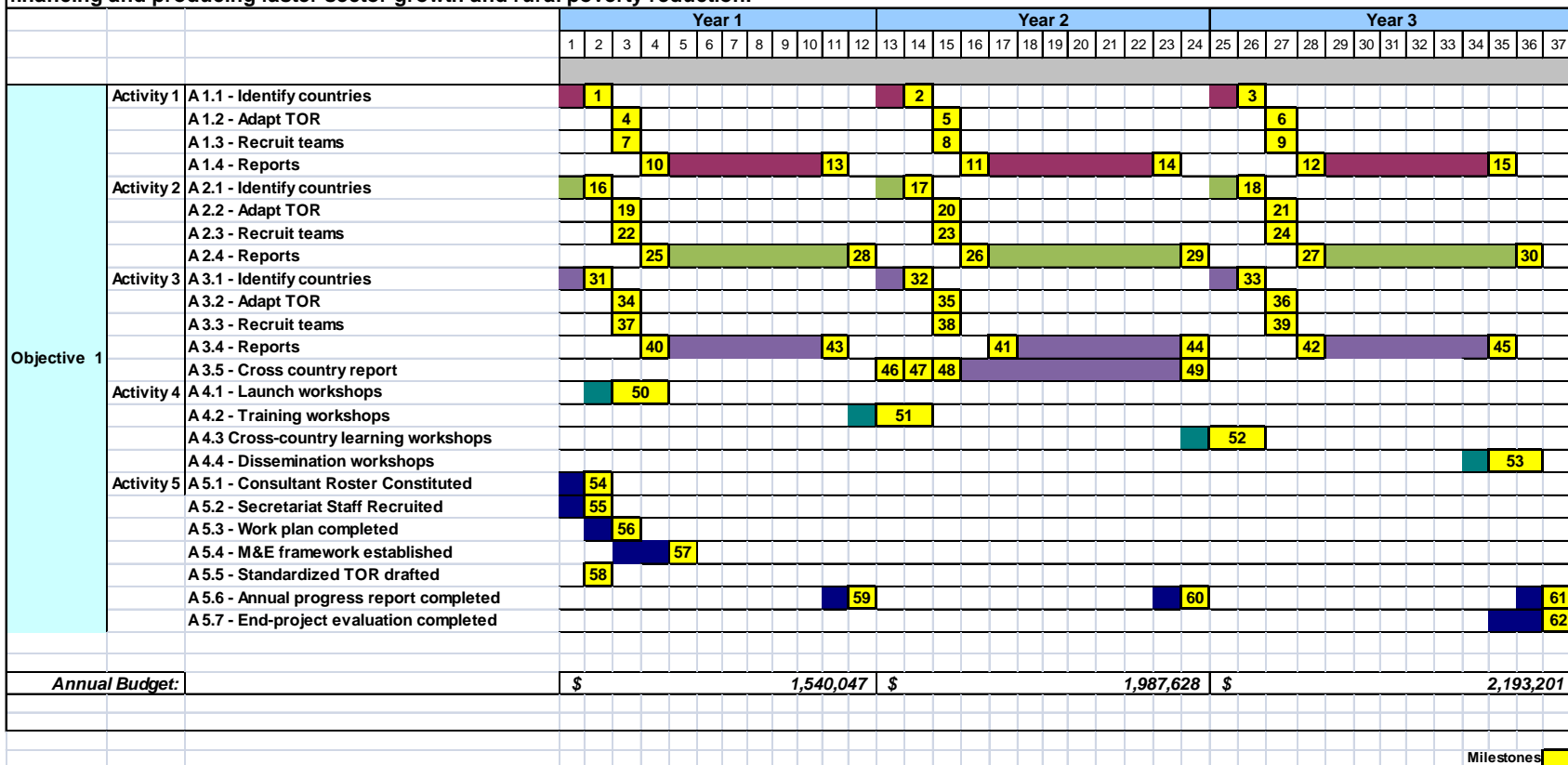
Vision of Success:	Improved public agriculture expenditure planning and implementation resulting in better stakeholder agreement on priorities and financing and producing faster sector growth and rural poverty reduction.	
Project Objective:	To strengthen national comprehensive agricultural public expenditure programs, consistent with the Comprehensive African Agricultural Development Program (CAADP), and towards the aim of scaled-up and more effective public expenditure for the agricultural sector.	
Activities	Outputs	Outcomes
1. Basic Country Agricultural Public Expenditure Diagnostic Reviews	<ul style="list-style-type: none"> • 12 Basic diagnostic reports completed and disseminated 	<ul style="list-style-type: none"> ➤ Public agriculture expenditure programs scaled up (with financing) for 10 countries, compared with baseline (2007/8), as measured by share of total government expenditure, by project end.
2. Specialized Country Agricultural Public Expenditure Analysis	<ul style="list-style-type: none"> • 26 specialized country expenditure analyses, covering at least 14 countries, completed and disseminated 	<ul style="list-style-type: none"> ➤ Improved agricultural sector growth in at least two-thirds of these countries (beyond project end)
3. AgPE-Outcomes Links Analysis	<ul style="list-style-type: none"> • Seven expenditure outcome analyses, of which at least one cross-country 	<ul style="list-style-type: none"> ➤ Improved composition of public expenditure in at least 5 countries which already near 10% of total expenditure for agriculture at start (2007/8) of project, by project end.
4. Workshops	<ul style="list-style-type: none"> • Eight regional level workshops with 35-40 participants each 	<ul style="list-style-type: none"> ➤ Ministry of Agriculture budget implementation capacity improved in 10 countries, as measured by actual/planned expenditure ratio, compared with baseline (2007/8) (beyond project end).
5. Project Management	<ul style="list-style-type: none"> • Management unit staff recruited and functioning • Program document developed for project implementation • Roster of technical consultants for studies under A1-3 • Standard TOR developed for studies • Information base available on a web platform and usage monitored 	<ul style="list-style-type: none"> ➤ Transition begun towards programmatic finance support by external funding partners of governments' expenditure program and away from stand-alone donor-financed projects, in at least 5 countries, by project end. ➤ Evidence-based analytical support of agricultural public expenditure increasingly incorporated into CAADP-supported organizations' annual work programs, by

Vision of Success:	Improved public agriculture expenditure planning and implementation resulting in better stakeholder agreement on priorities and financing and producing faster sector growth and rural poverty reduction.	
Project Objective:	To strengthen national comprehensive agricultural public expenditure programs, consistent with the Comprehensive African Agricultural Development Program (CAADP), and towards the aim of scaled-up and more effective public expenditure for the agricultural sector.	
Activities	Outputs	Outcomes
	<ul style="list-style-type: none"> • Annual progress reports • End-project independent evaluation 	<p>project end.</p> <p>➤ Sustainability of public investments improved by adjustment of recurrent/capital budget balance in at least five countries, by project end.</p>

Appendix B - Timeline and Milestones

Project Name: Strengthening national comprehensive agricultural public expenditure in Sub-Saharan Africa

Vision of Success: Improved public agriculture expenditure planning and implementation resulting in better stakeholder agreement on priorities and financing and producing faster sector growth and rural poverty reduction.



[illegible][illegible]

Activity 2: Specialized Country Agricultural Public Expenditure Analysis

[illegible]

Activity 3: AgPE-Outcomes Links Analysis

[illegible]

Activity 4: Workshops, Training, Dissemination

[illegible]

Activity 5: Project Management

[illegible]

Appendix C. Citations

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