Master course on
Human Development and Food Security

Food Security

Background notes on food policy

By Materne Maetz

Content

Note 1: Basic concepts of food policy[1]

Summary: *There is no general agreement among specialists on the concepts that will be used here (e.g. policy, strategy, plan, programme, project).*
To make our exchanges easier and avoid misunderstandings, we need to fix some rule regarding the meaning of these terms and therefore propose working definitions for each of them and see how these concepts relate. In the process, we will track some causes for confusion in the language and also discuss briefly the issue of policy coherence.

Definitions

Policy

A policy is a set of interrelated principles, methods and procedures, based on preference and choices, intended to influence and determine decisions and actions with the view of achieving certain objectives.

A policy can be adopted by governments, private sector groups or individuals.

A policy is comprised of two main elements:

- One or several goals or specific objectives (*example: enhanced food security, increased farmer organisation, improved rural infrastructure, greater share of local food in consumption, etc.*);
- One or several principles, methods or procedures to be adhered to in order to serve the objective and produce specific related outcomes.

In the case of a public policy, principles, methods or procedures defined by the state can be of two main types:

- Principles, methods or procedures that translate into rules governing the economy as a whole (e.g. macroeconomic policy) or governing a particular sector (e.g. agriculture policy). These rules affect the behaviour, decisions and mode of operation of the agents active in the economy and can contribute to establishing conditions favourable to achieving the objectives set for the policy. These decisions usually result in policy documents, laws or regulations.

  Examples: *costs for establishing local cooperatives and groupings will be co-funded 80-20 by state and members; members will benefit from technical and managerial training; cooperatives and groupings will be administered democratically according to rules specified by law, marketing contracts will follow standards and formats defined by law; food produced by cooperatives and groupings will have to satisfy process and quality norms, etc.;*

- Principles, methods or procedures that underpin actions taken by the government. This includes specifying the role of government, public and

[1] Adapted from: M. Maetz, **Basic concepts of socioeconomic development policy,** prepared for the Social Protection Learning Programme organised by FAO with IDS, University of Sussex, November 2014.

parastatal organisations and the principles, rules and methods that guide their operations (i.e. internal regulations).

Examples: funding provided by the state for the establishment of a particular grouping or cooperative will be up to a maximum of USDx/member, deciding on responsibility for financing the launch of groupings or cooperatives, reforming legislation to make creation of cooperatives easier, based on a participatory process, etc.

In practice policies can be organised:
- By objective (*e.g. food security policy, food quality and safety policy*);
- By sector or the sub-sector to which they apply (*e.g. agriculture policy, energy policy, industrial policy, labour policy, wheat policy, coffee policy, etc.*);
- By target group to whom they are directed, and that can be defined on the basis of its socio-economic characteristics or its geographical location (*e.g. women development policy, tribal policy, North-Western region development policy*).

Strategy

A strategy is a well-specified vision of a result to be achieved over a long period of time and a road map to be followed to bring about this desired vision.

It is based on a policy or set of policies that define the objectives and the principles, methods and procedures for a coherent package of activities planned to be undertaken under the strategy (for the sake of illustration, policy is like the nervous system of the strategy). These activities may comprise:
- Elaboration and implementation of legislation, rules and regulations;
- Organisational change (reform of existing organisations – modification of function and/or structure, creation of new organisations, closing down of organisations);
- Programmes, including services or investment programmes;
- Projects, including investment projects.

In the case of a public strategy, activities envisaged may be either public or private (e.g. private investment, outsourcing, etc.) as a public strategy often intends to influence private behaviour.

In a strategy, various activities are defined in time, and responsibilities for implementing them are specified. Resources required for carrying them out are usually estimated.

Similarly to a policy, a strategy can be qualified by its objective, sector, subsector or target group.

Plan

A plan is a description of the objectives and activities of a 'time slice' of a strategy. This description is more detailed than in a strategy, as it refers to a shorter period of time (usually 3 to 5 years) for which it is relatively easier to anticipate conditions.

Like a policy or a strategy, a plan can be defined by objective, sector, subsector or target group.

Programme

A programme is a set of activities to be implemented over a long period, in a recurrent way, in order to meet a particular objective or need.

> *Example: extension programme, vaccination programme, school feeding programme, etc.*

Project

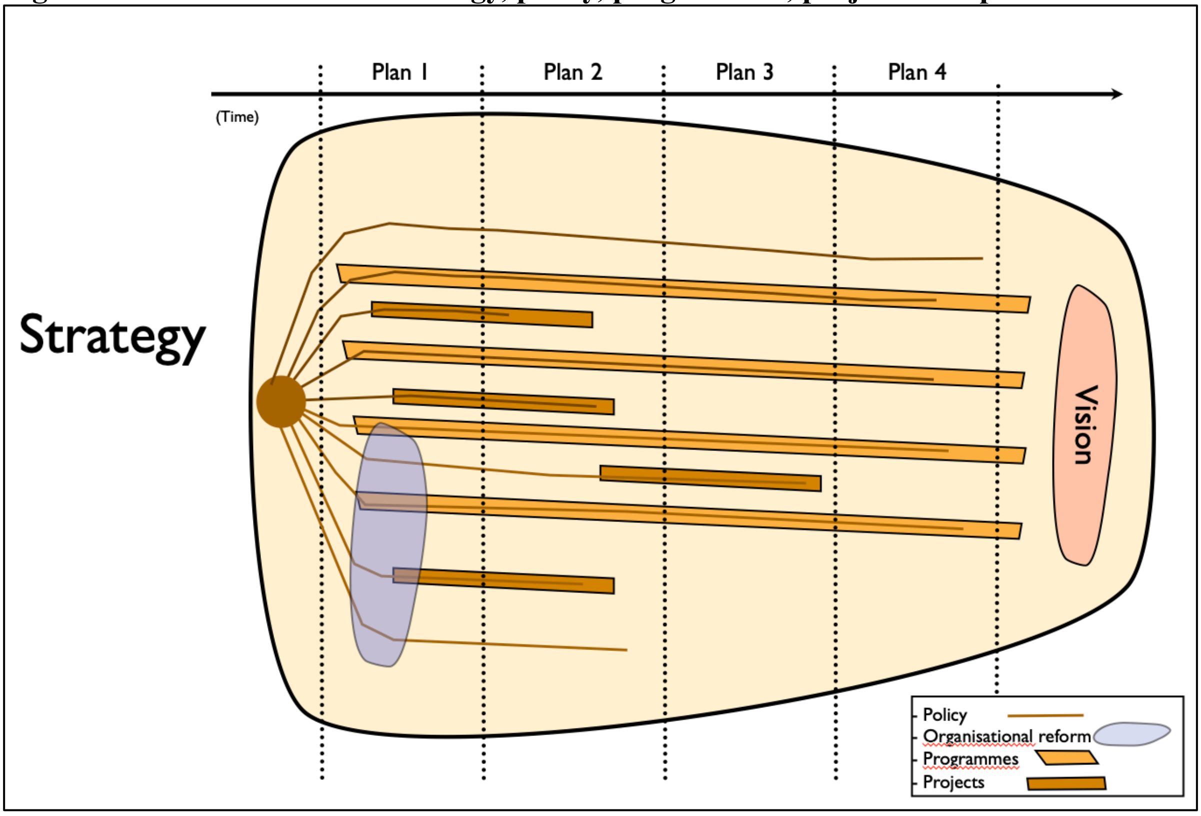
A project is a carefully planned undertaking that aims to achieve a particular objective within a well-defined period of time.

> *Example: building of a local road, establishment of a cooperative, construction of a school or of a health centre, development of a horticulture production area, etc.*

Relations among the concepts presented and sources of confusion

Figure 1 below attempts to illustrate the relations existing among the concepts presented above.

Figure 1: Relations between strategy, policy, programmes, projects and plans



This diagram depicts the **strategy** as being the most encompassing concept that includes all the others.

Policies constitute the backbones of the strategy and provide the guiding principles, methods and procedures along which the strategy is being implemented.
The concretisation of policies takes place through the components of the strategy (new legislation, rules and regulations, organisational reform**, programmes** and **projects**) that are designed and carried out according to the principles, methods and procedures defined by policies.

In an 'ideal' world

In an ideal world, the cascade of events that determine the relations among all these concepts is as follows:

- Definition of a *vision* for the **strategy** (what 'the world' should look like at the horizon) and a *path* or *road map* that should lead us to this vision (what changes need to occur in 'the world' to achieve the vision).
- Design of **policies**: how we can make that the desired modifications required to achieve our vision take place. How government can influence reality for these changes to take place: by influencing the behaviour of various agents in society (i.e. modifying rules governing the economy) and its own behaviour (its role, its guiding principles, methods and procedures).
- Design of activities to implement changes, i.e. **programmes**, **projects**, laws, organisational change, etc.
- Specify in greater detail what has to be done during a certain period of time (**plan**)

In 'real' life

In 'real' life, things don't work so simply and in the linear way described in the preceding paragraph. There is, in most countries, a time when a process is being initiated whereby a designated group of people reflects on what the country should be doing and defines a vision and then a strategy and all its elements. Usually, this process results in the production of a document that explains what has to (and will) be done.

The trouble starts when the time comes to implement things. Some resistance may appear when a new law has to be passed, a new procedure or method adopted or the role of a particular organisation changed. The proposed reorientation may be dropped or its nature modified, and then some discrepancy arises between implementation and what was initially envisaged in the strategy.

> *For example, the written policy is to have local farmer groups sell their food through contracts to schools that are implementing a state-sponsored school feeding in order to help develop local food production by creating some stable market demand for the recently organised producers. But at the stage of implementation, some schools may find it impossible to purchase from the local farmers sufficiently diversified food to secure a balanced diet for their students, as there is only a small range of products available for sale locally. Schools wish to be free to buy from traders who can provide more diversified food products. This situation may either lead to greater freedom and reduced purchase of food by schools from local farmer groups, or to a new project to help them diversify their production and meet local demand.*

More trouble can occur when the first results of implementing the strategy are felt: some areas may not yield expected outcomes, or some of they may create some resistance among certain groups who will ask for changes. As a consequence, adjustments will be brought to some aspects of policy, adding further discrepancy between what is being done and was initially envisaged. As a result it can also bring some incoherence in policies implemented.

Some of the changes in policy may require the implementation of additional institutional reforms, new programmes or projects. This may create some confusion. When a change in policy rests on a new programme, it is easy to mix the two in everyday discussions and the difference between the two gets blurred and people will start using the words 'policy reform' and 'reform programme' interchangeably.

Similarly, some programmes who do not perform as expected may need to be redesigned, including the underpinning policy (objectives, principles, methods and procedures). So changing the programme may imply a more or less explicit shift in policy (more confusion!). Also, it may be the case that the rules are modified in one programme but not in another one that is giving good results. Here we start having some lack of coherence in policy as we may have two programmes operating according to two different policies… In some occurrences, when this also corresponds to different objectives, some may even say: 'The government changed its strategy.'

> *For example, in a particular country, initially, the policy may have been to provide support to marginal population groups in cash payments only. In one region, however, either because the programme of distribution of large aggregate amounts of cash created inflation – maybe because of a shortage of essential commodities on the local market in some remote area – or because it was found difficult to manage the distribution (due to a lack of financial infrastructure and risks of theft), it was decided to change the programme and start distributing food in kind.*

Policy coherence

In the previous paragraphs, we found that in 'real' life, there are situations that may lead to poor coherence of policies. What do we actually mean by policy coherence?

In fact, there are two ways to look at policy coherence: internal policy coherence and cross-policy coherence

Internal coherence means that:

- The policy objectives, principles, methods and procedures – and supporting programmes with their resources - should be coherent with the policy discourse (i.e. what is stated in the policy document); and,
- The policy principles, methods and procedures, when applied, should contribute towards the objective(s) claimed for the policy

> *In our earlier school feeding example, if the policy discourse says that school feeding should be supportive to the development of local production and local farmer*

groups, then there is a lack of internal coherence if the procedure adopted in implementing the policy means purchasing from traders who get their goods from outside the local area.

Cross-policy coherence means that:

- The objective of the policy should be coherent (non-contradictory or conflicting) with the objective of policies at the same level of governance and with the overall objective pursued in the strategy
- The implementation of the principles, methods and procedures of a particular policy should not contradict, annihilate or undermine the effects of other policies.

  To continue our example, if the government has a policy to help developing local vegetable production by distributing seeds, organising extension activities on vegetable production and supporting producer groups for marketing their surplus vegetable production, but the school feeding programme adopts the principle of purchasing its vegetables from traders who buy them from outside the region, this latter policy clearly undermines the result of the former policy and there is cross-policy incoherence.

More broadly, the OECD defines *policy coherence for development* as an effort '*to exploit positive synergies and spillovers across public policies to foster development*'. As illustrated by the example of school feeding, there are potential synergies between nutrition policies and sectoral development policies that need to be kept in mind while designing nutrition policies, so as to ensure that they do not undermine other policies, and vice versa, of course.

References

- W. I. Jenkins (1978) Policy Analysis: A Political and Organizational Perspective, Martin Robertson, Oxford, 278 pp.
- Roger D. Norton (2004) Agricultural Development Policy, concepts and experiences FAO/John Wiley &Sons, 528 pp.
- Maetz, M. and J. Balié (2008) Influencing Policy Processes – Lessons from experience Policy Assistance Series, FAO,113 pp.
- Various dictionaries: Oxford, Merriam-Webster, Free and Business.

Note 2: Policy process[2]

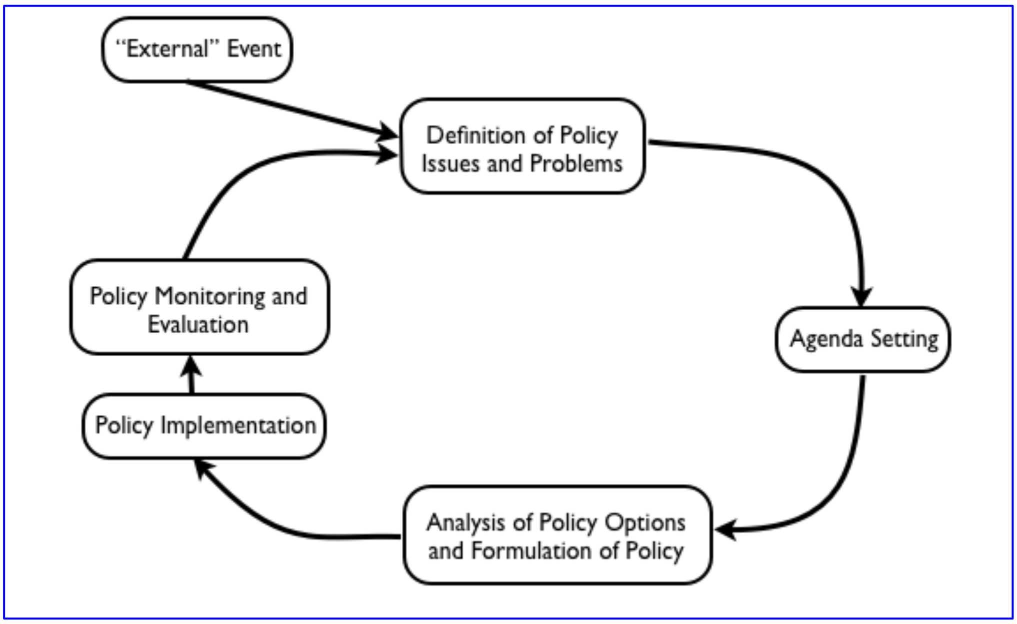
Summary: *Policy processes are generally messy because they address 'wicked' problems in a complex context in which many factors operate that influence the way the process unfolds and the outcome it produces. This means that policy work is not simply technical or analytical, but also political. It requires to be supported by the right mix of technical, analytical and 'soft' skills and knowledge. These skills are indispensable to handle the policy process and ensure that it yields a feasible outcome. The institutional set-up for policy production and management matters and has direct consequences on the content and outcome of policies.*

The policy cycle

The 'ideal' policy cycle

In '*Basic concepts of food policy'* we have seen that in an 'ideal' textbook world, policies are being designed, in a cascade of events occurring in a short period of time. These events are required to work out how changes envisioned in a particular strategy can be achieved.

Figure 1: The 'ideal' policy cycle



Ideally, policies go through a cycle that governs their life.

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[2] Adapted from: M. Maetz, **Policy process analysis,** prepared for the Social Protection Learning Programme organised by FAO with IDS, University of Sussex, November 2014.

Typically:

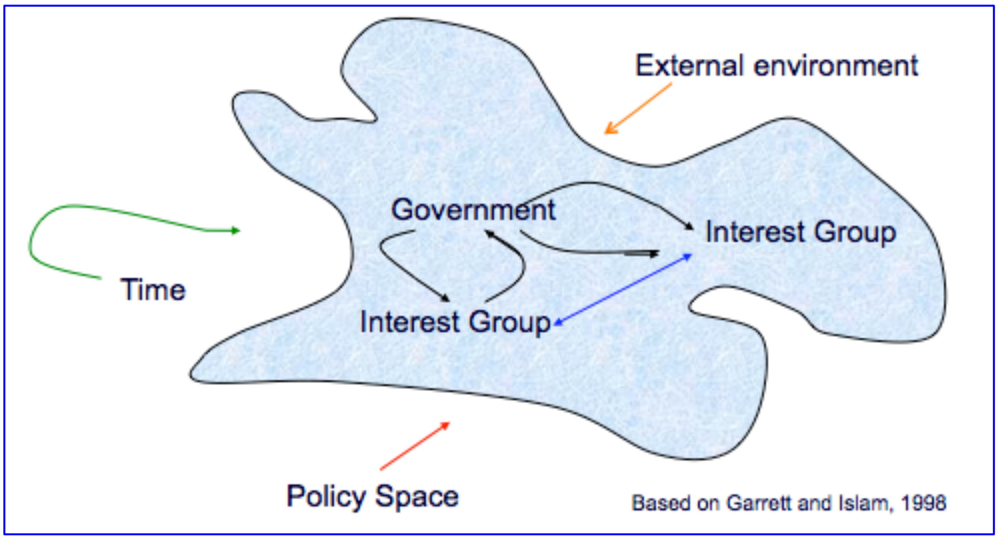
- The **first step** is the definition of the policy issues and problems that need to be addressed (*e.g. most of the food consumed in cities is imported, farmers are disorganised and distressed, etc.*);
- The **second step** is the choice of the issues that will be tackled (not all can be handled at the same time, so some prioritisation is required);
- The **third step** is the analysis of possible policy options for each problem on the agenda, the selection of one option and its detailed formulation;
- The **fourth step** is the implementation of the policies (through legislation, organisational reform, programmes and projects);
- The **fifth step** is monitoring of the implementation of the policies (to check whether everything is going as planned), their evaluation (to see whether the objectives of each policy have been achieved and whether they may have had other results) and the formulation of recommendations for follow-up/adjustments of the policies.

… and the cycle starts again, based on the results of evaluation and eventual 'external' events.

The 'real' policy cycle

In reality, things don't work out so nicely and rationally. In fact, the 'real' policy process is usually quite messy, complex, full of stop-and-go's, conflicts and contradictions. To depict it, rather than a cycle, some authors have been using an amoeba.

Figure 2: A messy process



Why are policy processes so messy?

Two main reasons can be put forward to explain the messy nature of policy processes: (i) the characteristics of the problems policy is addressing, and (ii) the context within which policy is being produced.

The nature of problems addressed

Problems that are being addressed in policy work, and particularly in the case of food policy, can be defined as *wicked*. This term was coined in the early '70s to qualify issues that are difficult to resolve because of their intrinsic characteristics[3].

A wicked problem is a problem for which:

- It is difficult to make a problem statement;
- The search for solutions never stops;
- There is no objectively 'right' or 'wrong' solution;
- It is complicate to measure the effectiveness of solutions proposed;
- A solution, when implemented, cannot be undone (there is no possibility to use a trial-and-error approach);
- There is no limit to the set of potential solutions;
- Every problem is unique;
- The problem is intertwined with other problems and difficult to be dealt with separately;
- Many stakeholders are involved who have different views and who, therefore, propose different ways of resolving it;
- Decision-makers have no right to be wrong (they bear the consequences of their decisions).

These characteristics clearly undermine several of the steps of the 'ideal' policy cycle and suggest that finding solutions to this type of problem cannot be purely technical, but is of a social nature[4].

Two main possibilities are available: the authoritative (the solution is left in the hands of experts and authorities) or collaborative (through negotiation of all stakeholders). In the first case, the risk is that the proposed solution will be oversimplified and create a lot of resistance among certain stakeholders. This can be eased to some extent by the elaboration of complex analytical or simulation models in the search of 'optimal' results. In the second case, coming to a solution may be a very lengthy and costly process before a consensus is being achieved through negotiation. In both occurences, the context in which the decision is made and implemented will influence the result of the policy process.

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[3] Rittel, H and Webber, M. (1973). "Dilemmas in a General Theory of Planning". *Policy Sciences* **4**: 155–169.

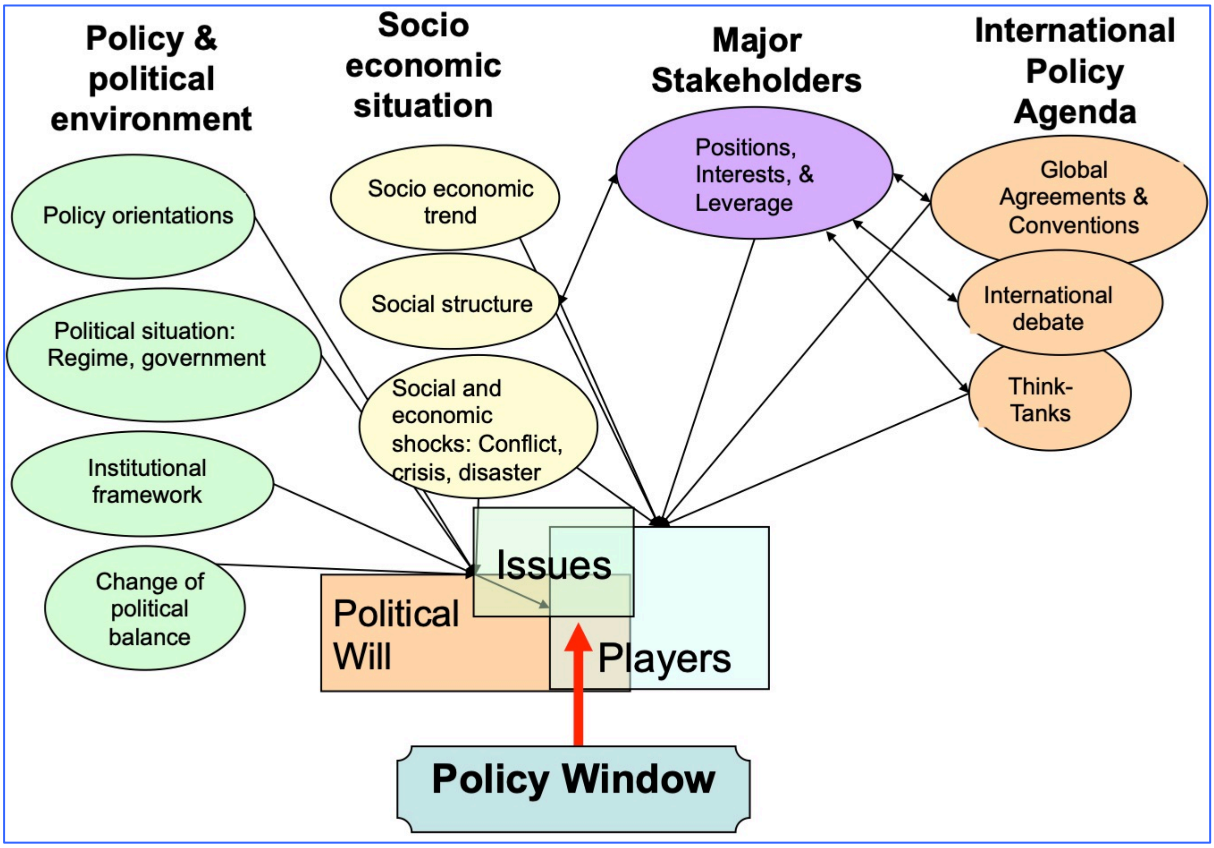
[4] Some authors also consider '***super wicked***' problems for which additionally time is running out, there is no central authority to decide, those who try to solve the problem are causing it and the future is being irrationally discounted (Levin, Cashore, Bernstein and Auld (2012). "Overcoming the tragedy of super wicked problems: constraining our future selves to ameliorate global climate change". *Policy Sciences* **45** (2): 123–152.)

The context of policy production and policy windows

This context can be looked at from four main perspectives (Figure 3):

- The policy and political environment:
- The institutional framework (constitution, rules, procedures and regulations, both formal and informal, which govern the process of decision-making, organisational structure of government, degree of influence of development partners);
- The overall policy orientation adopted by the government and existing policy narratives (e.g. overall objectives, weight of public sector and government involvement, degree of reliance on market mechanisms, degree of openness of the economy);
- The political situation (e.g. political stability, recent political events).
- The socio-economic situation: socio-economic structure, organisational issues, economic and social trends, shocks and important events, distribution of power and wealth between different groups and individuals, existing tensions.

Figure 3: Main factors determining the policy context and the occurrence of policy windows



Based on: Balié, Bruentrup, Darbon, Maetz and Pica-Ciamarra (2009), Policy Intelligence and Preparedness, FAO/DIE/CEAN, unpublished,10 pp.

- Stakeholders: individuals, groups of individuals or institutions/organisations, both local and foreign (including development partners) with interests, concerns or functions in the area for which policy is envisaged. All of them can be affected by policy changes and may either support or resist and get organised in coalitions. They often have conflicting views. Government is a key actor, but it is subject to pressure by other stakeholders who defend their interests and may block policy implementation. Their leverage to influence policy is variable, and largely depends on the resultant force of their actions.

- The international and regional policy agenda, which affects the national policy agenda through international or regional commitments taken by the country (trade, investment, loan or cooperation agreements), debate in international organisations and forums, and through the work produced at the international or regional level by think tanks, NGOs and others.

Implications

From what has been said and considering what has already been stated earlier on the policy context, it is possible to draw several general implications:

- The policy process is a potentially highly complex one that involves a large number of actors (including several ministries in the case of food policies – e.g. health, agriculture, public works, social affairs, finance) and the outcome of which depends on many factors;
- While policy making does entail technical work (analysis of the socio-economic situation, assessment of policy options, detailed formulation of policies, etc.), it is also a hugely political process;
- Managing the policy process therefore requires technical knowledge and analytical skills (e.g. economics, agriculture, nutrition, forestry, rural development), but also a good knowledge of the context within which policies are being designed and "soft" skills (e.g. sociology, political science, negotiation, facilitation, consensus-building and conflict resolution) to handle the process and influence its outcome;
- The national capacity to organise and manage the policy process and turn its results into action is an essential ingredient in policy making. Its level will largely determine the outcome of the policy process and of the implementation of the policy that will be ultimately selected.

One of the important skills required is to be able to judge whether the timing is appropriate for action or not and the capacity to help create policy windows, i.e. points in time when conditions are favourable for making decisions and acting.

In recent years, a new way of 'making' policy has emerged. This new way has grown in the particular domains of food safety and the environment and is illustrated by the multiplication of legal cases. It is often a reaction against slow policy making that is hindered by the action of lobbies. These cases are mostly grounded in fundamental laws such as the constitution, making reference to the endangering of health or the lack of actions by governments to protect their citizens.

Institutional factors

They play a key role in the content and the implementation of policy.

Government set-up

In the case of government, fragmentation and poor coordination mechanisms carry the risk of inappropriate policies that may overlook important issues, and of policy incoherence at the time of formulation as well as implementation.

In some countries this has been addressed by creating coordinating mechanisms (e.g. Agriculture Sector Development Programme Secretariate in Tanzania and the Agriculture Sector Coordinating Unit in Kenya or an interministerial working group Brazil) that may be attached to one of the ministries or at a higher interministerial level (e.g. President's Office or Office of the Prime Minister).

It is quite clear that food and food security policies are particularly liable to this problem as they require the consideration of a vast gamut of issues that are likely to be spread across several departments within the government. They pertain to agriculture and livestock production, but also to forestry and fisheries, to food industries, rural infrastructure (roads and communication, irrigation, storage, marketing), environmental and natural resources management, land tenure, social protection, education, health, economy and finance, central bank, rural organisations, rural finance, regional and spatial development, etc.

In different countries, this set-up can be quite diverse, more or less fragmented or grouped according to a variety of patterns. It may also evolve over time.

Conversely, the government structure can vary according to the policy. The extreme case can occur where food and agriculture may not be represented by a ministry (For example, in Argentina, the Ministry of Agriculture was successively abolished and reinstated several times depending on the government and the more or less liberal policy followed by the country).

Involvement of stakeholders beyond central government

Many countries have established some kind of consultative mechanisms at national and sometimes subnational levels. They usually assemble local government officials, decentralised staff from ministries, farmer organisations, private sector and their organisations and local NGOs. At central level, they may also include representatives of development partners and international NGOs.

These mechanisms are considered as sources of ideas, sounding boards for government intentions and a way to build consensus around policies in order to increase feasibility and reduce risks of obstruction.

Political personnel and stability

Instability in policy is one major cause of failure. Some countries have tried to address this by associating the opposition to policy making, so that, in case of change of majority in the country, at least some key policies will subsist.

References

- Dubois, O. (2008), Making Sense of Policy Processes, FAO
- Maetz, M. and J. Balié (2008) Influencing Policy Processes – Lessons from experience Policy Assistance Series, FAO,113 pp.
- Balié, Bruentrup, Darbon, Maetz and Pica-Ciamarra (2009) Draft Concept Paper - Policy Intelligence and Preparedness, FAO/DIE/CEAN, unpublished,10 pp.

Note 3 : The classification of food policy instruments

Summary: *Policy instruments serve to influence behaviour of agents within the economy and orient it favourably to the objectives pursued. There are various ways of classifying them: according to their mode of operation, whether they affect the manner in which the economy as a whole functions, or whether they pertain to the way the government operates, or to the domains targeted.*

The purpose of policy instruments

Policy instruments are used in order to change the behaviour of various agents within the economy so as to achieve the objective of the policy.

There are different ways of classifying policy instruments.

According to the mode of operation

For example, it is useful to make a distinction among:

- Instruments that consist of rules and norms that determine what is authorised and what is forbidden.

  For example: - authorisation of a new crop variety;
  - ban of a specific pesticide;
  - maximum level of concentration allowed for some toxic residues in food.

- Instruments that provide financial incentives inducing a particular type of behaviour or deterring certain activities.

  For example: - a subsidy to stimulates the use of fertiliser
  - a tax on pollution caused by animal dejection.

- Instruments that encourage change in behaviour softly (including what is often qualified as 'nudge').

  For example: information campaigns; colour codes on the nutritional quality of food, publicity or role models.

According to whom it is directed to

One way is to make distinction between those instruments affecting the rules governing the economy as a whole, and those defining the basic principles guiding direct action by the governments.

Examples of the first category include:

- Exchange rate and interest rate;
- Price policy instruments such as:
  - Taxes on agricultural inputs and food products;
  - Subsidies on inputs, credit, storage, direct payments to economic agents, support to specific public institutions or private and voluntary organisations;
  - Price control mechanisms (floor price, public purchase of goods and other market interventions);
- Trade policy instruments such as tariffs, export subsidies, export bans, quotas, licences;
- Food quality and safety norms and regulations;
- Land rules and regulations;
- Contract rules and regulations;
- Environmental regulation, and,
- The delineation of respective responsibilities of the private, public and third sector.

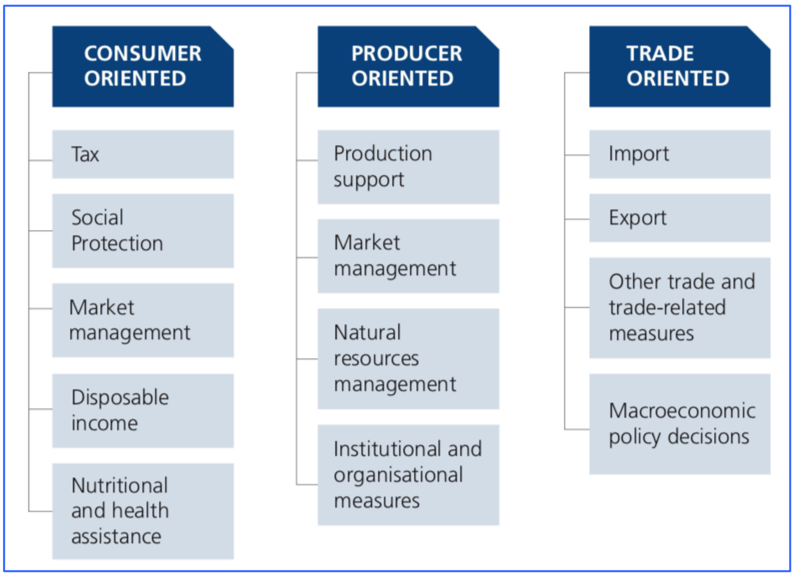
Examples of the second category comprise:

- Public expenditure (government budget policy including investment policy);
- Decentralisation or deconcentration of government services;
- Participation of the population in government decisions;
- Extension approaches; and, Implementing modalities of government functions (direct implementation, subcontracting to the private sector or to third sector entities, etc.).

According to the domain on which they are expected to act

A good example of this type of classification is that adopted by FAO following the 2007/08 food crisis in order to monitor decisions taken by governments in the framework of its Food and Agriculture Policy Decision Analysis (FAPDA) programme.

First two levels of FAO's FAPDA policy classification



The full FAPDA classification can be found in:

- FAO/FAPDA (2015), Food and agriculture policy classification, Food and Agriculture Policy Decision Analysis, FAO, 15 pp.

Note 4: Policy monitoring and evaluation[5]

Summary: *To implement a policy requires the mobilisation of resources (inputs) in order to carry out a certain number of tasks (activities) that produce results (outputs). These outputs are designed to change the behaviour of various individuals or organisations (agents) in society (outcome). These modifications will affect the socio-economic system (impact). It is by transforming rules, the organisational set-up and/or resource allocation, that a policy influences behaviour.*
To monitor a policy will require to develop a series of indicators that will help to measure to what extent the chain inputs-activities-outputs observed during implementation correspond to what was planned, in order, if needed, to make necessary corrections for remaining on track. In that, monitoring a policy is quite similar to monitoring a project or a programme. Up to the stage of output, what is happening is under control of the policy manager.
Outcomes and impact, on the contrary, are out of the full authority of the policy manager, and changes observed in the agents' behaviour or in the socio-economic system are difficult to attribute unquestionably to a particular policy as it acts mostly in an indirect way on behaviours and on the socio-economic system. Therefore, it may be challenging to dissociate its effect from the effects of other factors.

Definitions

Input

An input is a resource that goes into an activity.

> *For example, in the case of a training programme: participants, resource persons, training material, training equipment, meeting room, etc.*

Activity

An activity is an action that is undertaken in order to achieve certain objectives.

> *In the case of a training programme: a workshop or course, a study tour, etc.*

Output

An output is a tangible or intangible product that is the direct result of an activity.

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5 Largely based on: M. Maetz, **Introduction to policy impact analysis,** prepared for the Training Workshop on Policy Impact Studies organised by FAO/Ministry of Agriculture and Forests, Bhutan, August/September 2015.

In the case of a training programme: a group of trained participants who have acquired new knowledge, skills and attitudes, for example in monitoring and evaluating policies.

Outcome

An outcome is a consequence of the use of an output produced.

In the case of a training programme: participants utilise what they have learned in the programme in their work (e.g. they participate in policy monitoring and evaluation activities). However, this outcome can only occur if several other conditions are fulfilled, in addition to the successful completion of the training programme. Participants need to be asked to take part in policy monitoring within an organisation that mobilises resources required to carry out the necessary tasks.

Impact

An impact is the longer-term outcome of an activity

In the case of a training programme: the fact that participants use what they have learning in the programme triggers some change around them (e.g. the policy impact study induces some modification in the policy). That is evidently dependent on many other conditions. For example, the evaluation team has to prove that the policy is not fully successful and to propose improvement, then that responsible authorities accept this change and mobilise the resources required to implement it. This is very much out of the control of those who run the training programme and takes place long after it was organised.

Policy monitoring is the analysis of what happens when the policy is being implemented in terms of inputs used (have they been made available as planned?), activities conducted (have they been carried out according to schedule?) and outputs produced (have envisaged outputs been achieved).

Policy evaluation is the analysis of the outcome (did the anticipated outcome occur?) and of impacts achieved by a particular policy (whether expected – objectives/goals – or not). In addition to effectiveness, policy evaluation is also concerned about relevance and efficiency of a policy, as well as about sustainability of impacts achieved.

Why and when to monitor and evaluate policies?

The objective of monitoring and evaluation of policies is to inform decisions. For this:

- Policy monitoring is an ongoing activity that is carried out while the policy is being put in place. It is there to ensure that the policy is being effectively implemented and it recognises adjustments or further actions to undertake if problems arise during execution;

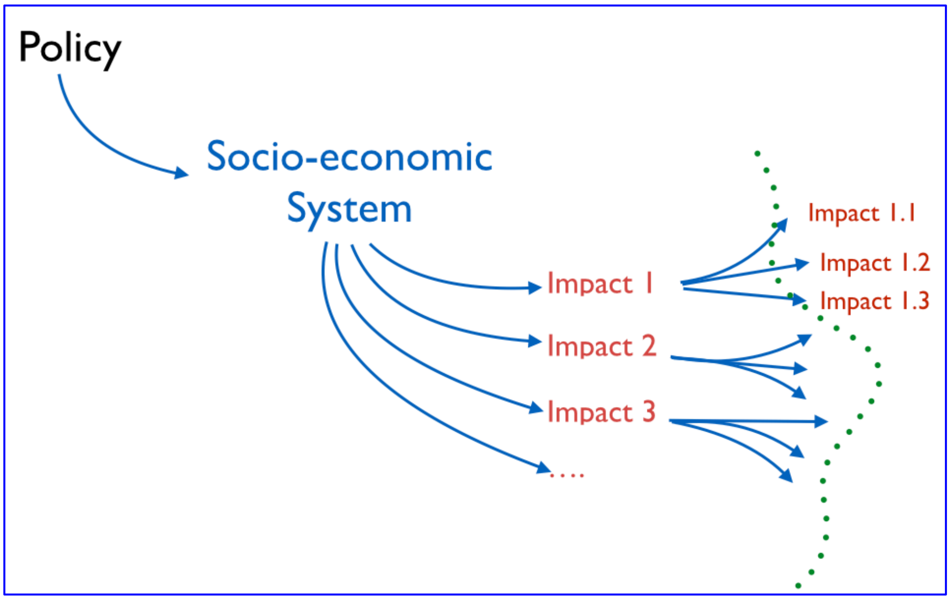
- Policy evaluation identifies eventual modifications to be brought to the design of the policy and, if need be, additional policies that would be needed to make certain that expected outcomes and impacts occur.
- Policy evaluation also has the function to learn lessons for improving the future design and implementation of policy.

While policy should be monitored from the beginning, according to the UN Panel on Monitoring and Evaluation (M&E), impact analysis should be conducted 5 to 10 years after an action is being taken to give time for change to occur. The scheduling of the evaluation will, of course, depend on the nature of the policy to be analysed.

How does a policy operate?

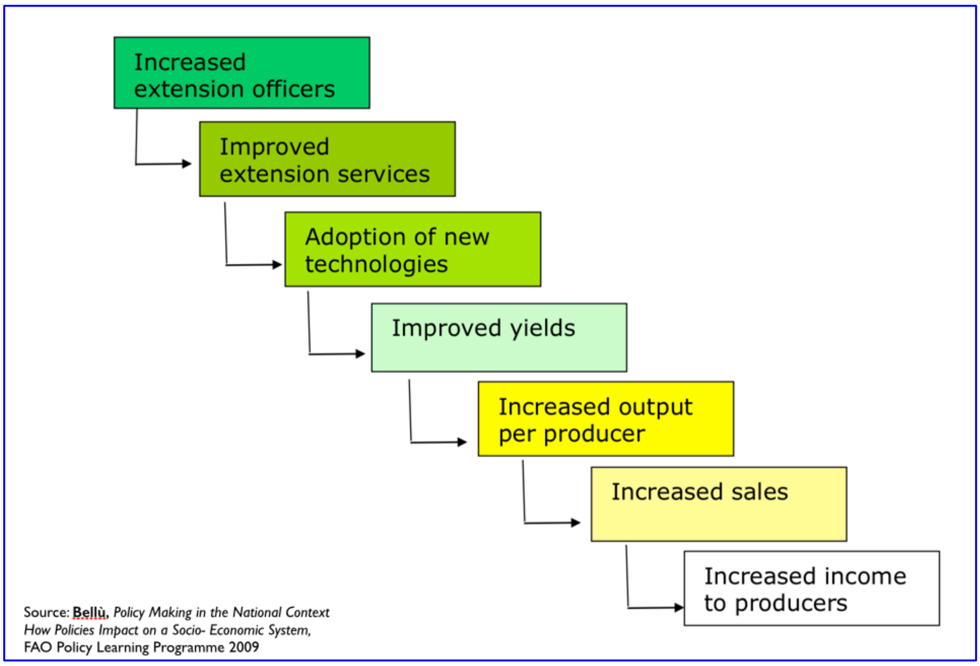
When a policy is being implemented, it affects the way economic operators and the government operate. This change in behaviour generates consequences in the socio-economic system on which it acts: economic agents will implement their activities differently, they may modify the resources they allocate to their different activities and, consequently, this will create adjustments in the outputs produced and will alter results. Modifications observed may also trigger additional changes that were not directly foreseen when the policy was designed (Diagram 1). These ripple effects may spread throughout the economy. This means that when evaluating the impact of a policy, one usually cannot limit the analysis to a particular sector of the economy.

Diagram 1: Policy generates impact



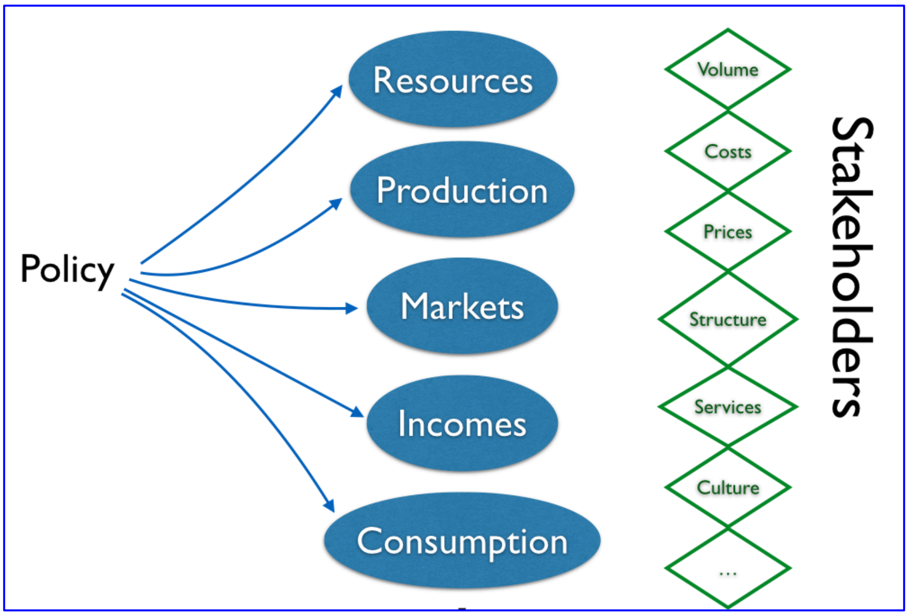
The **policy impact model** is a description of the chain(s) of consequences of introducing a particular policy. At time of formulating a policy, the justification of the new policy often rests with the expectation that a certain change will take place (e.g. *improved food security, less dependence on food imports*). Policy analysts usually develop a **theory of change** that depicts the chain of alterations that are intended (hoped) to occur (Diagram 2).

Diagram 2: An example of a policy impact model



In reality, however, things are usually more complex than what policy analysts and planners consider. And at the time of analysing the impact of a policy, all possible types of impacts should be identified. For this, it is good to remember that a policy will act on the socio-economic system, characterised by its different elements, and the impact can be felt in a number of domains (production, incomes, consumption, etc.) and by a selection of population groups (stakeholders). These changes are reflected in variation of many variables describing the socio-economic system (costs, prices, volume of different economic activities, structures, social relations, culture…) (See diagram 3.)

Diagram 3: A policy acts on the socio-economic system



Among the possible changes that may occur as a consequence of implementing a policy, some are expected (desired) and correspond to development goals or specific objectives. Other are unexpected and may be either positive or negative.

One of the difficulties when analysing policy impact is that the modifications observed in reality over a period of time can be either the impact of the policy or the consequence of other events (other policies or exogenous factors like climatic events, decisions taken by trade or cooperating partners). It is not always so easy to attribute the change detected to a particular policy (**problem of attribution**) because policy (contrary to an investment programme, for example) generally acts **indirectly** on the socio-economic system. Policy usually seeks to modify behaviour of different groups of actors in society, and that, in turn, will then have an impact on the socio-economic system.

To deal with this issue, it can be worthwhile to check the validity of the policy impact models: whether the policy actually did produce outputs, and to what extent these outputs have been used (outcome). So in some cases, it can be helpful to check whether even the very first items of the policy impact model did occur.

Measuring policy impact: indicators

It would be a huge task to analyse all possible impacts of a particular policy. There is a need to choose those impacts that matter most to the major stakeholders of the policy. Once the scope of the impact study has been fixed, it will be necessary to find ways of quantifying the impact.

For this, **indicators** will have to be selected that can help measure the impact. An indicator is a figure that gives some idea of the magnitude of a particular change that has occurred as the result of the policy. Indicators may be intermediate and final indicators:

- **Intermediate indicators** measure changes which happen 'on the way' towards reaching the overall policy objectives as described in the policy impact model.

  e.g.: number of functional cooperatives and groups formed, amount of investment they made, number of marketing contracts signed, ...

- **Final indicators** measure the expected final outcome (overall objective achievements).

  e.g.: number of food insecure, volume of imported food, ...

In some cases, it may be difficult to measure directly an outcome of a policy, and there may be a need to use **proxy indicators**.

- **Direct indicators** provide measurements that relate directly to the expected outcome of a policy.

e.g.: number of food insecure, tons of vegetables sold by cooperatives and groupings, value of exports by cooperatives and groupings, ...

- **Proxy indicators** measure indirectly the expected final outcome (overall objective achievements) when a direct quantification is impossible or two complex and costly. It uses more readily available or easy to collect data.

  e.g.: number of marketing contracts signed by cooperatives and groups, size of their goods transport budget, number of cooperative and group members...

All indicators do not necessarily need to be quantitative. They can also be more qualitative, particularly when it comes to measuring changes in behaviour or opinions.

- **Quantitative indicators** are usually constituted by physical, economic or social parameters.

  e.g.: number of food insecure, number of contracts, ...

- **Qualitative indicators** provide useful insights to assess changes in attitudes, behaviour, perceptions, capacities or expectations, among stakeholders.

  e.g.: perception of stakeholders on their situation (better, same or worse than before the policy), their opinion on the policy (good, indifferent, bad), ...

Finding the appropriate set of indicators is '*an art*' and indicators selected will depend on the policy (of course), but also on the social context where it is operating, the level of data available and resources for evaluating the impact of a given policy.

A good indicator should have certain basic desirable characteristics:

- **No ambiguity:** its interpretation should be clear and undisputable.
- **Objectivity:** its value should be independent from whoever collects the information.
- **Relevance:** it should measure the impact with a minimum interference from other factors (this a particularly difficult quality when analysing policy impact).
- **Sensitivity:** it should vary as the impact evolves.
- **Accessibility**: it should be possible to have the required information when it is needed.

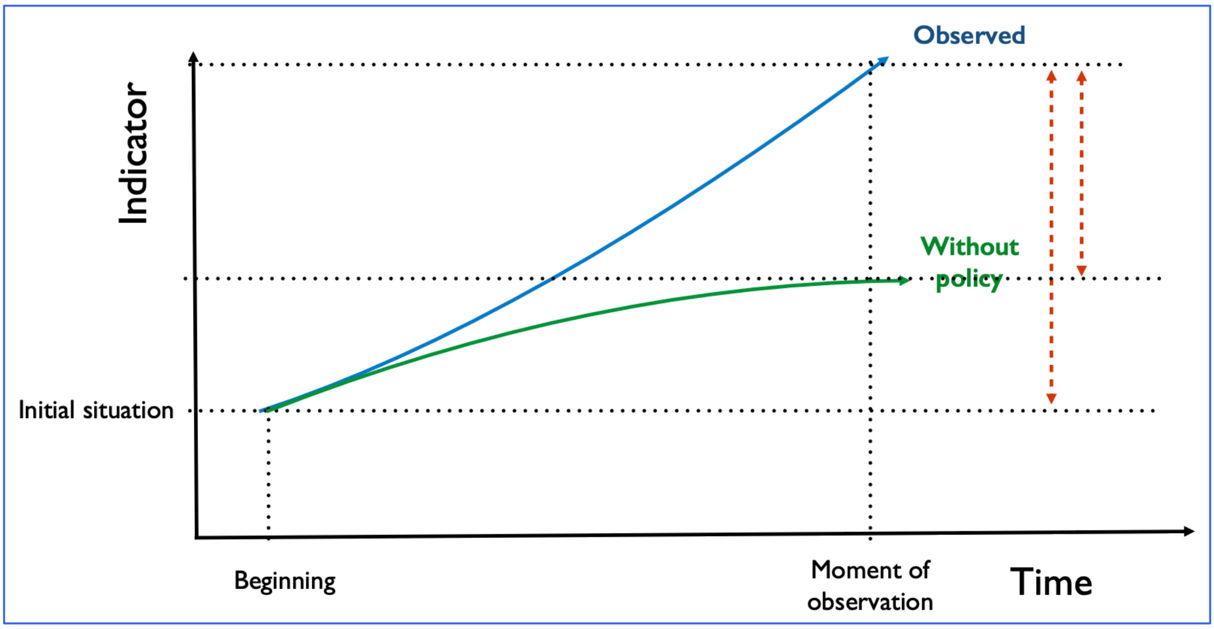
Measuring policy impact: measuring change

What matters most with policy is the outcome and impact it will have. Measuring change and understanding why it is going in the right direction or not is essential. It is also quite challenging a task!

Finding an appropriate indicator is only one step in measuring policy impact. Another step is to estimate the change in the value of the indicator that is attributable to the policy. Not an easy task!

Since the policy has been enforced, the selected indicator is likely to change for a number of reasons. The point is that even in absence of the policy, the indicator would probably have evolved (because of other policies, external events, projects, programmes, and many other factors). This means that the change in the value of the indicator since the policy was implemented is not a truly good indicator of the policy impact. The real indicator is the difference between what would have happened without the policy and what occurred with the policy (see diagram 4). But this difference can sometimes be very difficult to measure…

Diagram 4: Measuring the policy impact



Two basic approaches can be used to measure the impact differential due to the policy:

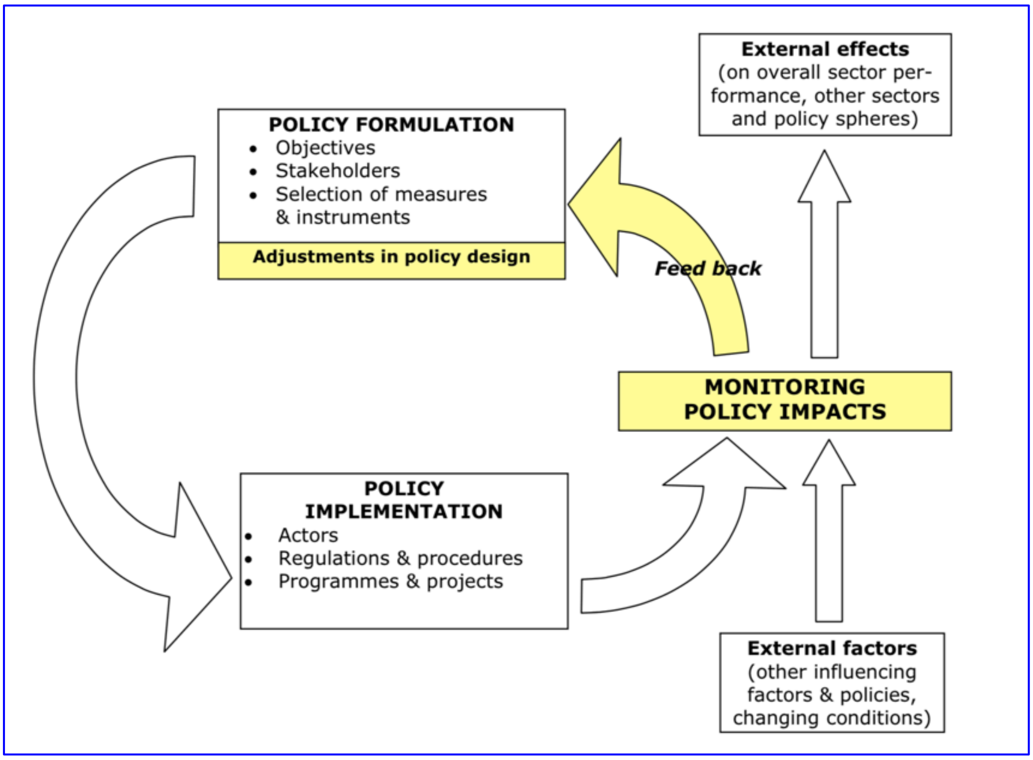
- **Reflexive comparison:** this consists in taking the value of the indicator before and after the implementation of the policy. The problem with this approach is that it requires to have a good baseline situation description and that it does not allow to discriminate the part of the change that is due to the policy and what is a consequence of other factors.
- **Counterfactual comparison:** this consists in comparing the value of the indicator for people/places who have not been affected by the policy to the value of the same indicator for people/places who have been impacted by the policy. This is relatively easy to do when analysing the impact of a project, but it can be quite difficult in the case of a policy that is generally applied throughout the country. In case of a targeted policy (e.g. a policy directed to a specific population group like the poor and vulnerable), it would be risky to take as counterfactual those groups who have not benefitted from the policy to measure its impact as they have very different characteristic from the targeted population.

Neither of these two methods gives perfect results. Some combination of the two can improve the quality of the measurement. This is what is called the **double difference or difference-in-difference method** that compares affected and non-affected groups before and after the policy implementation. This method yields better results, but it can become quite costly. It requires a lot of data and information and can be difficult to implement for a policy that is by definition applied throughout the country and often through ***policy packages*** where it is complicated to individualise the impact of a particular policy. That is why, indicators should be complemented by qualitative inquiries with stakeholders (e.g. through focus group discussions or individual interviews) to understand why they changed their behaviour and infer what role the policy actually played in this change. 'Hard data' is often not sufficient, even when it is available to have a valid interpretation of what happened as a consequence of a particular policy.

The usefulness of a policy monitoring system

One way of overcoming some of the difficulties mentioned here is through the establishment of a policy monitoring system which analyses change as it is ongoing, starting at the time when the policy is being enforced. When data series generated by a policy monitoring system are analysed over time, taking into consideration important events such as other policies and specific occurrences, it is easier to measure the actual impact of the policy. But in any case, much is left to the interpretation of the analyst and the result can always be contested and become the object of a political debate.

Diagram 5: Policy monitoring system



Based on Manfred Metz, Monitoring Policy Impacts (MPI), FAO, 2005.

Other benefits of a policy monitoring system are that it provides continuous feedback on policy implementation and performance, increases transparency and information of all stakeholders, including policy-makers. In this way, it can be a basis for adjusting the policy in order to make it more effective and thus improve policy formulation.

It also keeps track of policy outputs and outcomes, which can be very useful when it is difficult to evaluate the impact and attribute impact clearly to the policy, and could provide insights that could imply reconsidering some of the policy impact models adopted and, consequently, of the design of the policy. Policy monitoring also records eventual changes in the policy (policy instability) that may have an influence on the impact of the policy.

The institutionalisation of policy monitoring raises important issues:

- If policy monitoring is being conducted close to where the decision is made (e.g. in government) then there could be a risk of the data being biased to show positive results.
- If policy monitoring is being conducted by an independent organisation (policy centre, research or educational organisation), then the risk is that it is disconnected from decision-making and that results from monitoring are not well communicated to decision makers.

In the case of food policy, because of its cross-sectoral nature, coordination of a monitoring system is a potential issue: within government, several ministries can be involved (e.g. health, agriculture, social affairs).

Reference

UNICEF, UNICEF impact evaluation series (including the presentation of some tools like interviewing, participatory approach).