Global Forum on Agriculture
3 December 2004

<u>AFTERNOON SESSION</u>. Institutional responses to policy makers' needs

OECD and other international organisations need to ensure that the policy information they provide is timely and tailored to the needs of policy makers. This means ensuring that the content of policy analysis is relevant, that it is communicated clearly and effectively, and that the analysis undertaken by OECD complements that of other organisations. This session focuses on the supply side of policy analysis.

OECD uses both measures and models to help in the evaluation of agricultural policies. Measures include PSEs and data on farm household incomes, while models include AGLINK, PEM, and now GTAPEM. Insights into the distributional effects of agricultural policy reform can similarly be provided by both data and models. Descriptive data on incomes and expenditures can provide the basis for an extremely rich understanding of the incidence of reform on different households. Micro-economy-wide models, while more aggregated, offer deeper insights into the effects of reform once household and market adjustments have taken place. Household level data can also underpin econometric analyses of what determines households' capacity to adjust to reform.

- What are the priorities in terms of data collection and analysis? How can OECD work help fill important information gaps?

A major role of OECD and other international organisations is to communicate the results of policy analysis clearly to policy makers. This means drawing out the policy implications of work undertaken within the academic research community, initiating work when policy insights are not immediately forthcoming, and distilling policy analysis as clearly as possible. Concern with the distributional impacts of reform is about trade-offs: policy makers seek to obtain the efficiency benefits of reform, but worry about their distributional consequences, and recognise that there may therefore be a need for accompanying policies. Meetings such as the Global Forum and regional events are an opportunity to discuss the results of research with a diverse policy audience, while bilateral country reviews are more appropriate for exploring specific issues confronting individual countries.

- How can OECD and other institutions improve the flow of relevant information to policy makers in order to help them make necessary trade-offs?

The OECD is engaged in a Consortium with UN-FAO, the World Bank and IFPRI in order to improve its measurement of agricultural policies in developing countries. This co-operation covers the development of new analytical methods, organisation of policy dialogue events and contributions to capacity building. The Consortium's interest in measuring support and policy effects has similarities with projects underway in other international organisations, such as the various Development Banks and regional institutions. Much of this work aims to clarify the links between policy reforms and income distribution and poverty, suggesting synergies from broader coordinating efforts.

- How can international organisations ensure that their policy analyses are complementary and build on the relative strengths of each organisation? How can the risk of sending out mixed or confusing policy messages be reduced?