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REPORT OF THE SEMINAR ON ADMINISTRATIVE ASPECTS OF PLAN IMPLEMENTATION

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/INTRODUCTION

INTRODUCTION

1. Planning is now regarded as an important means of promoting economic and social development, and almost all the developing countries are using planning to accelerate their growth. Planning has encountered serious obstacles, however, particularly at the stage of plan implementation, which depends not only on technical elements, but also on such factors as the country's will to plan, the availability of economic and human resources and administrative capacity.

2. Studies reveal that the administrative machinery responsible for plan implementation is one of the most frequent obstacles to planning. The feasibility of plans depends not only on proper co-ordination of their objectives and instruments, and on technical, economic and financial factors, but also on the administrative possibilities of implementing them. Hence the need to specify clearly the institutions, procedures and executive capacity which are to be used.

3. In the planning process, the administration of plan implementation should be dynamic, flexible and capable of adjusting to changing situations. It should have at its disposal effective means of decision-making and communication, and an efficient system of control which will ensure that the plan is carried out as anticipated or can be adapted to new circumstances.

4. In order to examine the administrative shortcomings that handicap planning, and to consider and recommend the necessary measures for remedying them, the United Nations, through the Economic Commission for Latin America, the Latin American Institute for Economic and Social Planning, and the Headquarters Public Administration Division and Office of Technical Co-operation, organized the Seminar on Administrative Aspects of Plan Implementation at Santiago, Chile, from 19 to 27 February 1968.

5. The specific objectives of the Seminar as set forth in the invitation can be summed up as follows:

/(a) To

(a) To examine the question of assigning authority and responsibility for development planning and the relations between planning agencies at all levels and the centres whose policy decisions influence planning. To formulate recommendations for greater participation of decision-making centres in the planning process.

(b) To analyse administrative planning systems in Latin America and seek ways of enhancing administrative capacity to implement development plans and programmes. To that end, the Seminar discussed existing administrative planning practices, and the preparation and enforcement of administrative measures connected with the execution of projects and central or sectoral development plans.

(c) To examine the administrative organization and procedure for short-term activities within the framework of medium and long-term plans. To indicate whether there are annual operational plans for the whole economy and whether programme budgeting is being used for the public sector, and to provide the necessary guidelines for making annual operational plans and programme budgeting effective instruments of plan implementation.

To discuss the administrative requirements for the formulation and execution of annual operational plans and programme budgeting.

(d) To suggest administrative schemes for supervising and evaluating the progress of plans and for adapting them in order to ensure their efficient implementation. To determine whether the established organization and procedures permit continuing supervision of plan implementation at the global, sectoral, regional and local levels.

/Part I

Part I

ORGANIZATION OF THE SEMINAR

A. ATTENDANCE AND ORGANIZATION OF WORK

Opening and closing meetings

6. The opening meeting of the Seminar on Administrative Aspects of Plan Implementation was held on 19 February 1968 in the Conference Hall of the United Nations building, which is the headquarters of the Economic Commission for Latin America (ECLA) and the Latin American Institute for Economic and Social Planning, at Santiago, Chile. At the opening ceremony addresses were delivered by Mr. Pedro I. Mendive, Assistant Executive Secretary of ECLA, Mr. Chi-Yuen Wu, Director of the United Nations Public Administration Division, and Mr. Ricardo Cibotti, Director of the Institute Training Programme.[1/]

7. The closing meeting took place on 27 February. Speeches were made by Mr. Ignacio Pichardo, Mr. Chi-Yuen Wu, Mr. Julio César Villegas, and Mr. Pedro I. Mendive.

Attendance [2/]

8. The Seminar was attended by twenty-two specialists in development administration, administrative reform, economic and social planning and budgetary planning from the following twenty countries: Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela.

9. Also present were twenty-seven observers from technical institutions in Argentina, Brazil, Chile, Cuba, Peru and Venezuela and from the following international organizations: the International Labour Organisation (ILO), Food and Agriculture Organization of the United Nations (FAO),

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1/ The text of the speeches is given in annex I.

2/ The complete list of participants appears in annex II.

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the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the Organization of American States (OAS), the Ford Foundation and the Latin American Faculty of Social Sciences.

Election of officers

10. At its meeting on 19 February the Seminar elected the following officers:

Chairman:	Mr. Julio César Villegas (Peru)
First Vice-Chairman:	Mr. Hernán Porras (Panama)
Second Vice-Chairman:	Mr. Belmiro Siqueira (Brazil)
Rapporteur:	Mr. Hugo Zunino (Chile)
Assistant Rapporteur:	Mr. F.A.R. Mullings (Jamaica)

Consultants and secretariat

11. The following persons were specially invited to attend the Seminar in the capacity of United Nations consultants: Mr. Bertram M. Gross, Director of the National Planning Program, Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, United States, and Mr. Józef Pajestka, Director of the Institute of Planning, National Planning Commission, Department of Political Economy, University of Warsaw, Poland. In addition to the persons listed in paragraph 6, the secretariat of the Seminar included Mr. Ricardo Luna, Chief of the ECLA Public Administration Unit, who acted as Director of the Seminar; Mr. Aryeh Attir, Senior Adviser and Manager of the UNDP project for the Advanced School of Public Administration (ESAP), Bogotá, Colombia; Mr. Sven Hilding, Associate Expert in Public Administration, ECLA; Mr. Jorge Israel, Organization and Budget Expert, Institute Division of Advisory Services; Mr. José María Jácome, Regional Adviser in Public Administration, ECLA; Mr. Wilburg Jiménez Castro, Director, Central American Institute of Public Administration (ICAP), San José, Costa Rica; Mr. Gonzalo Martner, Deputy Director, Institute Division of Advisory Services; and Mr. Newton Ramalho, Senior Regional Adviser in Public Administration, ECLA.

/B. AGENDA

B. AGENDA

12. At its opening meeting the Seminar adopted the following agenda:

I. Plan formulation and implementation machinery

(a) General planning machinery and its relationship with decision-making centres in respect of:

(i) General development policy;

(ii) Short-term economic and social policy;

(iii) Public investment;

(iv) The private sector.

(b) Sectoral planning machinery and how it is linked with decision-making centres (with emphasis on agriculture and industry):

(i) Agencies for sectoral policy formulation and implementation at the central government level;

(ii) Centres for nation-wide decision-making concerned with development, credit, prices, government purchasing, technical assistance and other measures which influence the development of particular sectors;

(iii) Autonomous or decentralized bodies and specialized public (or semi-public) enterprises in a particular sector;

(iv) Role of regional and local agencies in the formulation and implementation of sectoral plans;

(v) Role of the private sector in the formulation and implementation of sectoral plans.

II. Administrative planning as an integral part of the planning process

(a) Organization, methods and content of administrative planning at all levels;

(b) Methods of evaluating and improving administrative capacity to formulate, discuss, approve, execute, supervise and evaluate global, sectoral and regional development plans, as well as programmes and projects.

/III. Conversion

III. Conversion of the plan into operational programmes

(a) Administrative questions involved in converting the long-term plan into annual operational plans and medium-term public investment plans, including ways of integrating the planning and budgeting processes;

(b) Projects as components of plans and as units for plan implementation.

IV. Control, evaluation and adaptation of operational plans, programmes and projects

(a) Administrative systems established to control the execution of plans, programmes and projects at the global, sectoral, regional and local levels;

(b) Organizational systems and procedures for collecting information for the periodic evaluation of plan implementation, analysing the gaps between targets and results, and suggesting specific measures for adjusting projects, programmes and plans.

C. DISCUSSION LEADERS AND DOCUMENTS 3/

13. Twenty-three documents were specially prepared for the Seminar, and in nearly every case the authors acted as discussion leaders during the meetings. Besides introducing their own documents, replying to comments and questions on them, and often stimulating the discussion of the different agenda items, they also took part in the drafting of the report. In addition, five information papers were submitted to the Seminar.

3/ Annex III contains the list of documents.

Part II

ADMINISTRATIVE ASPECTS OF PLAN IMPLEMENTATION

A. PLAN FORMULATION AND IMPLEMENTATION MACHINERY

General planning machinery and its relationship with decision-making centres

14. There was general agreement that socio-economic development could be speeded up by a process in which planning, in the broadest sense of the word, played the most important part. Administration must necessarily be adapted to the requirements of that process. The administration as a whole, and in particular, the political and executive authorities, had to by dynamic, flexible and pragmatic, and have sufficient vision to bring about or conform to the changes required to guide future activities along more appropriate lines. This process of planned development was still in its infancy in most of the developing countries.

15. Since the administration of development was a new and very complex activity, planning not only served to shape and promote it, but in itself provided a fund of useful experience which helped to improve development strategy.

16. Planning should also be undertaken in such a way as to be viable in present conditions. In other words, it should take each country's environmental factors, characteristics and requirements into account, and pay special attention to the plethora of decision-making centres, which should be mobilized and co-ordinated by the top-level political authorities with the advice of the central planning agency.

17. Within the planning process there was a network or complex of participating agencies with varying degrees of importance or influence, which might be described as a central guidance cluster. The participants in the Seminar felt, however, that in discussing this system it would be preferable to refer to the "central planning agency".

18. It was felt that, in general, the limited efficiency of planning was due to three main factors, which were:

(a) Insufficient attention to environmental factors of a political, economic, social and institutional nature;

(b) Shortcomings in planning methods and procedures;

(c) Shortcomings in implementation.

19. The Seminar was of the opinion that in assessing the factors that determined efficiency of planning, it must be borne in mind that the developing countries required a particularly vigorous and dynamic planning process. The planning methods and procedures used and the type of policy measures adopted should be geared to the need for that kind of active process, and that had a pronounced effect on the organization of the planning machinery and on its modus operandi. One participant maintained that the dynamic type of planning needed to produce rapid and far-reaching changes in the structure of production could only be achieved by first nationalizing the principal means of production. This view was not, however, shared by the other participants.

20. The way in which the central planning agency was organized and operated was particularly important if it was to exercise its function of formulating alternatives for national development policy, and fulfil one of its main responsibilities, that of guiding and co-ordinating the host of minor planning centres to be found in the government, and in centralized and decentralized agencies, both public and private.

21. Some participants pointed out that there were strong reasons for encouraging independent institutions to undertake research on development planning. Such institutions could not, however, replace a government planning agency.

22. It was pointed out that the function of planning was to provide guidance, which meant that the political authorities should take an active part in it. Consequently, the location of the technical planning machinery should be such as to facilitate co-operation and a continuous exchange of views between the planning experts, on the one hand, and politicians on the other. In addition, the central and sectoral planning offices should keep up a dialogue on social questions with organized

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and even unorganized social groups. This dialogue together with teamwork, was a basic working principle of efficient planning methods and procedures.

23. For planning to be successful, it must find wide acceptance in the community as a whole, which must participate broadly in it. That did not necessarily mean that a social consensus was an essential condition for the approval of the plan. The very existence of social groups with opposing interests signified that planning, regarded as a process of change of importance to the country in general, would always meet with opposition from certain groups that it affected.

24. Communication between planning agencies and the political authorities was hampered when no clear-cut development strategy existed. If the whole development problem were clarified, it might be possible to formulate an agreed development policy which would facilitate communication not only between planning agencies and the political authorities but also between the central and the decentralized agencies.

25. The central planning agency should accordingly be close to the top executive authority (President, Prime Minister, Cabinet), and ideally under their direct control. Some participants felt, however, that there were other possible solutions.

26. It was considered expedient that, in addition to the technical planning machinery, an agency composed of politicians and planning specialists (e.g., a committee) should be set up to direct the planning process and provide a forum for a dialogue between the two groups.

27. It was the responsibility of the central planning agency to provide the necessary background information for decision-making. There was some discussion on whether the functions of the planning agency might properly be described as advisory. Although theoretically speaking this description might be correct, it was felt that, in practice, the planning agency should have the necessary status to exercise a stronger influence over the various government bodies.

28. The following were considered to be the main functions of the central planning agency:

/(a) To

(a) To submit to the political decision-making bodies alternative economic and social objectives and policies, together with a statement of their respective costs and benefits.

(b) To prepare long- and medium-term development plans and annual operational plans. It was felt that such a function could be adequately fulfilled only if all the requisite policy measures were formulated in the development plans. Some participants argued in favour of having the annual plans prepared by the central planning agency. An alternative suggestion was that such work should be entrusted to the Ministry of Finance or to some kind of independent research institute, but there was little support for that view.

(c) To supervise plan implementation. As a general rule, the central planning agency should not have executive authority; but its functions should include supervision of plan implementation, to which task it should devote a considerable proportion of its efforts. It was maintained that such supervision made the planning system more flexible, since plans could be adapted to real situations and new opportunities; and likewise that it helped in devising the economic policy measures that should be applied.

(d) To promote planning in public and private agencies, and the modernization of public administration to respond to the needs of planning.

29. Stress was laid on the multidisciplinary nature of planning and it was therefore suggested that meetings of experts should be held with a view to examining this aspect.

30. In discussing the application in developing countries of techniques used in highly developed countries, stress was laid on the need to ensure that both production and administrative techniques were compatible with cultural and other conditions in the developing country concerned. That did not mean that the less developed countries had nothing to learn about public administration or economic and social development from the more advanced countries or from other developing countries, or that a developing

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country should not adopt sophisticated techniques to speed up its development. There was no reason, for example, why a country should not use electronic automatic data processing without previously using slower methods.

31. Every possibility of applying advanced methods and technology should be explored to the full, but without losing sight of cultural and other environmental factors in the country. In point of fact, increased productivity had been and should continue to be one of the principal means of furthering economic and social progress. In developing countries, efficiency and productivity should be measured in terms of the country's development strategy, or in terms of the type of resources used and their impact on the economic and social system.

32. In the discussion on the possible length of medium-term plans, it was suggested that a period of from three to five years would perhaps be the most appropriate in most countries. As experience had shown, longer periods entailed too many revisions and adjustments, since it was very difficult to foresee the details so far ahead.

33. There was general agreement on the part that technical assistance could play in improving the administrative machinery for plan implementation. In general, it was felt that judicious use of technical co-operation, either for advisory or training purposes or as a means of carrying out an objective review of the administrative system in addition to the indispensable built-in evaluation process, offered immediate and lasting advantages. It was clear, however, that technical assistance could not replace decision-making at the national level, or the formal or methodological aspects of the administrative process.

34. The Seminar recommended the stepping up of systematic research in the field of public administration in government agencies, universities and other specialized centres, with interdisciplinary participation on the part of the various social sciences.

/Sectoral planning

Sectoral planning machinery and how it is linked with decision-making centres

35. In the discussion of agenda item I (b), the institutional framework for sectoral planning was considered in the light of the Government's dual responsibility - political and administrative - for development.

36. On the basis of an analysis of a representative sector, such as industry, the suggested structure of institutions and functions considered by the Seminar had the following characteristics: a high degree of independence for the sectoral planning machinery (the core of which would be a sectoral planning office within a Ministry of Industry and Trade) vis-à-vis the central planning agency; a clearly defined pattern of co-operation between planning bodies and the regular implementation units; special working groups for the execution and review of specific projects; and institutionalized relations with the private interests of the sector.

37. The proposal also assumed that the Ministry would participate in the planning of manpower development and education in relation to the sector, and it was suggested that the Ministry should take an active part in the promotion and organization of applied research, in accordance with the priorities established in the plan.

38. Most of the ideas and suggestions put forward arose from three matters of administrative concern: the co-ordination of plan formulation between the central planning agencies and the sectoral offices; the conversion of plans into realistic and feasible programmes and projects; and the implementation of sectoral programmes with the help of the many dispersed and independent private interests involved in most of them.

39. The discussion underlined the importance and complexity of all those questions. It had been found in several countries in the region that short-term operational planning had been held up by the lack of functioning sectoral planning machinery. It was felt, therefore, that stronger ties between formulation and implementation units would greatly facilitate all the activities envisaged in the plan.

40. Some participants pointed out, however, that there were risks in giving too much independence to sectoral organizations in plan formulation. In the generally accepted view of planning, long-term strategic

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considerations were undoubtedly the responsibility of the central planning agency. In other words, the central planning agency should not be responsible for more than the mere passive co-ordination of the decentralized processes of sectoral planning, and should provide effective leadership. That would ensure a high degree of flexibility in the distribution of resources among sectors, and sometimes in their subsequent redistribution. It would also facilitate proper inter-ministerial co-ordination for the various projects.

41. On the other hand, it was recognized that the fact that certain types of central planning agencies were not in a position to influence decision-making hampered sectoral planning; in such cases the degree of decentralization would be determined by the inherent dynamics of the planning process.

42. Since, whatever the degree of decentralization, the central planning agency would have to be fully conversant with the work of the sectors, it was essential that there should be proper co-operation between central and sectoral planners. It was stated that the central agency should always assign staff to follow sectoral operations closely.

43. Another aspect of the whole problem was the role of macro-economic models in the planning process. Some doubt was expressed as to whether such models would be able to identify, at the micro-economic level, the administrative and institutional arrangements required to achieve optimum results. It was even stated that several of the macro-economic models used had been nothing more than theoretical exercises which had failed to give much useful guidance at the sectoral level.

44. The Seminar then discussed the question of extending the analyses to non-economic sectors, in view of the need for integral social development (in education, health and social welfare). Some participants stressed that the proper training of key personnel for sectoral development was a very valuable administrative instrument in sectoral development planning.

45. There was general agreement on the need to improve the instruments for including private interests in the planning process, especially in sectoral programmes that had to be carried out with the help of independent interests. Although no specific recommendations were made regarding

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ways and means of incorporating those interests, there was almost unanimous agreement that a formal structure of institutions or negotiating machinery was not the final answer. In practice, there would always be changing practical considerations which could not be contained within the formal framework and which lay outside the scope of general discussion. The best way to ensure acceptance of the plan and co-operation in its implementation was to prove its practicability and usefulness in the development process.

/B. ADMINISTRATIVE

B. ADMINISTRATIVE PLANNING AS AN INTEGRAL PART OF THE PLANNING PROCESS

46. It was generally agreed that the public administration should be capable of meeting the need for change inherent in the development process. Public administration represented an important part of the social structure and as such it was one of the elements stimulating or arresting action. Therefore, it was essential to promote programmes for modernizing the present public administration in the Latin American countries through deliberate, consistent and well-balanced action.

47. It was also felt that, in order to expedite such change, the same principles of scientific analysis as those applied in accelerating social change in other areas should be applied to public administration.

48. Until a few years ago in some countries, such changes had not been brought about by consistent action, but had simply reflected additions to the existing structure. In some cases the only aim of administrative reform had been to increase the effectiveness of government action and to overcome obstacles that were fairly easy to identify. Planners had been actuated solely by enthusiasm for the new principles of rationalization underlying the administrative theory that had been recently introduced into the scientific and technical spheres of their countries.

49. With economic and social planning and the administrative obstacles encountered in plan implementation, it had clearly become necessary also to co-ordinate administrative planning closely with economic and social planning, and thus making it a useful element in the development process.

50. The Seminar noted that a permanent administrative planning process made it possible to establish objectives for attainment within a specific period of time, that it was based on policies and found expression in plans, programmes and projects, and that it made for the efficient use of resources, as a means of improving administration at any given level.

51. The aim of administrative planning linked to socio-economic planning was to secure maximum efficiency in the use of administrative resources at all stages of the planning process, with a view to speeding up development by increasing the yield of inputs and thus ensuring the

/corresponding expansion

corresponding expansion of the product in terms of goods and services. Such an approach gave administrative planning a new raison d'être and made its usefulness readily understandable.

52. The administrative planning process should begin with an evaluation of administrative capacity in relation to development requirements, in order to identify bottlenecks, deficiencies and lacunne as a basis for projecting the desired development of that capacity, with all that that involved. The next step was the careful programming of the various alternative measures that could be chosen to improve the capacity in question. The most feasible should then be selected and applied, the reforms introduced should be followed up and amended, if necessary, and the partial and final results obtained should be periodically evaluated.

53. The participants were of the opinion that the adoption of planning by nearly all the countries of the region was a significant step forward towards the modernization of public administration, since planning was designed to rationalize policy and action. Nevertheless, it would not always be easy to introduce a discipline based on rational and efficient methods into inefficient government sectors, since inefficiency was one of the characteristic features of under-development.

54. Opposition and resistance to planning and change had frequently come from the traditionally powerful political and financial groups inside the Government itself, which often had a decisive influence in framing State policy.

55. The Seminar, felt, however, that the problems which had delayed the acceptance of planning in Latin America could not be blamed entirely on the distrust of the conservative politicians. There was also the question whether many of the obstacles had not been created by lack of technical experience in handling a new and complicated procedure, or whether too much emphasis had not been placed on the theoretical rather than the practical. The political cost of choosing one economic alternative in preference to another had often been ignored, regardless of the fact that it was politicians who took government decisions. One of the starting points for administrative reform was, therefore, an analysis of the system of decision-making.

56. One of the most important points to define in administrative planning was the strategy to be used in introducing modernization measures, in order to achieve the social changes required.

57. In considering the reforms attempted in the region, it was felt that in many cases the strategy had not been properly analysed and was not sufficiently clear-cut. At times there were a number of factors favourable to the reform movement which seemed likely to ensure its success: government support, financial resources, local trained personnel, external technical assistance, and public interest; nevertheless, after a promising start the programme lost its impetus and came virtually to a standstill. The reason was often because there was no clearly defined long-term strategy attuned to the political and social set-up of the sector being modernized.

58. Administrative planning should be carried out on systematic lines. It should start with a careful examination and analysis of the public administration in order to determine its structure and problems. Those problems should then be quantified and classified by order of importance.

59. The next step was the over-all programming of the reform. That involved the establishment of general objectives and policies, linking one sector with another, estimating the resources required, assigning priorities and choosing a long-term strategy for achieving the proposed objectives. That was the frame of reference for medium- and short-term action.

60. The next stage consisted in the sectoral analysis and programming of administrative reform, beginning with the priority sectors in national development activities. Since each sector was programmed as part of a fairly uniform and consistent whole, it did not constitute a separate unit acting independently of the rest. The sectors were linked by a whole network of interrelationships, and there were even areas in which no clear dividing-line could be drawn between them. These interrelationships, too, should be determined, analysed and taken into account in sectoral administrative programming.

61. Once a clear view had been obtained of the over-all and sectoral administrative pattern, the reform should be initiated through the careful preparation and proper execution of specific projects in each sector.

62. It was pointed out that it was a rare occurrence for favourable combinations of circumstances to bring together all the political, social and economic conditions required for the launching of an over-all administrative reform programme likely to be successful over the short or medium term. In most cases, however, because of the breadth of the field of action, the magnitude of the difficulties to be overcome and the shortage of financial and specialized human resources, it was advisable for reform measures to be applied wherever they were most urgently needed, and particularly in areas which might, in their turn, become nuclei generating the driving force for broader, more far-reaching and more dynamic reforms.

63. The strategy of partial reforms did not imply, however, that isolated areas should be dealt with at random. The goals of this type of action were those established in the over-all administrative plan - the general frame of reference for partial action -, and they were pursued by means of clearly defined sectoral programmes. Reform generally had to start with whatever projects were politically and administratively feasible, and therefore had the best chance of success; rational use had to be made of the resources available, in order to set in motion the multiplier effect which would speed up the action taken to modernize administration.

64. Throughout the implementation stage, the programme of action should be flexible. What was of fundamental importance was constant appraisal of the progress of reform on the basis of periodic comparison of the situation at the time when the evaluation was made with the original frame of reference. Partial adjustments had to be introduced into the original over-all and sectoral programme, as new factors merged that could hardly be foreseen at the outset. That did not mean that the original frame of reference should be discarded, or modified to such an extent as to render it useless.

65. In common with economic planning, administrative planning was a function that required properly trained and motivated technical personnel in different fields.

66. It was pointed out that, in Latin America, there was a severe shortage of specialists, particularly in public administration, with sufficient training and experience to intervene in governmental policies of administrative reform. The Latin American universities were called upon to play a basic part in training high-level personnel in administration. They should therefore organize training programmes, refresher courses and in-service training in line with national development requirements.

67. Organizational resources for administrative planning should be developed in a dynamic and flexible way, and interrelated systems set up to perform the work of administration. Those systems should be carefully dovetailed with the traditional government machinery so as to become an integral part of the State's operations.

68. The administration was an entity in itself, made up of isolated agencies and of systems composed of a central agency with regulatory and co-ordinating functions with respect to peripheral units established as the need arose. Some of these systems, such as those relating to public health or transport, were organic in nature, while others were administrative. Of the latter, some should be considered top priority because they promoted, stimulated and rationalized change in the development process, while others were auxiliary in nature.

69. The priority administrative systems included those relating to planning, budget, administrative reform and a modern, active personnel system, and they should come directly under the Chief Executive. Other administrative systems, such as those relating to statistics, accounting, purchases, supplies and storage, should, in view of their auxiliary nature, come under some Minister of State.

70. The priority systems should be regarded as the headquarters or central directive, and the others as central auxiliary services.

71. It was agreed that experience had shown that it was desirable to have committees, or councils at the level of the Chief Executive, to act as advisory bodies and to provide a link between policy making and administrative and planning reform.

72. It was stressed that men in government service had a vital part to play in the process of change, as they were responsible for translating the functions of government into practical terms and for applying policies and measures, means and systems within the process of national development. Hence, it was necessary to attract the élite in each country, to develop their capacities to the utmost and to retain them in the public service. For that purpose modern systems of personnel management should be adopted that were based on merit and could be adapted to the conditions prevailing in each country.

73. The modernization of administration was of incalculable importance for the development of Latin America. It was a never-ending task because the march of progress could not be halted. Every Government, politician, specialist and man in the street in Latin America had a fundamental part to play in the process of administrative reform.

74. Experience had shown that small nations could attain ambitious socio-economic goals which were a challenge to the rest of the world. The mobilization of society and popular enthusiasm in the pursuit of ambitious national objectives could considerably raise the rate of development. It was of the utmost importance that social initiative and the creative forces latent in human nature should be freed. It was possible to have a seemingly sophisticated planning system, at a high technical level, and still achieve nothing, if the real social forces were not accorded their proper role.

/C. CONVERSION

C. CONVERSION OF THE PLAN INTO OPERATIONAL PROGRAMMES

75. The Seminar pointed out that one of the important obstacles to the implementation of long- and medium-term plans was the lack of instruments for converting them, with the necessary precision, into short-term plans. On the basis of the approach to short-term planning put forward by the Institute, the Seminar discussed the need to adopt annual operational plans in Latin America.

76. According to this approach, the annual operational plan is the result of a process whereby, for the short term and within the framework of the development plan, targets (of a compulsory nature) are established for the public sector and guidelines are laid down for the private sector, through direct or indirect government measures (regulations, establishment of prices, taxation, financing, etc.). In addition, the annual operational plan lays down the financial, material and manpower resources required in order to attain the targets, and determines when and where the activities will be carried out (e.g. it contains a breakdown of targets and resources for sub-periods within the year).

77. The proposed short-term planning methodology discussed includes two different instruments: the annual indicative plan and the annual operational plan. The annual indicative plan is a set of projections of macro-economic variables which express the aggregate targets to be attained. It is intended to facilitate the adoption of macro-economic decisions. For this purpose, it defines the criteria governing the level of gross product to be attained, the desired investment rate, the level of public and private consumption, the balance-of-payments position, etc.

78. The annual indicative plan provides the general framework for the subsequent formulation of the annual operational plan, which specifies the programmes, activities and individual projects to be undertaken, and the economic policy measures needed to ensure a specific allocation of resources in the economy. It is, therefore, suggested that the annual operational plan should be made up of:

/(a) an

(a) an economic budget at the aggregate and sectoral levels;

(b) a fiscal programme budget (excluding State enterprises);

(c) a budget for State enterprises;

(d) a national investment budget;

(e) a monetary budget;

(f) a foreign trade budget;

(g) decisions on the behaviour of the economic units;

(h) an economic policy and strategic projects programme for the private sector;

(i) projected balances of human and material resources.

79. While the indicative planning process involves the consideration of macro-economic variables and top-level decisions (central planning agency, central bank, the Executive and Parliament), annual operational planning is primarily concerned with the application of the micro-economic analyisis at intermediate and lower levels of the centralized and decentralized administration, although the final decisions also involve the Executive and the Legislature.

80. Most of the Latin American countries have worked with indicative plans, but many have failed to make their monetary, foreign trade, price and wage policies, etc., compatible with one another and with the targets assigned to the public and private sectors.

81. It was pointed out during the discussion that the operational plan should resemble a projection of a dynamic and flexible balance-sheet in which the operational economic policies were very closely interrelated. Emphasis was also placed on the need for close links between plan formulation and plan control.

82. With respect to financing, the Seminar stressed the need to prepare tables of investment-financing and of sources and uses of funds as a means of facilitating studies of the feasibility and effects of the financial schemes, from the economic, political and social standpoints.

83. It was generally agreed that the breakdown of operational plans by sectors and regions would be extremely useful for determining State action and preventing undue dispersion of resources.

/84. In

84. In that connexion, it was pointed out that it was desirable to prepare sectoral programmes reflecting the substantive objectives and targets, and to distinguish them from support activities for the basic programmes. Stress was also laid on the importance of making a distinction between key sectors such as agriculture, industry and mining, and such sectors as education and health, which were, at one and the same time, means of attaining economic goals and development ends in themselves.

85. As programme budgeting should be a reflection of the operations of the public sector, it was felt that it was one of the mainstays of annual plans and it was recommended that constant efforts should be made to improve it.

86. It was desirable that the public sector should participate in the formulation of short-term policy, since in this way it could inform the State agencies of its aspirations and problems, and of the prospects for attaining the physical targets assigned to it. Moreover, data on production, consumption, employment, etc., in the sector were indispensable for diagnoses of particular situations and the measures needed to deal with them.

87. In discussing investment projects, the participants considered that the only way to facilitate the choice of the best solution was for new projects to be constantly devised. Consequently, it was essential to promote the elaboration of projects and one method would be to establish training programmes in this field.

88. It was pointed out that annual operational plans could be a useful aid to decision-making in the legislative process because they afforded a complete picture of State action and its relations with the private sector. Consequently, they constituted a guide for programme and project managers. In fact, it were the programmes for basic project implementation and financing drawn up by budget periods (months, quarters, etc.) that determined the time-tables for carrying out works and activities, and indicated when domestic and foreign capital would be needed.

89. Special interest was shown in the application of process programming techniques, such as the critical path method, for determining the stages of the projects and who should be responsible for their implementation.

90. To facilitate the final co-ordination and approval of annual operational plans, it was recommended that a consultative committee should be established, composed of representatives of the agencies responsible for planning, budget, foreign trade, and price and wage policies, and central bank officials.

91. The existence of annual operational plans might facilitate the rationalization of administration by pointing to the need to eliminate antiquated legal and accounting control procedures, unwarranted independent administrative units and other obstacles to sectoral adjustments and to other essential measures for the most economic implementation of priority programmes.

92. The participants stressed the need to make the action of the executing agencies more dynamic, by stimulating their creative capacity, cutting through the red tape which trammelled their activities and increasing their power of decision. Training programmes should have a similar bias, so as to develop initiative, executive ability and the habit of unremitting self-criticism.

93. According to the approach put forward by the Institute, planning should be viewed as a three-fold operation: development strategies, medium-term plans and annual operational plans.

94. Development strategies should be formulated to create an image of the future, without the institutional, legal and formal limitations inherent in the short-term wiew. They should indicate the stages of execution and the basic changes and projects to be carried out. They should define different development options and thereby provide a motivation for the broad masses to overcome the difficulties facing the Latin American countries.

95. Medium-term plans should indicate aggregate, sectoral, regional and basic-project goals and objectives, as well as the human and material resources needed to achieve economic and social development within a specific period of time.

96. Lastly, annual operational plans should be the basic instruments for the implementation of the strategies and medium-term plans.

97. In the discussion of the administration of development projects (agenda item III (b)), it was pointed out that such projects were intended

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to marshall resources and devise action-oriented methods of achieving specific development goals, and that they usually required the creation of new bodies outside or within the existing administrative structure.

98. The Seminar considered that, of the administrative problems raised by development projects, particular attention should be given to determining: (a) what kind of organization was most appropriate for the administration of the project; (b) what kind of special personnel arrangements, if any, should be made; (c) what special methods and procedures should be adopted for the administration of the project. It might, on occasion, be appropriate to use the project administration as an "island of excellence" which would have a beneficial influence extending beyond its immediate sphere and which would have a demonstration effect for the administrative system as a whole. On the other hand, preferential treatment of development projects might starve the rest of the administration of qualified personnel and administrative leadership. As always, the solution to that problem would depend on the estimated marginal utility of one or other course of action.

99. Feasibility studies on development projects often dealt only with technical and economic aspects. The Seminar felt that the time had come to add the question of administrative feasibility to such studies.

100. When a development project was completed, it was necessary to dismantle the project organization, utilize its personnel in other projects and transfer the management of the project to another organization with different personnel. All such arrangements should be planned well ahead of time.

D. CONTROL, EVALUATION AND ADJUSTMENT OF OPERATIONAL PLANS, PROGRAMMES AND PROJECTS

101. It was affirmed that planning had made it necessary to institute a new system of control, which was intended mainly to reveal the divergence between the objectives of the plan and the extent to which they were attained, as a means of facilitating the requisite adjustments. Such divergence might be the result of imperfections in the plan or in the executing agency, or of unforeseen circumstances.

102. Such control should facilitate the gathering of information which would make it possible to secure a balance between the objectives established in the plan, the means of implementation, and internal and external influences. Control should therefore be a continuing process, i.e., it should proceed parallel with implementation. It should also be conceived of in very comprehensive terms, so that it covered measurement of the results achieved, comparison of the results with the targets established in the plan, analysis of the observed discrepancies and their causes, definition of corrective measures, and their freed-back into the system.

103. The measurement of results should cover the internal performance of the system and significant changes in the environment. A number of organs might participate in the stage of measurement; they should specifically include the statistical, accounting and budget units. The functions of accounting and budgeting should also play a key role in the stages of comparing the results with the targets, and the analysis of discrepancies and their causes. The accounting system should be able to provide a means of measurement in physical and financial terms for the whole of the public sector including decentralized agencies, and supplementary data on the private sector.

104. The analysis of discrepancies and the definition of corrective measures constituted the evaluation, which should be the responsibility of the central and the sectoral planning agencies, although executing agencies might also, and even more frequently, evaluate their own operations.

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105. The main difficulty in defining corrective measures lay in the capacity to forecast their impact on the system. That involved a problem of functional relationships between the variables, which was easier to solve on an economic than on a purely social plane.

106. Control should be comprehensive, i.e., it should cover the public and the private sector, the macro-economic and the micro-economic; it should be focused on the levels of execution (plans, programmes and projects); and it should be integrated in nature, or composed of a co-ordinated set of specific procedures for each level.

107. The levels of control could also be determined qualitatively or by taking the time factor into account.

108. In the first case, the three levels of control were: the global plan, the sectoral and regional plan, and projects and activities. Local plans, because they were nearly always autonomous in nature, did not usually constitute a level of control.

109. Under the classification according to time, the levels of control would be in relation to the long, medium and short-term. The information gathered from control at the short-term level was also useful for the medium and long-term, since it was an indication of trends.

110. As was clear from the document, a control system at the global sector-region and project levels entailed the establishment of the following basic units: a measurement centre, a review and evaluation centre, and a decision centre. At each level, the measurement units reported to the review and evaluation units, which, in their turn, submitted proposals for corrective measures to the decision centres at their own level (feed-back), at the higher level, or at both, as the case might be.

111. The measurement centres, also knwon as "sensors", had to use indicators in order to make the measurements required. Those indicators should find their first source in the specifications of the plan and should be used in expressing the various targets. In addition, the plans should contain sufficient reference material relating to the conditions of implementation under which the targets were to be attained. The control system must include measurement centres for the private sector and for the external sector.

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112. The quantity and quality of the data would vary according to the level of control. At the operational or project level, the data would be directly linked to basic operations and would be expressed in both physical and financial terms. At the sectoral-regional level, data on public-sector projects and private-sector operations would be required. At the global level, the information needed would include inter-sectoral comparisons, evaluation or effectiveness of policies, etc. In other words, with the transition from the project level to the sectoral-regional level and the global level, the importance of financial, economic and social data and of macro-economic variables progressively increased.

113. The periodicity of the data would also vary with the level of control. The problem of establishing the optimum duration of the cycle - measurement, control, decision, feed-back - was basically one of balancing the cost of control against the benefits deriving from more regular plan implementation. In principle, in so far as the marginal benefit was greater than the marginal cost of control, the degree of control should be increased.

114. The main difficulties in reducing the time-lag at the stages of measurement and control stemmed from the procedures in current use for the collection and analysis of data, which as a rule were closely linked to financial administration procedures. It was particularly necessary to harmonize the budget and control cycles.

115. In the field of plan control, the following would seem to be the chief problems still outstanding in Latin America, according to the research carried out so far:

(a) Defective organization at the project level; priority should be given to definition and demarcation of responsibilities and authority with respect to corrective measures;

(b) Lack of co-ordination of the control procedures applied at the different levels;

(c) Inadequacy of the data provided by the national accounts system;

(d) Shortage of information on private-sector projects;

(e) Non-existence of annual operational plans.

/Annex I

Annex I

OPENING ADDRESSES

Statement by Mr. Pedro I. Mendive, Assistant Executive Secretary of the Economic Commission for Latin America

On behalf of the Executive Secretary of ECLA I have great pleasure in welcoming you most cordially to the Commission's headquarters for the inauguration of the Seminar of Administrative Aspects of Plan Implementation. Organized by the United Nations through ECLA, the Institute of Economic and Social Planning and the Headquarters Division of Public Administration and Office of Technical Co-operation, this Seminar has brought together a number of distinguished persons and specialists, whose presence here guarantees a high-level debate and encouraging results.

As you are all aware, there is a close relationship between public administration - or, in other words, the administrative aspects of development planning - and the objectives of such plans and programmes. The three basic objectives they ultimately seek are, first, substantially to increase the growth of the product and income; secondly, to speed up the reform of the production structure; and, thirdly, to make the prevailing pattern of income distribution in Latin America considerably less regressive; and it is the sound administration of such plans during their preparation, approval and operation that will make those objectives attainable.

Let us take a rapid glance at the economic and social situation in Latin America today and at the way in which it has developed since the Second World War. This will enable us clearly to define the subject-matter and scope of the Seminar that we are now inaugurating.

The two factors that had accelerated the growth of the product between 1945 and 1950, to wit, the heavy drawing on external resources to satisfy the pent-up demand for essential imports accumulated during the war, and the rapid expansion of external demand for Latin America's raw materials and foodstuffs, lost their dynamic force towards the end of the early post-war period, with the result that the growth of per capita income became almost negligible, falling from an annual rate of 2 per cent during the ninteen-fifties to only 1.1 per cent up to now in the present decade.

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Owing to the sluggish tempo of growth over the last ten years, the pace of the structural changes in capital, investment, employment and income has failed to quicken. In fact, it has been even slower than during the war. The secondary and tertiary economic activities, that is, manufacturing and services, have achieved only a fractional increase in their share of the gross product, so that the share of the primary activities has remained almost the same.

One of the main aims of the development process in Latin America is to change the structure of the economy, but little has been achieved in this respect during the last few years. As you all know, this failure to make significant progress in modifying the structure of investment and of the product and employment is weakening the dynamic forces within the economy, preventing domestic supply from responding more flexibly to the rapid changes that take place in demand as income levels rise and thus making for more stable and orderly development, and undermining the efforts to make the domestic economy less sensitive to external factors.

What is more, the slow tempo of structural change patently militates against the possibility of minimizing the regressiveness of income distribution. The sluggish growth rate of the product and the lack of response to changes in the pattern of demand, as well as the tardiness with which employment and investment are rechannelled from activities where productivity is relatively low into others where it is higher, are among the factors that obviously account for the perpetuation of a rigid income distribution structure.

I have already said that the dynamic forces in Latin America's development are still largely dependent upon the evolution of the external sector, or, in other words, upon net income from foreign trade and movements of capital. Undeniably, in some of the past ten years external-sector trends have been favourable, at least up to a point. Yet even on these occasions product and income have not responded to the stimulus thus provided. It would seem that the spontaneous action of the traditional dynamic forces no longer suffices to promote the attainment of basic growth and income-distribution objectives. Clearly a number of obstacles bar the way.

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Here in Latin America we have long realized how matters stand in this respect. Hence almost every country in the region possesses or is preparing over-all or sectoral plans designed to ensure more rapid and orderly economic growth. The old-fashioned notion of incompatibility between spontaneous growth and programmed development was discarded years ago by Governments and peoples alike.

Latin America has plenty of sound knowledge and experience of programming techniques at the technical and practical levels; but where plan implementation is concerned the region's position is much weaker. Formidable handicaps and obstacles of all kinds hinder the full and well-organized implementation of development plans. There is no need to review them all here. Only one of them is relevant to the work of the present Seminar: it consists in the administrative problems attaching to the formulation, adoption and implementation of development plans or programmes.

The provisional agenda for this Seminar draws attention to the close linkage between the administrative aspects of planning and the vast assortment of problems that range from the organization of the public administration down to the minutiae of budgeting and accounting procedures. All the interrelationships involved call for thorough study and discussion.

The background document for the present Seminar reflects these considerations, together with the intention to provide a factual basis for the proceedings through research on the characteristics of planning in Latin America. To supplement the data thus furnished, monographs have been prepared by specialists in the individual countries to which they relate. These papers describe the efforts made to adapt the administrative machinery to the requirements of plan formulation, adoption and implementation. They give an account of the technical bases for the reforms introduced in this field and of the strategy applied in putting such reforms into effect; they also specify the stumbling-blocks encountered, and the experience acquired in the endeavour to overcome them.

In Latin America, total or partial failure to implement plans that have been formulated, and in certain cases already officially approved, has sometimes deflected attention towards the problems deriving from plan

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implementation. Unquestionably, these problems are many and various, and of vital importance; but they are so closely interrelated that it would be unrealistic and scarcely practical to attempt to single out any one of them for separate analysis and solution.

The title of this Seminar - Administrative Aspects of Plan Implementation - indicates its key topic, but the whole agenda reflects equally clearly the breadth of scope and the unity of planning problems. It is gratifying to note that almost the whole of the field to which the agenda items relate has been covered by contributions from the representatives of individual countries and international bodies, and from the United Nations agencies participating in the Seminar.

Although attention is focused on several specific points, the question on which the participants have laid most emphasis is that of the linkage existing between the planning machinery and the decision-making centres, especially the public authorities. The rationalization of the decision-making process, from the highest level of policy-making downwards, is a sine qua non for economic and social development planning.

The agenda contains a number of other items of major interest which will promote discussion and help to create the right atmosphere for the proceedings of the Seminar to reach the high standard that may legitimately be expected from the professional qualifications and wide experience of the participants. It is a happy circumstance that the success of the Seminar - which I am taking for granted - will coincide with ECLA's twentieth anniversary.

In offering you my warmest good wishes for the successful outcome of your work, I should like to say how much I hope you will feel completely at home here in ECLA.

/Statement by

Statement by Mr. Chi-Yuen Wu, Director of the United Nations Public Administration Division

I am very happy to have the opportunity of attending this important Seminar, a Seminar which in many ways marks a new departure. It is the first seminar in the field of public administration organized by the Economic Commission for Latin America (ECLA) after the establishment of its new Public Administration Unit. It is the first interdisciplinary seminar jointly organized, on the one hand, by our economist colleagues in the Commission and in the Institute and, on the other hand, by the public administration units in Santiago and at Headquarters. This is also the first time that high-level government officials in this important region, concerned with planning, programming and administrative reform, are meeting with specialists in both the economic and public administration fields to examine such basic questions as the role of public administration in development planning, the administrative machinery for plan formulation and plan implementation, the necessity of including administrative planning as an integral part of development plan, and other important administrative questions relating to plan implementation, including the budgeting process, project administration, co-ordination, control, evaluation and review.

These subjects, which will be considered by this Seminar, form one of the most important parts of the United Nations public administration programme. About one year ago, in January 1967, the Secretary-General convened a Meeting of Experts to review our programme, which was attended by experts from all regions, including representatives from this Commission and two experts from this region. The main theme of the Meeting was to bring public administration into the mainstream of United Nations development effort or to make public administration a more effective tool to accelerate economic and social development. Under this general objective the United Nations has increased its public administration activities in a number of new directions, as indicated in the report of the Meeting of Experts (E/4296) and in the first article in the January (1968) issue of the Public Administration Newsletter, which are being distributed to all participants. The subjects to be taken up by this Seminar are among those on which new emphasis has been placed.

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In a number of United Nations meetings in the last few years, including those held in New York, in Europe, in Africa and in Asia, failures in the implementation of development plans were repeatedly pointed out, and administrative deficiencies were singled out as an important factor responsible for such failures. The Secretariat, therefore, has been requested to do more work on the administrative aspects of planning and plan implementation.

We are approaching this problem from several different angles. First, a number of seminars have been held or planned, including an interregional seminar (Paris, 1964), a working party devoted to the administrative aspects of economic development planning in the ECAFE region (Bangkok, 1966), this seminar in Latin America, and a seminar to be organized by the Economic Commission for Africa, perhaps in 1969. On the basis of the material available to these seminars and additional information to be collected in 1968 and 1969, we plan to prepare a comparative study, covering both administrative planning as part of over-all planning as well as the administration of plan implementation.

In addition to seminars, the United Nations public administration programme includes a number of research projects on these subjects. One is a study relating to appraising administrative capability to implement development plans. Some preliminary results of this study are given in the paper submitted by Professor Betram M. Gross to this Seminar. Other studies initiated or planned include (a) administration of programmes and projects, (b) administration of individual development functions, (c) managements and administration of public enterprises, (d) administration of regulatory bodies, as well as (e) control, evaluation and review of operational plans. These studies, it should be pointed out, are also linked with the United Nations technical assistance programme in the field of public administration. Assistance for administrative improvement at national, regional and local levels is assuming a much greater proportion. We are also giving more attention to institution-building in the developing countries. The availability of Special Fund financing has enabled us to undertake comparatively long-term projects which would contribute to

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institution-building and also to significant administrative improvements. Not enough, however, has been done to link administrative improvements directly to planning and implementation.

In connexion with our studies and other activities, we have consulted a number of experts and practitioners and have come to the conclusion that there are many, many unsolved problems which require immediate attention. In view of the widening gap between the levels of living of the developing and the developed countries and the many failures in plan implementation, the task before us is both urgent and difficult. This calls for bold approaches and fresh outlooks to devise new and to improve existing administrative arrangements and practices. It calls for full co-operation between economists and public administration experts, between planners and administrators, and between theorists and practitioners. It calls for an interdisciplinary approach and a co-ordinated approach at all levels.

We are confident that the discussion by this distinguished gathering, with a wealth of knowledge and experience in different aspects of planning and administration will yield insights into ways and means of improving administrative arrangements for plan implementation. We also hope that this Seminar will make concrete suggestions on what further steps the United Nations units should take on these subjects with respect not only to research and studies, but also to the technical co-operation programmes.

Finally, I should like to take this opportunity to express, in my name and on behalf of my colleagues in the Public Administration Division, our sincere appreciation of the co-operation we have received from the Executive Secretary and from our colleagues in the Commission. As one who was closely associated with the Economic Commission for Asia and the Far East and the Economic Commission for Africa, I firmly believe in the policy of decentralization and in the policy of full co-operation between the regions and Headquarters.

/Statement by

Statement by Mr. Ricardo Cibotti, Director of the Training Programme, Latin American Institute for Economic and Social Planning

In this Seminar which is opening today, both the agenda and the papers prepared by participants cover one of the most important aspects of planning. The Seminar is of special interest, too, because it is dealing with one of the most serious problems of planning in the Latin American countries: the implementation of development plans. Thus, it goes beyond the purely administrative field, and gives administration a deeper significance: that of placing the concepts, norms and laws which govern the theory of administration at the service of economic development, particularly the implementation of plans for promoting development.

We planners have always believed this to be the right approach. Administration must be studied and changes must be proposed in order to launch administrative reforms calculated to streamline plan formulation and implementation. This idea is reflected in every item of the agenda. We also consider administrative reform to be part of the planning process, and the discussions here will no doubt go deeply into this vital problem.

As all know, the course of planning in Latin America has not been determined only by the essentially technical factors which have shaped it. Successful efforts have been made to adapt planning techniques already tried out in other regions. Original methods and procedures have sometimes been found, and some countries have very few of the skilled personnel needed to handle the wide array of tools which those procedures provide.

It is common knowledge, however, that the planning difficulties encountered in Latin America are closely linked, on the one hand, with the acceptance of planning by the State machinery and government officials themselves and, on the other hand, with the establishment of a functional relationship between planning mechanisms and decision-making centres.

As regards the first point, it is still evident that plan formulation, the establishment of norms and procedures for plan implementation, and plan supervision are not part of the administrative routine; they are felt to be an additional burden on the various public agencies and offices and, more especially, most of the employees and officials of the public

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administration are not remotely interested in them. It is like a fashion that is accepted but not followed. There are deep-seated and complicated reasons for this. The solution of this kind of problem inevitably involves much more awkward issues than any that are involved in drawing up the organizational chart of an administration, creating a few new offices, or enforcing a few regulations or norms for bureaucratic procedures. To the extent that planning entails the structural changes required for economic and social development, the operation of these procedures, based as they are on existing administrative practices and bureaucratic structures, is bound to run into such problems, unless within the planning process itself - both as a prerequisite and as a result - the administrative machinery is gradually adapted to the new and systematic ways of forecasting future trends, influencing them, and devising the appropriate course of action.

Secondly, it is an excellent idea that the agenda of this Seminar should begin with the relationship between the general planning machinery and the decision-making centres, or, in other words, that it should raise the problem of the functional relationships and links that ought to exist between the policy-making and the technical levels of the administration.

There is no doubt that extensive study is necessary in order to adjust administrative mechanisms so that these links can be forged, problems can be discussed at a higher level, and decisions can be taken only after thorough and comprehensive study. But I venture to predict that very little will be achieved unless it is also agreed that plans do not restrict the policy-makers' power of decision, but are real instruments for guiding these decisions.

It will also have to be agreed that the general frame of reference within which the technician analyses various alternative solutions to development problems should, in the last analysis, be consistent with the prevailing political ideology or the thinking of those who hold the reins of power. Unless planning operates on those bases, it will be difficult to create the administrative machinery required.

Following this line of thought, it may very well be, of course, that much planning is devoid of any substantive development content, depending naturally on the Government's ideas of policy. But this is an unavoidable

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risk, because, in the field we are considering, no technical process can take the place of a development approach in policy-making. Even the exact opposite can occur, clear-cut development aims may be obstructed by a planning process which gets nowhere for want of the necessary machinery.

To achieve such agreement is not easy. It takes time, and prejudices must be overcome and deep-rooted habits modified. This is perhaps one of the most important aspects of the structural reforms entailed by development.

The Latin American countries have undoubtedly made some progress in this respect, although the results are not spectacular and sometimes take a long time to materialize, because of the nature of the problem.

In many countries, the policy-makers are using a terminology which indicates a technical approach to economic and social problems. Many top government officials now come from groups with a more thorough training in dealing with this type of question, than heretofore, and in general it is noticeable that, thanks to their greater technical understanding conditions in their countries, the pressure groups are more aware of the action that should be taken, and better able to decide which are the most efficient operational instruments, and to plan their action according to technical criteria.

The results of this Seminar will help enormously in this context, not only to elucidate such problems but also to provide suitable criteria by which countries can decide how best to approach and solve them.

Past experience in this field shows that we ought to continue with an interdisciplinary approach such as is exemplified in this Seminar. Moreover, the experience accumulated both at the country level and by international agencies provides us with a valuable fund of material which, if properly organized and intelligently analysed, will help us to chart our course.

We, for our part, feel that many of the Institute's activities, involving advisory services to Governments, the training of public officials, research on the real situation in Latin America and planning methods,

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enable us to give a realistic picture of some of the important problems of plan implementation in Latin America. The Institute will undoubtedly benefit from the exchange of experience at this Seminar; at the same time we feel that our contribution will be of value to the other participants. We hope that there will be both analysis and criticism of our contribution, so that we can improve our programmes.

The Institute, through its Advisory Services Division, has co-operated intensively with the Latin American countries, with the result that many of them have already introduced performance budgeting, which may be considered as the first decisive step towards improving the procedures for plan implementation. It has also been active in the field of annual operational plans and simulation models for short-term policy, providing both the instruments required for its implementation and criteria for defining them.

As to training, the various courses given by the Institute cover the problems of administration and planning not only on a macro-economic plane but also at the level of the economic and social sectors.

Lastly, in many cases our research on the subject has extended to the sociological field because this is an element underlying many of the problems whose symptoms are apparent only in the administrative context.

We are eagerly hoping that this Seminar will help us to continue our course of action by either approving or by rectifying it, and providing helpful guidance for improving it. The calibre of the participants - whom I cordially welcome on behalf of Mr. Raúl Prebisch, the Director-General of the Institute, and of Mr. Cristóbal Lara Beautell, the Deputy Director-General - undoubtedly guarantees that its labours will be crowned with success.

/Annex II

Annex II

LIST OF PARTICIPANTS

1. Countries

ARGENTINA

Observers:	Gabriel Martínez	First Secretary, Economic and Commercial Affairs, Argentine Embassy in Chile
	Horacio Boneo	Research Assistant, Public Administration Research Centre, Instituto di Tella

BOLIVIA

Participant:	Rolando Pereyra	Under-Secretary for Planning, Ministry of Planning and Co-ordination

BRAZIL

Participant:	Belmiro Siqueira	Director-General, Administrative Department of the Public Service, Office of the President of the Republic
Observer:	Luiz Carlos de Danin Lobo	Professor of Organization and Methods, Brazilian School of Public Administration, Getulio Vargas Foundation

CHILE

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Observers:	José Daie Lillo	Budget Office, Ministry of Finance
	Carlos Haramoto	Telecommunications Adviser, Empresa Nacional de Electricidad, S.A.
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/Ricardo Jordán

	Ricardo Jordán	Executive Secretary, Interdisciplinary Committee on Urban Development
	Gustavo Levy	Public Administration Department INSORA, Universidad de Chile
	Jorge López	Public Administration Department, INSORA, Universidad de Chile
	Miguel Maldonado	Public Administration Department, INSORA, Universidad de Chile
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Participant:	Stella Escobar Zapata	Executive Director, Organization and Methods Office, National Department for the Organization and Inspection of the Public Administration, Office of the President of the Republic
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Participant:	Jorge Luiz Arce	National Director for Community Development, Ministry of the Interior
CUBA		
Participant:	Francisco García Valls	Vice-Chairman, National Economic, Scientific and Technical Co-operation Committee
Observer:	Luis Fernández Oña	National Economic, Scientific and Technical Co-operation Committee
DOMINICAN REPUBLIC		
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ECUADOR		
Participant:	Carlos Rodríguez P.	National Organization and Methods Office, Ministry of Finance
GUYANA		
Participant:	Winston M. King	Chief Planning Officer, Development Secretariat, Ministry of Economic Development

/HAITI

HAITI

Participant: Wilner Pierre-Louis	Technical Secretariat, National Development and Planning Council

HONDURAS

Participant: Héctor Medina	Director-General, Budget Office, Ministry of Finance

JAMAICA

Participant: F.A.R. Mullings	Senior Economist, Ministry of Finance and Planning

MEXICO

Participant: Ignacio Pichardo	Federal Deputy and Research Assistant, Institute of Public Administration

NICARAGUA

Participant: Edgard Sevilla	Acting Director, Planning Office, National Economic Council

PANAMA

Participant: Hernán Porras	Director, Planning and Administration Department, Office of the President of the Republic

PARAGUAY

Participant: Fernando José Ayala	Director, Paraguayan School of Public Administration

PERU

Participant: Julio César Villegas	Executive Chairman, Governing Council, National Office for Rationalization and Training in Public Administration (ONRAP), Office of the President of the Republic
Alternate: Eduardo Urrutia	Technical Director for Rationalization, ONRAP
Observer: Gabriel Huerta	Legal Adviser, ONRAP

/TRINIDAD AND TOBAGO

TRINIDAD AND TOBAGO

Participant: Victor Williams	Assistant Secretary, Ministry of Planning and Development

URUGUAY

Participant: Agustín Canessa	Head, Budget Division, Planning and Budget Office

VENEZUELA

Participant: Freddy Arreaza L.	Executive Director, Public Administration Commission
Observer: José Vicente Rodríguez	Deputy Director, Budget Office, Ministry of Finance

2. United Nations organizations

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ECONOMIC COMMISSION FOR LATIN AMERICA (ECLA)

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WORLD HEALTH ORGANIZATION (WHO)

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UNITED NATIONS CHILDREN'S FUND (UNICEF)

Albert J. Reynolds	Deputy Director, Regional Office for the Americas

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Alejandro Echegoyen	Special Consultant, Office of the Resident Representative of UNDP

3. Other international organizations

ORGANIZATION OF AMERICAN STATES (OAS)

Jorge Ide K.	Chief, Public Administration Unit, Pan American Union, Washington, D.C.
Eduardo Ballevona	Senior Specialist, Public Administration Unit, Pan American Union, Washington D.C.
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Alberto Leyht	Research Assistant, Latin American School of Political Science and Public Administration, Santiago, Chile

Annex III

LIST OF DOCUMENTS

Documents prepared for the Seminar

Agenda item I	Prepared by
Guyana's Cabinet Sub-Committee on Economic Matters (ST/ECLA/Conf.30/L.2)	Winston M. King
The central machinery of planning and its vinculation to the centres of decision (ST/ECLA/Conf.30/L.6)	Aryeh Attir
Administration of sectoral planning (ST/ECLA/Conf.30/L.8)	Public Administration Unit, ECLA
General administrative aspects of planning (ST/ECLA/Conf.30/L.9)	Public Administration Unit, ECLA
Plan formulation and implementation machinery (ST/ECLA/Conf.30/L.15)	Jozef Pajestka
La planificación económica en Cuba a/ (ST/ECLA/Conf.30/L.17)	Central Planning Board, Cuba
Monografía sobre aspectos administrativos en la ejecución de los planes de desarrollo en Honduras a/ (ST/ECLA/Conf.30/L.21)	Delegation of Honduras
Planning techniques and organization in Trinidad and Tobago (ST/ECLA/Conf.30/L.23)	Victor Williams
Aspectos administrativos de la ejecución de los planes en Haití a/ (ST/ECLA/Conf.30/L.24)	Wilner Pierre-Louis

a/ Spanish only.

/Agenda item

Agenda item II	Prepared by
Administrative reform in Venezuela (ST/ECLA/Conf.30/L.3)	Freddy Areaza Leañez
Administrative planning for economic and social development in Latin America (ST/ECLA/Conf.30/L.5)	Public Administration Unit, ECLA
Priority systems for development administration (ST/ECLA/Conf.30/L.11)	Wilburg Jiménez Castro
Some factors involved in appraising administrative performance in development planning (ST/ECLA/Conf.30/L.14)	Betram M. Gross
El proceso administrativo de la planeación económica en México a/ (ST/ECLA/Conf.30/L.16)	Ignacio Pichardo
The process of administrative reform in Ecuador (ST/ECLA/Conf.30/L.18)	Carlos Rodríguez
Administrative aspects of planning in Jamaica (ST/ECLA/Conf.30/L.19)	F.A.R. Mullings
Plan de acción para reforma de la administración pública peruana a/ (ST/ECLA/Conf.30/L.20)	National Office for Rationalization and Training in Public Administration
Proyectos administrativos universitarios para el desarrollo nacional a/ (ST/ECLA/Conf.30/L.22)	Víctor Melitón Rodríguez
El proceso de reforma administrativa en Colombia a/ (ST/ECLA/Conf.30/L.25)	Stella Escobar Zapata

a/ Spanish only.

/Agenda item

Agenda item III	Prepared by
Administrative aspects of annual operational plans (ST/ECLA/Conf.30/L.7)	Advisory Services Division, Latin American Institute for Economic and Social Planning
Some aspects of administration of projects within the context of development planning (ST/ECLA/Conf.30/L.13)	Public Administration Division of the United Nations
Agenda item IV	
Control of operative plans, programmes and projects (ST/ECLA/Conf.30/L.4 and Corr.1)	Public Administration Division of the United Nations
Sistemas de control y evaluación aplicados a la técnica de presupuesto por programas a/ (ST/ECLA/Conf.30/L.12)	Delegation of Honduras

Information documents

Information document N° 1	Las reformas presupuestarias para la planificación en América Latina a/ by the Latin American Institute for Economic and Social Planning
Information document N° 2	Administration of national development planning
Information document N° 3	Administrative machinery for planning in the ECAFE region
Information document N° 4	Report of ECAFE's Working Party on Economic Development and Planning
Information document N° 5	The administration of economic development planning: principles and fallacies (ST/TAO/M/32), by Bertram M. Gross

a/ Spanish only.