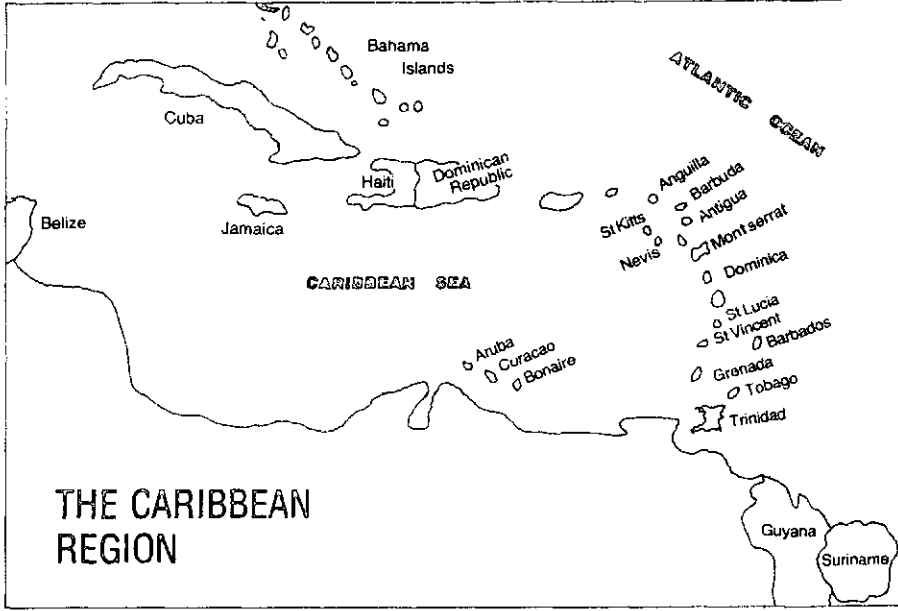
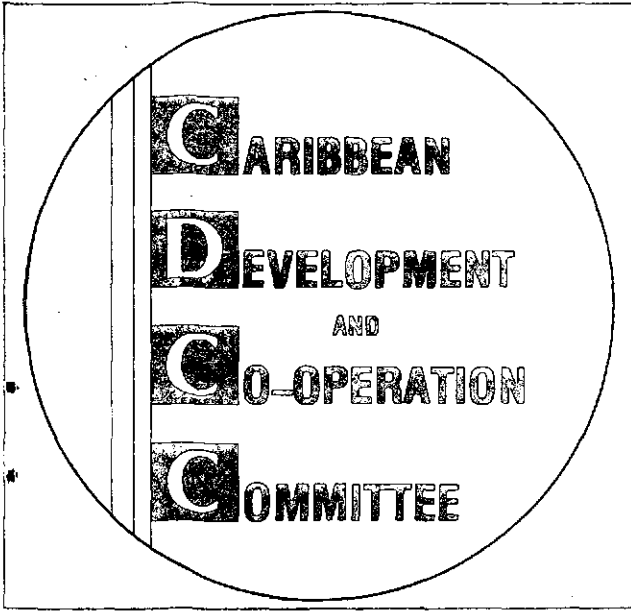


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 28 March 1980

ECONOMIC COMMISSION FOR LATIN AMERICA  
 Office for the Caribbean  
 CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE  
 LATIN AMERICAN INSTITUTE FOR SOCIAL AND  
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 Second Meeting of Planning Officials  
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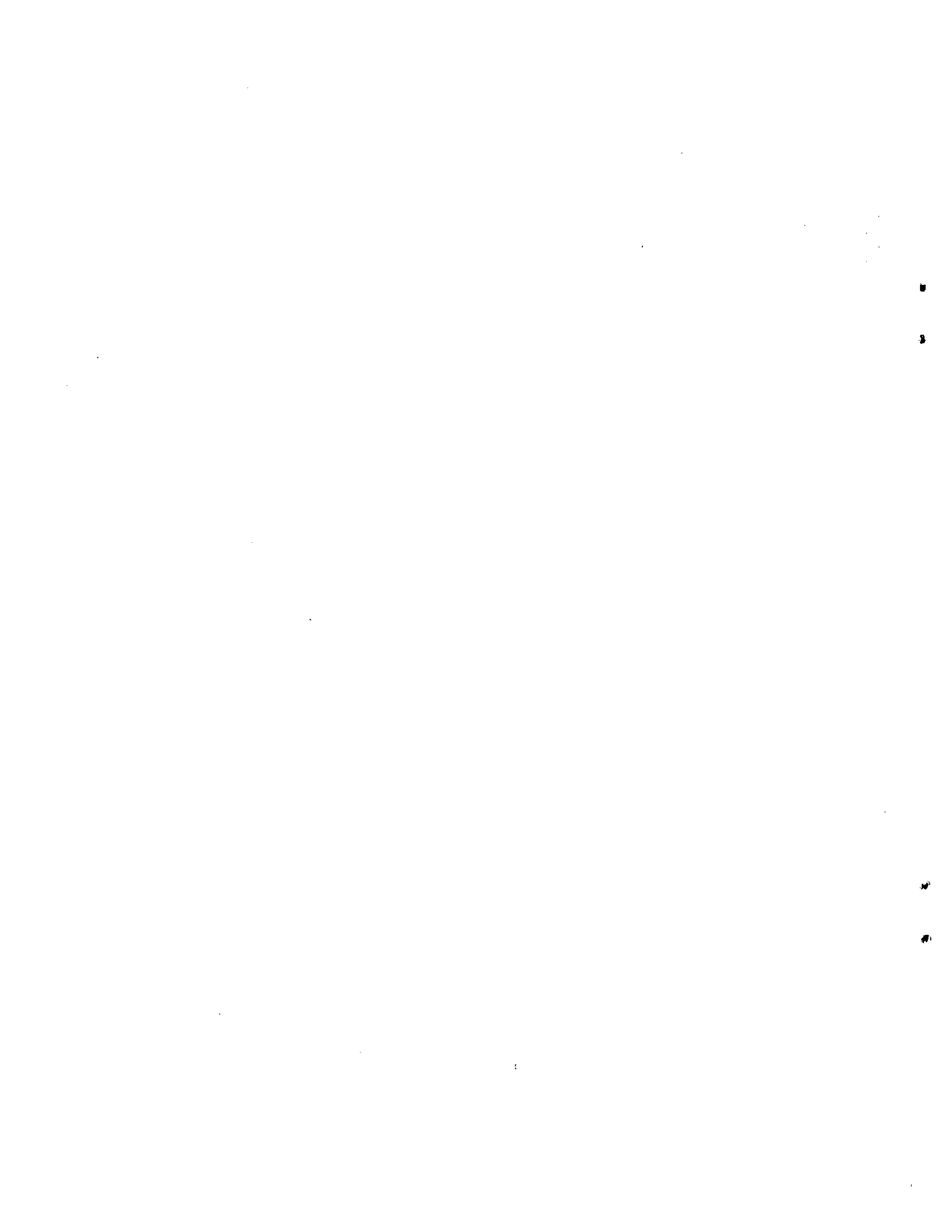
SURVEY OF NATIONAL PLANNING SYSTEMS IN  
 LATIN AMERICA AND THE CARIBBEAN

- A Sub-Regional Report -

Prepared by  
 Noel Boissiere  
 Institute of International Relations



UNITED NATIONS  
 ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean



## FOREWORD

This account of the planning systems in ten countries of the Caribbean region shows the current state of planning in these countries. The detailed questionnaire as well as the shortened appendix sent to each country is attached as an Appendix to this report. Countries were invited to complete the detailed questionnaire if possible, or the Appendix version. All countries save one chose to reply to the Appendix questionnaire, and even in this one case the detailed questionnaire was completed not so much by choice as through a misunderstanding. On the whole, the main questionnaire was found to be much too detailed, and a large number of the questions not applicable to the kind of experience which the countries had. Two countries prepared written replies to the questionnaire and others submitted papers on planning that had been read elsewhere. Nevertheless, the current report is a representation of replies to the questionnaire and of what was said in interviews, and as such reflects greater interpretation of the planning processes of the countries than is revealed in various conference reports.

It must be borne in mind that in all the countries surveyed, planning is still a relatively new process, and clear relationships and criteria are far from the stage where they can be said to be firmly established. Three of the countries are not independent - Antigua, St. Kitts and St. Vincent, and two more have only recently achieved political independence - Dominica (November 1978), St. Lucia (February 1979). Furthermore, in the latter two and in Grenada as well, new governments are only months old, and the circumstances which led to the formation of present governments in Dominica and Grenada also led to the expectation of new policies especially with regard to the role of planning and the role of the state.<sup>1/</sup>

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<sup>1/</sup> In late August, just after the completion of the survey, massive destruction was inflicted on Dominica by Hurricane David. This puts all plans and planning up for reconsideration once more, for the major concern now is to rebuild a devastated economy and not merely to restructure a lagging one. This is as great a challenge as any planning mechanism will ever face.

It must also be borne in mind that the questionnaire determined the kind of subject that was covered in the interviews and it also tended to determine the kind of answers given. The questions are framed in a manner which presupposes the existence of some form of planning, and they seemed to make some officials feel that they ought to give positive replies even in cases where they themselves were aware that the deficiencies are severe enough to prevent any positive answer, however qualified. An exception to this arose in the case of the question on the main difficulties in formulation of plans. (Question 7 of the Appendix questionnaire and Question II.5 of the detailed questionnaire). Although the question is circumscribed to difficulties "such as lack of specialized technicians, shortage of basic information, lack of up-to-date diagnostic studies, etc.", several officials were at pains to point out that whatever the technical difficulties, institutional difficulties were equally or even more frustrating. They then proceeded to illustrate. Had they chosen to answer the question euphemistically, the picture portrayed in this report would have been quite different. Similarly, to questions on the dimensions of planning - whether short term, medium or long term, sectoral, etc., an original response of "No, we don't do any of that" may, on second thoughts, seem to be too negative, and is therefore modified to something like "I guess you can say that what we are doing is short term sectoral planning, because the perspectives are not long term and the projects (not plans) prepared refer to sectors". The Consultant therefore feels that in this report she has created something out of nothing, and perhaps portrayed a planning system with aberrations, where there is in fact none.

What is being done in the region at the present time is not really planning. The traditional system of government administration and the more recent management of the public sector require that some forecasting be done and some rationality shown in the choice of expenditure to be undertaken. This process is going on in all the countries, through the budgetary system, but this is not planning. One essential aspect of planning is frequently absent, that is the consciousness of the longer term goals of the country as a whole and their translation into current action and targets for the country and for particular ministries. The present state of planning is one in which all countries have some administrative framework for planning

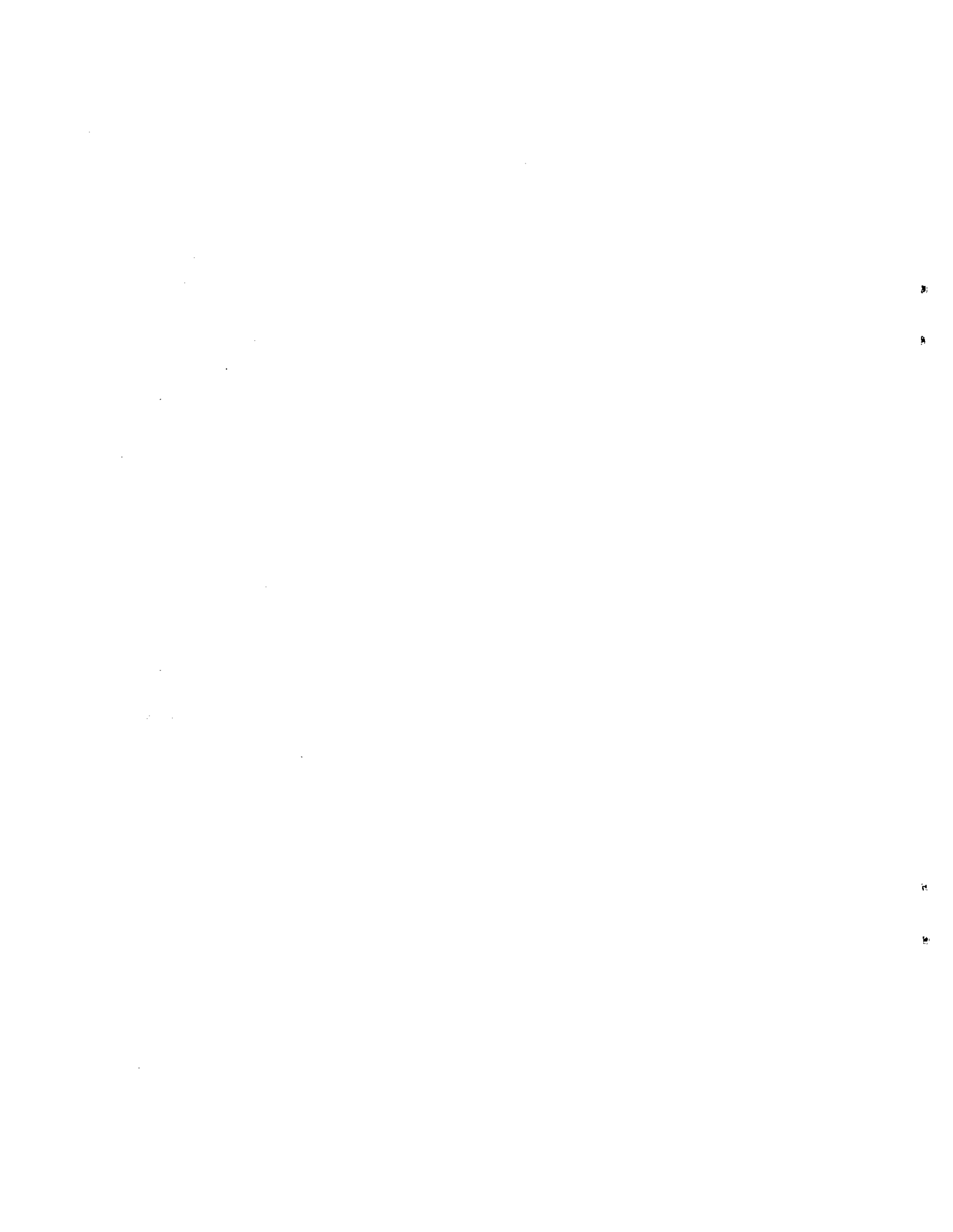
but no country is in fact using the planning mechanism effectively. Reasons for this differ from country to country, varying from a basic mistrust of "planning" to a basic desire to use the planning mechanism, but currently finding it a long, up-hill task, hindered both by internal institutional factors and external economic pressures. At one extreme, there seems to be a misunderstanding of what planning is all about,<sup>2/</sup> and an association of "planning" with being a "socialist" tool to control and direct. The need for rationality in the use of resources and the importance of being guided by long term objectives is acknowledged by all, but some argue that this is what is being done in the budgetary process anyway. This exhibits an unwillingness to distinguish between the planning function with its long term perspectives and the budget function which forecasts short term action without any clear indication of where an activity could lead to in the long run.

Everything related to planning systems of the countries is in the process of being built. The report reflects positions of the recent past and transitional status of the present. In these countries, the planning mechanism is being invoked in economies which are open and susceptible to influential external factors; economies in which the public sector accounts for between 15% and 66% of Gross Domestic Product; which by and large have little surplus on current expenditure to devote to capital and development expenditure; and which, with few exceptions, have recently been facing problems of no growth and rising unemployment accompanied by falling real wages and widening consumer expectations.

On some questions a range of views is revealed, but on others there are unmistakably central themes. What follows in this report is a reflection of both.

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<sup>2/</sup> This applies not to planning officials, but to the practices of Governments.



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## BACKGROUND

The account of the planning systems of the ten countries reported here is part of the Survey of National Planning Systems in Latin America and the Caribbean, conducted by ILPES. The ILPES Survey questionnaire was first sent to Governments of ten countries, and in keeping with the terms of her contract, the Consultant conducted interviews with government officials in these countries in August this year and recorded their replies to the questionnaire in order to prepare a regional report. The countries were as follows:-

Antigua	St. Kitts
Barbados	St. Lucia
Dominica	St. Vincent
Grenada	Suriname
Guyana	Trinidad and Tobago

The results of these interviews are the subject of this report.

The Consultant would like to take this opportunity to give thanks to all the people to whom she spoke and whom she interviewed in each country; and thanks too to individuals and departments for the kind courtesies extended to her while in their country. Throughout, she received courteous and sometimes even keen co-operation in conducting the survey. She was able to interview officials of the highest rank in the planning field, and to these persons very special thanks are given for having taken the time from their visibly hectic schedules to answer the questions put. Officials spoke freely in the interviews, and for this too gratitude is expressed, for it allowed much deeper insights into understanding the role of planning in the country than would have been possible from a written or narrow reply to the questionnaire.

In this report the Consultant has taken care to give as accurate a representation as possible of the replies to the questionnaire, editorializing only to the extent necessary to combine ten country

surveys into a regional account. The report is essentially descriptive; where there appears to be comment, this is not the Consultant's, but merely a reflection of views expressed on the understanding that no country of origin would be identified in the final regional report.

## I. PLANNING AND THE STATE

### 1.1 Concept and Scope for Planning

The governments of the region are committed to the modernization and industrialization of their societies and want to use planning as one of the principal tools to achieve these goals. The importance given to planning necessarily varies with the extent to which they feel they can direct and influence the level of performance of their economy and the extent to which they are willing to engage in the process of directing and steering. Some governments, whether for ideological or pragmatic reasons, show little keenness to use the planning mechanism at all and none use it in a comprehensive way. There are those governments which though interested in planning as a tool for development, feel that they do not have the capacity to use it effectively. This is not merely a matter of having the personnel and administrative capacity to do so, but more fundamentally, they question the ability of small, poor and open societies to have sufficient control over anything to allow the planning mechanism to be used effectively. For most governments therefore, the scope for planning is no more than having the capacity to organize one's aspirations without really having the ability to influence their achievement. Since it is felt that little can be achieved there is scepticism about the usefulness of planning mechanisms. In practice, planning is seen as providing the perspectives for short term behaviour. Its role is to steer rather than to direct and control. Governments of the region are not so much interested in the central directing of the economy as in initiating and promoting its forward movement and in this, planning is given an indicative role.

Planning in the region is characterized by three main features:

- (i) it has been and is closely linked with the receipt of development funds from external sources;
- (ii) it is geared to the restructuring of the economies;
- (iii) it is loosely organized and not yet an institutionalized part of the life of the societies.

Development planning in the region is inextricably linked with the use of external aid and external funds to finance development programmes. From the early post-war days, when the concern with economic development was first identified, a major element of planning involved the administration and management of development funds proffered by the metropolitan colonial office. Over the years, as former colonies became internally self-governing and eventually independent, the role of governments gradually changed from being purely administrative in nature to becoming increasingly developmental. Nevertheless, the first set of long term development plans were prepared mainly to serve as a basis for negotiations between the metropolitan government and the new administrations on the size of the aid package and the use to which it would be put by new governments. The donors were, and still are, concerned to see the recipient country show some long term goals, direction and target-setting procedures, in using the funds, and to see that funds donated or loaned do not just become swallowed up in current expenditure needs. But even with independence, development planning is still linked in the minds of many, more to the preparation of projects for external funding than to the national organization of domestic priorities and long term goals. Naturally, there are reasons for this: the patterns of production and current expenditure needs are such that there is little or no surplus on current expenditure to devote to capital expenditure. Any development programme therefore has to be financed externally. It is this dependency on external funds that has moulded the nature and even the concept of planning in the region.

Even where government policy is opposed to a state-controlled economy, the policy is still directed at restructuring the economy and the desire is expressed nevertheless, to achieve at least controlling interest in the principal sectors of the economy. To the extent that public sector activity assumes greater importance in the economy, some central direction of the economy becomes desirable. Planners are, however, wary of over-centralized systems and urge procedures to ensure both participation and accountability at all levels. The public sector is expanding in all the countries of the region, not only in terms of the traditional ministries but in new state enterprises, and it is the public sector which is in the main subject to planning. Several countries are

trying to build a disciplined planning system for the public sector, based on practical plans which will be translated into the budget with which all are familiar.

The absence or presence of a formal national plan cannot be taken as an index of the scope or seriousness of the planning system in any country. In some cases national plans have been drafted, or even more than one five-year development plan may have been formulated, but they are all more or less inoperative at present, and may have been drawn up in the context of negotiating for aid. On the other hand, some countries express commitment to the use of planning as a tool for achieving their economic and social goals even though they have no long term or medium term plan at the moment. In all cases the annual budget is still an important document. In it governments spell out their national priorities and policies as well as outline projects to be undertaken in the near future even if not in the current year. Several moves are in process in the region to align the budget with the longer term plan or policy, in order to give the budget a longer term perspective than the current fiscal period.<sup>1/</sup>

In practice, all countries are engaged in project preparation. For some, this is the sum total of the planning exercise, for others, it is just one part of a wider process. But in all cases, planning is rather loose at the present time; it is not yet an institutionalized part of the functioning of the public sector. Planning policy is expressed in the form of broad national sectoral objectives, but the magnitude of internal economic and political pressures, intensified by the severe external pressures of inflation and weak export prices, have made the governments much more concerned

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<sup>1/</sup> This is discussed further in a later section.

with immediate projects and solutions than with long term goals. If at all, the countries of the region are just at the beginning of the planning process of formulating long term goals and trying to translate them into guiding principles for short term activity.

## 1.2 The Organization of Planning

Planning activities are regulated by legislation in some of the countries of the region. For example, the Suriname Planning Ordinance of 1973 prescribes the institutions for planning and development, and outlines the legal procedures of the planning and implementation process. Most often, the legislation does not provide the best guide to an appreciation of the nature of planning or the manner in which planning is conducted. For example, in one case the Planning Office is required to prepare annual plans, but this is a requirement not of the legislation but of an agreement governing the granting of development aid to the country.<sup>2/</sup> Legislation provides for the formal machinery of planning: the State Planning Councils and the supportive technical, advisory and monitoring agencies; it also outlines the role to be played by various agencies, and in particular, the functions of the professional planning secretariat. However, legislation is never clear on the relationships between various agencies, and such relationships are still in the process of being created. It is this process that adds meat to the bones of the formal framework.

Whether formal legislation exists or not, all countries of the region have departments variously called Planning Units, Planning Secretariats, Planning Divisions, etc. The planning offices fall under the jurisdiction of the Minister of Economic Development or the Minister of Finance, who is invariably also the Prime Minister or Premier, thus formally lending political weight to the planning process and to that

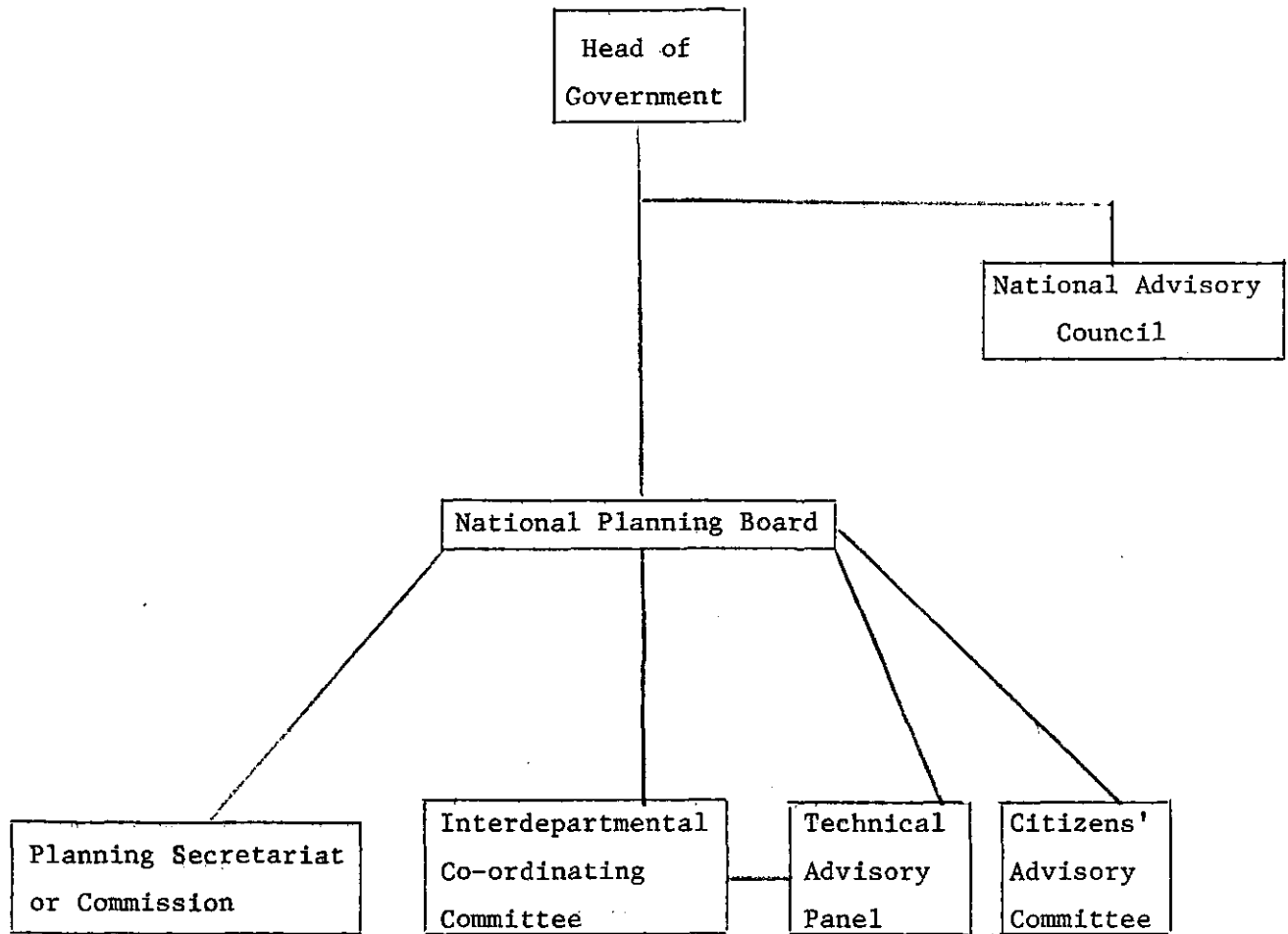
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<sup>2/</sup> This is an illustration of the first trade-mark of planning in the Caribbean, which was referred to earlier, namely its wedlock with foreign aid and funds and the rules and procedures of the donors.

aspect of planning concerned with the receipt and use of all-important external development funds. The final decision-making organs are Cabinet and Parliament, and plans, whether long term national ones, or project proposals for inclusion in the annual budget, have to be approved finally by these institutions.

The chart and organizational outline below represent a prototype of the planning systems attempted or proposed in countries of the region. In some cases the component parts are not as clearly defined as they are in the model, and in some of the small countries a single person may be identified as performing more than one function, but the model is of general applicability.

PROTOTYPE OF PLANNING MECHANISM  
ATTEMPTED BY GOVERNMENTS





Prime Ministers or Premiers are heads of the planning system and the Planning Secretariat or Commission is the professional body whose function it is to formulate and implement plans. Government policies are communicated to the Planning Commission via the National Planning Board and the Interdepartmental Co-ordinating Committee, which in turn advise the head of the government on policies and specific programmes. The Planning Board, in giving advice and formulating policy, draws on the technical expertise of the Technical Advisory Committee and is supposed to be guided by proposals and comments of the Citizens' Advisory Committee. The essentials of the format are therefore a permanent technical planning body, guided and directed by a political body which is itself guided and advised by ad hoc expert and layman's groups.

Outline of Essential Aspects of the Institutional  
and Functional Planning Framework

1. National Planning Board

This is a policy-making body. A Board to consider plans and projects and reports of the Planning Secretariat and advise the Head of Government accordingly. The Board may itself initiate proposals concerning development problems and policies.

Composition: Members of Cabinet.

A variation of this policy-making body is a National Advisory Council composed of private individuals appointed by Government and experienced in a variety of fields. The Council's function is to provide a forum for discussion of policy issues and to advise Government on general policy direction.

2. Interdepartmental Co-ordinating Committee

This is an administrative body. Its function is to consider plans and projects at the draft proposal stage and submit them to the National Planning Board with comments and recommendations. It can also take the initiative in proposing specific development projects.

Composition: All Permanent Secretaries of the Ministries.

3. Planning Secretariat

This is a professional, technical planning body, comprising economic planning, physical planning, technical assistance and implementation and monitoring. The function of the Planning Secretariat is to undertake national and sectoral planning and co-ordinate plans formulated by other planning agencies.

4. Technical Advisory Panel

This is an expert group. Resource persons who do not meet as a body but who, because of their expertise in various fields, may be called upon to give advice and technical help.

5. Citizens' Advisory Committee

This is a private group, representing business and community interests. Its role is to participate in the planning process by submitting proposals, by commenting on plans formulated and by reporting to the Planning Board on how plans are being implemented "at the ground level".

In no case is this type of planning system fully operative at present. The use of citizens' advisory groups in particular, is at no more than an embryonic stage, and the level of communication implied in this organization of the planning system has nowhere been achieved. Nevertheless, the planning systems are usually supported by a variety of state organizations which would normally participate directly or indirectly in the planning process - Central Banks, Agricultural Development Banks, Workers' Co-operative Banks, Industrial Development Corporations, Industrial Courts, and to a lesser extent, Prices Commissions.

1.2.1. Institutional set up. Designated planning positions in the public service

The planning function is carried out at least by two bodies functioning at two different levels: a central planning unit and ministerial sectoral planning units. The functions of the central planning units include the usual preparation of macro, sectoral, and physical plans, and co-ordinating between departments which participate in the planning process. But they also frequently extend to the actual collecting of data for planning where such information is not available from the regular statistical services. Because of the strong link between external funding and development planning, central planning agencies are also charged with the administration and management of external aid and loan funds, and the monitoring of projects financed by such funds. In one planning unit, the functions were cryptically summarized as "the reality is project administration of funding agencies". Whether externally funded or not, projects have to be implemented and this function also falls within the portfolio of the central planning units. They monitor the progress of projects and programmes and suggest solutions to eliminate obstacles and bottlenecks that appear. They generally manage the implementation of projects, which includes tendering for contracts and handling problems arising in dealing with contracting firms and donor agencies.

Other aspects of the planning function are the direct responsibility of sectoral planning units in ministries. Very few ministries do have such units, but the ones which frequently have their own planning units are the Ministries of Agriculture, Education, Health and sometimes Works (Transportation) and Labour. These have the responsibility for identifying sectoral priorities and for preparation of projects, either on their own or in conjunction with national planning agencies. Long term plans or major sectoral programmes may be prepared with help of private consulting firms where national planning agencies do not have the technical capacity to formulate that particular set of projects.

Some planning units in the region today have at least two clear sections: economic planning and physical planning. Physical planning units tend to be stronger both in terms of strength of staff and degree of activity undertaken. This is a reflection of the historical development of the units rather than deliberate policy. In the early years Economic Planning Units were small sections within Ministries of Finance or Ministries of Economic Development. The public sectors of several countries also comprised a Physical Planning Unit or a Town Planning Department which was usually a Division of the Department of Public Works. These two departments led quite separate lives, having had quite separate beginnings. Economic Planning Units evolved out of colonial administrations which provided Economic Advisors. One of the roles of these officers was to advise on, and in some cases, to administer the spending of development funds. From the viewpoint of the metropolitan government there was a clear interest in ensuring that development funds were managed and accounted for separately from current expenditures of the country. Physical Planning Units were frequently established with United Nations funding and were principally engaged in town planning exercises. The larger funds of the United Nations meant that the Physical Planning Units tended to be better staffed than the Economic Planning Units, both in terms of numbers and of trained personnel. In later years, on UN recommendations, the Economic and Physical Planning Units were merged to form one Central Planning Unit, responsible to one minister and efforts were made to relate the functions of the two units. Today, even in the new merged institution, the Physical Planning Units still appear strong relative to the Economic Planning Units, and this is so even where government policy appears to be far more devoted to economic planning than to physical planning.

#### Dimensions of Planning

##### 1.2.2 Social planning, sectoral, regional, national planning; short, medium and long term planning

It is hardly relevant to speak of short, medium and long term planning in the region as a whole. Three countries have prepared national plans covering five-year periods, and sector plans and projects

are prepared as a current translation of the longer term perspectives of the national plan. For the most part sector plans and projects are short term in the sense that the perspectives are not long term. They are budgeted for annually and may be reviewed on an annual basis in the budget, but their implementation period spans several years. The approach to the planning period is pragmatic, and is dictated somewhat by the rapid changes in the international conditions which the countries face.

Sector planning is conducted in all countries, at least in the form of preparation of sectoral projects, as ministries regularly submit proposals for current projects or for longer term development of the sectors under their jurisdiction. The most comprehensive sector plans relate to agriculture. Education, health and transportation are also the subject of many project proposals.

Special attention is paid to physical planning for regions and the allocation of land between agricultural, commercial and residential use in the geographical regions of a country; but little attention is paid to the regional approach to planning, and only in the mainland countries are regional plans being prepared or regional planning envisaged. There is the belief that regional planning is hardly applicable in such small countries where the whole country is one region, so to speak, but the concern with the rapid drift of the rural population into the capital city, and the lack of jobs there to absorb them as well as the strain on the social services, has led at least one small country to consider the regional approach, and to be serious enough to seek advice in that sphere.

Although there are projects of investment in schools, housing and health services, there is no distinct social planning activity or institution responsible for defining social policies in the region.

The most common exercise falling under the scope of planning is therefore the preparation of sectoral projects.

1.2.3 Social participation in the planning process

This is one of the weakest areas of the planning system in the region. In most cases there is no machinery for public participation in the formulation of sector plans and projects, and even where such machinery has been provided for, the proposals are in an embryonic stage and not yet functioning. Indirect and less structured arrangements however do exist in the form of consultations with various interest groups. But this tends to occur after legislative approval and not at the stage of the formulation of plans and projects.

## II. PLANNING PROCEDURES AND TECHNIQUES

### 2.1 Institution responsible for preparation and approval of the state budget. Criteria used in allocating financial resources sectorally.

It was pointed out earlier that in the absence of a national plan the annual budget could be regarded as the plan. Furthermore, even where national plans do exist, the budget is still an important policy document.

In all countries the Ministry of Finance prepares the annual budget and Cabinet and Parliament approves. Preparation of the budget is done in the traditional manner, with ministries submitting proposals for current and capital expenditures in their sectors. Recurrent expenditure is financed from general funds and allocations for this are made on the traditional bases of regard to the past pattern of expenditure. It is the capital budget that is linked with development projects and their financing. Budgetary allocations determine which projects will be undertaken and which sectors will thereby receive priority. Since several countries are regularly unable to generate any surplus on current expenditure to devote to development projects, the most common practice is that development projects are financed almost entirely by external sources of funds. Priority in selection therefore goes to projects that have already received external financing. This introduces an exogenous element not only into the criteria for allocating funds but also into the whole planning process itself, for consideration of the kind of projects that are likely to receive external financing itself influences the choice of project proposal made in the first place. This again illustrates the close bond between development planning and external aid in the region.

Efforts are being made to have priorities based on long term policy perspectives introduced into budget preparation, but at the present time, clear economic and social criteria have not been fully established for the allocation of funds in the budget. In practice, consideration is given to commitments contracted in earlier periods and priority is assigned to these projects, to those that are ongoing and to those

that are externally financed. This leaves a relatively small proportion of projects to which some priority has to be assigned in an unreferenced manner. These are determined largely by ministerial persuasion and by whether the ministry has the capacity to implement the project once approved.

Several countries are close to having their budgets co-ordinated with national plans, in order to make the capital budget more representative of the plan, and at the same time have the plan support the instruments of the budget. In one case the planning agency was actively involved in the preparation of the latest budget, and in another, the annual plan prepared by the planning agency was considered as an annex to the annual budget and debated along with it in the budget debate in Parliament. Other countries see this as a most desirable procedure, but for the most part sectoral allocation of financial resources for development purposes is still made not through the mechanism of the planning system but through the national budget and its procedures.

## 2.2 Machinery for monitoring, reviewing and appraisal of plan performance

Monitoring of plan performance - in reality monitoring of projects being executed - is one of the weakest areas in the planning system. The need for appraisal, review and monitoring is recognised, but the capacity to carry out these functions needs to be greatly strengthened. This needs to be done not only in the Central Planning Units but also in the ministries which execute the development projects. In one country, a section of the planning unit is charged with responsibility for monitoring projects at the expenditure flow level, and it also makes select visits to project sites to check the physical progress of a project in relation to time and expenditure of funds. Some reviewing then takes place at budget time when sector projects from the ministries are submitted for approval and inclusion in the budget. In another country, a special Monitoring Committee has been established to study, review and in fact monitor the expenditures and progress of public sector enterprises. This is a relatively new institution for which balance of payments pressures provided the catalyst. It is composed of persons who are already otherwise involved in the planning process, and reports to the head of government through the responsible minister. The Committee has had



a very active beginning, but it is too early to judge whether its role can be maintained under circumstances of less severe external economic pressures. Apart from this, there is no regular machinery for monitoring and review.

### 2.3 Linkages between planning and actual policy-making

This is another area of great deficiency. The consideration of linkages between planning and actual policy is relevant only at the micro level. Since planning at the macro level is still new or is not in operation at the present time, there is little involvement in macro policy issues such as tariffs, foreign investment, wage policy and the like. Further, the financial and even conceptual link that exists between development planning and external financing limits the extent to which there is active consideration of linkages between the planning process and various aspects of policy-making. For example, external financing of development projects has meant that the question of relating the development programmes to monetary policy or foreign investment policy has not been a crucial one for some countries.

One view expressed was that sectoral plans from the ministries have always had strong links with sectoral policy-making, since ministries do receive directions from their ministers who then take sectoral plans prepared direct to Cabinet and get approval for them. Seen from another viewpoint, however, this very process represents a circumvention of the policy co-ordinating role of the Central Planning Unit, and indicates the weakness of the link between planning and policy, since the ministries are by nature self-centred and may get approval for individual projects without regard to overall priorities that may have been assigned to them in the planning framework.

### 2.4 Main data base used in formulating plans

Social accounts, Gross Domestic Product and production data form the main data base in the formulation of plans and projects. These are often not part of the regular basic data of the country's Statistical Office; the social accounts in particular, for the smaller countries are prepared by external agencies, sometimes on a regular, but not necessarily annual basis. The regular basic data of the

Statistical Office are used, where available, and supplemented by other sources and surveys carried out in response to the needs of the planning offices. The most common series used are:

- Gross Domestic Product, and National Accounts, where available
- Production data - agriculture and industry
- Population - particularly size, distribution and emigration
- Visitors and tourists
- Employment and unemployment
- Land inventory and use
- Consumption and investment
- Budget statistics

Supplementary data:

General inventory of the natural resources of the country and its physical properties - forests, mineral deposits, arable land.

Administrative records showing education and health statistics.

Income, Investment and Manpower surveys conducted from time to time.

In all cases the data are considered less than satisfactory, the main problem being that some basic series are not available, for example, social accounts. What are available come in the form of incomplete time series or otherwise do not cater to the needs of planning. Two aspects of the data cause problems in planning: the nature of the data and their timeliness.

Since present planning is in fact conducted mainly at the sectoral and project level, data are required on a sectoral basis, but are collated on a national basis. There are no statistics for sectors or geographical areas. Regional data on such aspects as products sold, housing, the shift in land use, etc. are needed, but only national aggregates are available. On employment, not enough is known about the quantity or the quality of manpower at the national or the regional level, and present employment statistics are acknowledged to contain serious deficiencies.

Another major data deficiency for planning purposes is the time lag involved in receiving the series that are prepared. Planners are

interested in current estimates whereas released data tend to portray a two-year lag or even longer, and this reduces their usefulness for making projections or for informing current decisions, especially in view of the rapid changes in external factors faced.

Three areas of immediate improvement can be identified:

- (i) Reinforcement of social accounting. Existing social accounts tend to be prepared by external experts working on a very short term basis. This cannot provide the level of detail or confidence needed on a regular basis for planning.
- (ii) Statistics on the movement of people. Emigration is suspected to be an important factor in these economies, but its precise quantification is needed in order to make accurate population projections as well as manpower studies. At the moment it is difficult to estimate the size of the population with any degree of precision.
- (iii) Physical data. Some have information on the physical properties of their country, but the information is not kept up-to-date. Where concentration on sectoral, even if not regional, plans is proposed, there is need for data on the physical facilities and the social and economic services, by settlement.

#### 2.5 Main difficulties in formulation of plans

Apart from data deficiencies, several constraints on the planning process can be identified. Some are primarily budgetary in nature and some are manpower problems. A third set relate to institutional problems which are as great a constraint to the formulation of plans as the technical problems.

(i) Budgetary constraints. On the revenue side it is very difficult to forecast the level of revenues, and especially of foreign exchange earnings, because the countries are small in relation to the world market and have little influence on the prices their main exports will receive. Revenues must therefore be forecast on a short term basis only. Similarly, for short term planning, forecasting

the level of foreign aid inflows is incomplete when some inflows are identified only late in the fiscal period under review.

On the expenditure side, a major constraint in planning is the prices of imported inputs which are difficult to forecast. Petroleum products are just a crucial case in point. Although it is certain that the costs of fuel imports will continue to rise, it is not known by how much and how rapidly they will increase. In 1978 alone the price of petroleum products rose by 33% for one country. This necessarily plays havoc with the formulation of plans and constrains the ability to plan on anything approaching a long term basis.

(ii) Manpower constraints. Manpower is a constraint both in terms of quantity and quality. The present planning system requires people who can do project preparation from the early identification and formulation stage through analysis, evaluation and appraisal. Such personnel is needed both in the Central Planning Units as well as in the various ministries, so that all departments can become equipped to work on projects through to the final stages of implementation. All ministries need to know what is involved in sector planning and project planning, which is not the case now. The shortage of the type of personnel who can do this seriously limits the effectiveness of present planning mechanisms.

Related to the manpower problem is that of the manner in which the planning system is organized to utilize those skills which are available at present, though in short supply. If the budget is regarded as a short term plan, under the present system projects proposed by ministries are presented for approval so close to budget time that it is impossible to conduct the necessary feasibility studies or to make a careful assessment in time for inclusion in the budget. Consequently, projects may be approved because the objectives fit certain criteria, but difficulties appear when implementation is begun. Difficulties thus stem from the need for better timing and formulation of projects - notably proper economic costing in the earlier stages of preparation. As a result, one of the most urgent problems identified is the need for a manual for the preparation of planning on an annual basis.

In one case it was suggested that if the budget cycle were changed from a 12-month to perhaps an 18-month cycle, there would be more time for evaluation and review, as well as formulation, even with existing personnel. It is also desirable to have a core of people, not just one or two, responsible for the careful formulation, analysis and evaluation of projects. At the present time, the planners are the same people responsible for implementation of projects, and there is just not enough time to do all functions efficiently and well.

(iii) Institutional constraints. Institutional problems have even more fundamental effects on the functioning of the planning systems. Even though these problems are not directly associated with the formulation of plans, they nevertheless have an indirect bearing on that activity. They can be summed up as follows: first, there is often little consciousness of the need for planning in the ministries except in the purely budgetary sense. Where there is no planning system within a ministry to deal with its own sectoral programmes, sector plans may be prepared by the Central Planning Unit. But this itself leads to conflicts of jurisdictional roles, and it is useless for the Central Planning Unit to draw up plans which the ministries do not recognize as their own, since there will be little commitment to the implementation. The knowledge or suspicion that plans might not be implemented, whether for reasons of lack of ministry interest or because the country as a whole does not have the capacity to implement them very easily, is reflected in conceptual difficulties in formulating plans in the first place.

At another level, difficulties are created because information systems are weak, that is the communication of wishes and ideas between the various institutions and levels of the society. There is however, general awareness that such communication is a prerequisite for the clear formulation of plans. For example, difficulties arise from the failure to achieve co-operation between the government and the private sector. Where the private sector is even slightly antagonistic to the idea of planning, and sees government as being antagonistic to its interests, it will not co-operate. This makes such aspects as employment targets difficult to establish or to achieve in planning.

Finally, a major drawback to the formulation of sectoral and project plans comes from the fact that the overall priorities that should guide the formulation of these projects are not clear. There is often no general awareness of long term objectives for the country as a whole and how they translate into projects for the particular sector or ministry. Therefore, projects are formulated, approved and even implemented without the benefit of a clear set of references. This vagueness itself adversely affects the actual formulating process.

III. INTERNATIONAL CO-OPERATION IN PLANNING

3.1 International and national co-operation received in planning

Assistance in planning has been received mainly from United Nations agencies. This has been principally in the form of staff, ranging from the provision of a director and economic advisers in the planning units to experts in specific areas of economic and physical planning. Assisting agencies include:

- IBRD - International Bank for Reconstruction and Development
- UNTCDC - United Nations Office for Technical Co-operation
- UNIDO - United Nations Industrial Development Organization
- IADB - Inter American Development Bank
- OAS - Organization of American States
- CDB - Caribbean Development Bank
- ECLA - Economic Commission for Latin America (Caribbean Office)
- PAHO - Pan American Health Organization
- UNESCO - United Nations Educational, Scientific and Cultural Organization

and at the national level:

- United Kingdom - CFTC, Commonwealth Fund for Technical Assistance
  - BDD, British Development Division
- United States - USAID, United States Agency for International Development
- Canada - CIDA, Canadian International Development Agency
- European Economic Community
- India
- German Democratic Republic

The areas in which assistance in planning was given are varied:

- preparation of physical plans (UNDP)
- conducting surveys, including on Income, Employment and Migration (UNDP)
- providing fellowships for training in planning (UNDP)
- assisting in monitoring projects (CDB)

- developing planning machinery and logical framework for planning in agriculture (USAID)
- conducting a short course in the country on planning techniques (GDR) (OAS)
- assisting in regional planning (UNDP)
- planning the agricultural sector (ECLA)

### 3.2 Training requirements

Training in the preparation of investment projects and general upgrading of the basic statistical knowledge of the support staff were identified as the most immediate needs in several countries. Under the heading of training in project preparation are included project identification, formulation, evaluation; in other words, the conducting of feasibility studies. Short term courses in cost-benefit analysis were also thought necessary. Further, the need for training in the implementation stage was identified as equally important. This would entail training of senior level personnel in the administration of projects with emphasis on the requirements for plan implementation. training in project appraisal and monitoring. Management of the implementation of a plan often requires very specific skills particularly engineering-type skills, industrial engineers, chemists and the like; the need is thus not necessarily for training of personnel in planning as such, but in related activities. Thus the training needs cover a wide range, from statistics, national accounts, commerce, accounting and administration, to manpower planning, regional planning and training in quantitative techniques of analysis.

The training needs identified are grouped into three categories according to the sense of urgency portrayed. In the first group falls training in skills, the lack of which is felt as an immediate bottleneck in the planning process. In the next group training schemes for support activities are listed. This is training in skills that would greatly assist and speed up plan preparation even under existing conditions where plans are being formulated with inadequate support staff. In the third group is listed further training that would be necessary for fully operational planning institutions.



Group I - Immediate Needs

1. Training in the methodology of planning and project preparation.
  - project identification, formulation, evaluation;
  - feasibility studies and pre-feasibility studies;
  - cost-benefit analysis (particularly by short term course directed at senior-level officers);
  - getting project documents prepared to the stage where they can be presented for financing by a donor agency.
  
2. Training in the management of plan implementation. This entails the analysis, appraisal and monitoring of projects and involves a variety of skills. Some countries have requested technical assistance in this field, because they cannot get projects off the ground; but it appears to be a difficult area in which to get someone to prepare and direct the "script", so to speak, for the implementation of a plan.

It was suggested that one of the best ways of receiving this kind of training is by on-the-job training - working along with people who already have some experience and are in the process of implementing a project. Trainees would then become acquainted with various problems faced in project implementation, and how to deal with them; e.g.

- tendering for contracts: the contract arrangements; dealing with management teams and consultants;
- the written as well as the practised procedures of donor agencies;
- the delays involved in processing applications for funds and actual disbursement of funds.

These three are listed as some of the important considerations affecting plan implementation since practically all funding of development projects comes from external creditors and donor agencies.

One of the links between training in project preparation and project implementation comes through the disbursement of funds by external agencies. Fulfilling the project preparation requirements of donors may take so long that the agency's disbursement period may have ended by the time the project document is ready. Training to speed up preparation as well as training in the practices of agencies are therefore both vital in the context of external development funding.

Training in plan implementation and monitoring should not be limited to personnel of the planning institution itself. In the various ministries as well administrators must be trained for they are the ones who must do the day-to-day monitoring of the plan implementation. For example, at present, supervision of agricultural projects is poor in several cases.

### 3. Short term courses in Manpower Planning

#### Group II - Training in Support Activities

1. Basic statistics. General upgrading of the proficiency of support staff in planning institutions, departments of statistics and ministries preparing sectoral plans.

Personnel should qualify for training as needed. The concern should be to deepen and strengthen the quality of existing staff rather than a mere increase in numbers; and there is need to keep in mind the costs to the recurrent budget of training persons from outside the department and bringing in new staff at higher levels as opposed to in-service strengthening of existing personnel.

2. Training of intermediate level personnel and more advanced statistics to allow the preparation of regular basic data series like the GDP and National Accounts.

#### Group III - Further Training needed for fully operational Planning Institutions

1. Planning staff need to be exposed to the policy issues related to planning in the private sector.

2. Courses in Health and Education Planning.

3. Regional Planning - with emphasis on location of the trainee in the region of the activity.

4. Training in quantitative techniques and information systems.

5. Some countries identified the need for training of additional planners, physical planners, agricultural economists, economic analysts, community organizers, administrators.

6. Courses needed that would allow economists to develop areas of specialization, not only in economics but also in accounting, in industry and commerce and in other technical fields.

#### IV. GENERAL

##### 4.1 Bulletin on "Planning in the Caribbean"

A few reservations were expressed about the usefulness of such a bulletin for the Caribbean, in view of the existence of the CEPAL Planning Bulletin. Nevertheless, the general opinion was that such a bulletin would be useful if it steered away from generalities such as "Planning in Dominica" and dealt with very specific issues such as those identified below. The most common need seems to be for information on how to tackle and overcome various obstacles and problems in the planning process, a concern with the practical and technical rather than with the descriptive or theoretical aspects of planning, although the range of topics suggested includes reports on the experiences of other countries and discussions of the methodology of analysis for planning.

The following is a list of topics suggested, the first ten being the ones in which interest was keenest.

##### Practical and Technical

1. Manuals or kits for the preparation of project planning, and a step-by-step approach to monitoring and implementation of plans.
2. Appraisals of projects that have already been implemented. How were the appraisals conducted?
3. Approaches to sector planning, by country: e.g. housing and related services, particularly low-cost housing.
4. How are planners resolving the problems of planning in a framework of inadequate data, incomplete "series" and conflicting sets of data?
5. Discussion of statistical data systems appropriate for our Caribbean conditions.
6. Project preparation: alternative methods of doing this exercise. The format used now, as requested by donor agencies in project preparation for funding purposes are laborious, time consuming and require manpower resources that are not available. What alternative methods of project preparation are there or can be devised to make use of the limited manpower resources?
7. How are countries coping with incorporating environmental considerations and problems into development plans?
8. Regional dimensions of planning. Although the countries are small there are still problems of spatial distribution of the population. Discussion of the economic impact of the concentration of people

in the urban area, the consequent strain on and perhaps distortion of resources into social services and hence what "regional" planning can do to overcome this.

9. Technical papers on the role of pricing as an allocating mechanism in planning, especially in our open economies.
10. Specific problems peculiar to the Caribbean. How can they be overcome? Diagnoses of reasons for disenchantment with the planning process.

#### Descriptive and Polemical

11. The focus on planning as a mechanism for development.
12. Discussion of the fundamental problem of deficiencies in the decision-making process, and the optimum level of centralization. The consideration of the extent to which planning can contribute to an inhibition of freedoms.
13. Setting realistic limits for planning in small, open societies.
  - How does one go about planning in the context of an open, mixed economy;
  - Also in the framework of living with powerful multinational corporations, with far greater resources than the country's. What is being currently done in the field of living with multinationals.
14. Discussion of methods of communicating with people - getting the idea of the planning process and requirements across to all concerned - to administrators, executors, and the population as a whole in order to achieve greater production.
15. Information needed on technological development, and particularly on the impact that new technology could have on a small country's development plans, e.g. development in the electronics field, in garment industries and in energy fuels.
16. It would be useful to publish a glossary, index or directory of persons engaged in the planning field in the Caribbean so that one could call directly for discussion, information or advice on problems. Keeping such a directory up-to-date would naturally be necessary.
17. Related to (10) is the dissemination of information contained in conference papers, so that a wider body of people can have immediate access to ideas and discussions generated at conferences. Countries are interested in more immediate dissemination of information than obtains at present, where there is often a considerable lapse of time between the holding of a conference and the publication of conference papers.

18. Current and up-to-date data on Caribbean countries. This is needed on a regular basis and could be published annually, or ideally with greater frequency, but regularity and timeliness are vital. It is recognized that this first entails improving the statistics in each country, but the need is there for both, and the regional series would be valuable both for the internal use of planners and for overall Caribbean knowledge as well.

#### 4.2 General statement concerning Planning as a tool for Development

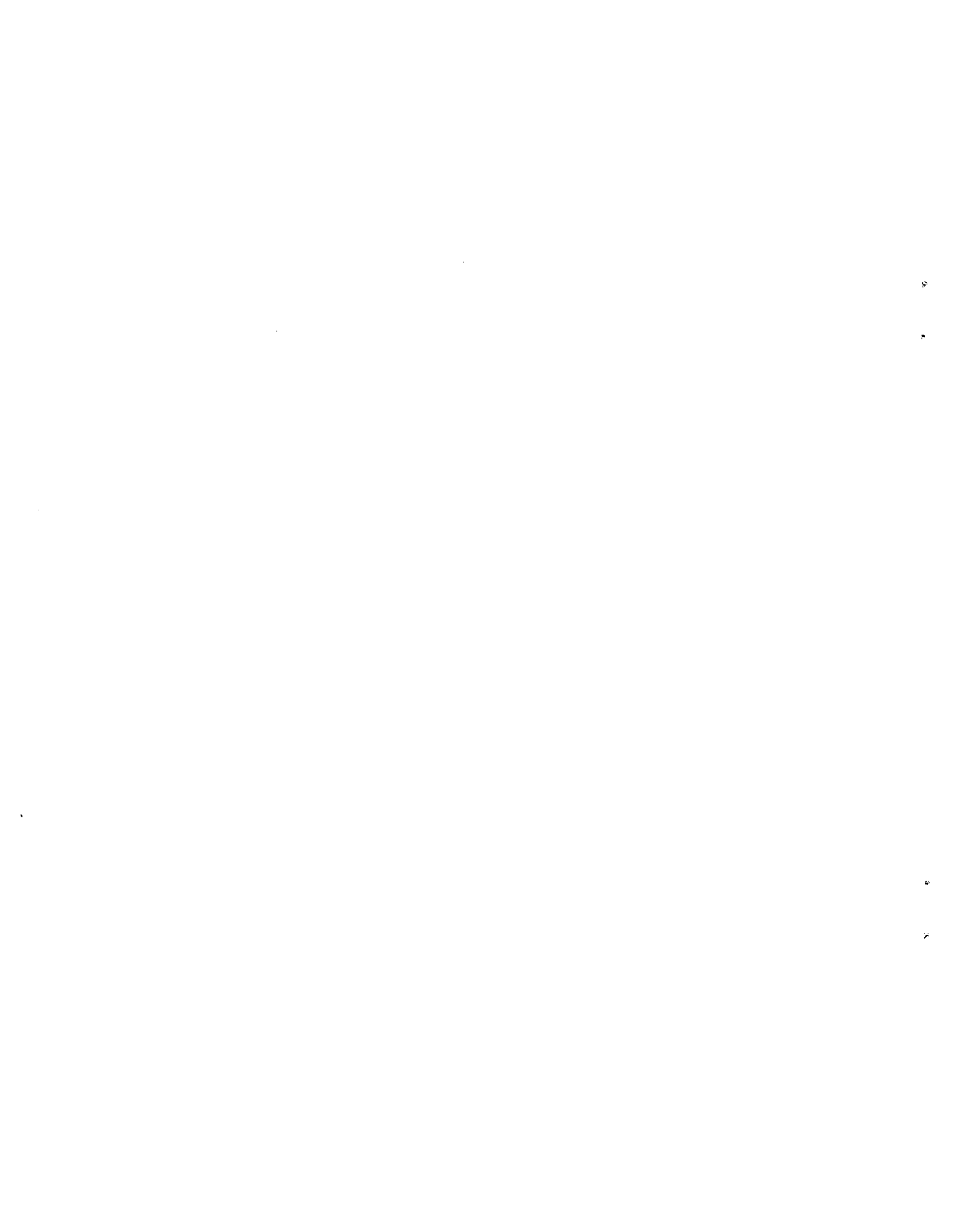
One view held is that the role of planning as a tool for development has been over-emphasized in a region such as this, with wide open economies where governments can exercise little control over anything that really matters for economic development. The more common views expressed see planning as a necessary tool for development in a region where there is a conscious desire to promote and accelerate economic growth, and in a context in which general market mechanisms are not likely to promote growth at a fast enough rate or in desirable directions to achieve the levels of living to which the society aspires. Moreover, the major problems of growth and employment in the region cannot be solved on a project basis because they are structural macro problems and require a comprehensive approach. This is especially so in the productive sectors where problems are not confined to the individual sector, but involve a variety of external factors as well. Sector planning alone and planning decentralized in all departments is not effective in solving structural problems. In order to counter-balance the self-centered nature of each ministry, some co-ordinating mechanism is needed in the interest of all. This is not meant to imply that one agency only or government only should make all the decisions. The involvement of the private sector and the community at large is a necessary part, both of an efficient planning system, and of using planning as a tool for achieving long term goals.

Caribbean countries, relatively speaking, are not so much short of funds as of opportunities to use the funds. For this they need planning even more. In view of the nature of the problems and the desire for growth, it is not advisable to proceed on an ad hoc basis. But planning on a long term basis is difficult; prediction is difficult because of the many external factors over which the country has little control. This means that there is all the greater need for an approach centered around rational and efficient use of resources and greater ability to deal with new circumstances without having to

abandon original goals. An efficient planning system tries to introduce this approach as part of the daily functioning of government.

In times of economic crisis, when the long term goal of restructuring the economy also becomes a more immediate goal of reconstructing the economy, there is also greater need for rational management, and this may best be done through agencies specifically set up for that purpose, and with responsibility for looking at all aspects of the society and not just at individual sectors. At the same time, one needs to be wary of over-centralization. Countries of the region are trying to build a disciplined planning system for the public sector in order to provide a basis on which the private sector can build. Much is left to the private sector but there is not always the necessary economic activity and follow-up by the private sector.

A minority view expressed was that the effectiveness of planning depends on the kind of political bases that are assumed. It was however generally felt that for planning to be really instrumental in development, it has to be seen as a process and part of a set of other processes and not just a function of one department. That it must be considered a part of daily government management in the same way that finance and general administration are part of the functions of government. There was general awareness that this is a long process of institution building and that for countries of the region, the process has only just begun.





SURVEY OF NATIONAL PLANNING SYSTEMS IN LATIN  
AMERICA AND THE CARIBBEAN

I. PLANNING AND THE STATE

A. CONCEPTION OF PLANNING

1. What is the Government's conception of planning and its importance as an instrument of rationality?

The following dimensions and topics are suggested:

(a) Conception of planning activity

What is the Government's conception of planning in relation to existing plans or objectives?

- Is it an instrument of co-ordination between the different agents or actors of economic policy, between the different sectoral policies, between conjunctural, short-term and long-term policy, between the policies of the central government and those of the regional or provincial bodies?

- Or is it to provide a medium- or long-term image which will serve as a guide for short-term economic policy?

- Or is it to achieve a series of changes in the economic structure, and in the forms of the development process, required by a planned policy?

- Or is it of yet another nature?

(Please answer this question at as much length as you feel is needed to explain the official position fully).

(b) As regards the nature of the planning activity

What parts of the Plan are considered mandatory, i.e. must be implemented by decision of the State, and what parts of the same Plan should only be considered indicative?

(c) As regards the sphere of planning activity

(i) Enumerate the main economic and social activities which the plans in force regard as subject to planning.

(ii) Which economic and social activities and spheres are not attempted to plan under any circumstances, and which are regarded as being necessarily suitable for planning?

(iii) What are the respective roles of the public and private sectors, government economic policy and the forces of the market for achieving the planning objectives?

(iv) Is national planning conceived of as being divided into an economic and a social sector, or is the differentiation made on the basis of objectives, independently of whether these are of an economic or social nature, and if so, how are these objectives co-ordinated?

## B. THE ORGANIZATION OF PLANNING

1. What is the institutional organization for planning? What is its relation with the rest of the institutional organizations, including public enterprises and services?

(i) What is the legal status of the agency or authority in charge of planning, and who is responsible for it in the State hierarchy?

(ii) What<sup>s</sup> is the structure and functioning of the planning system authorized by the legislation?

(iii) What is the relation between the planning system and public enterprises and services, with special reference to budgeting, investment, designation of executives and monitoring processes?

(iv) Give a brief organizational outline of the central planning agency (including an organizational chart). If possible, include the acts, decrees or other measures which authorize the existing organization.

2. What is the top decision-making level in the planning system?

Indicate whether there is a body which collaborates with the President of the Republic in defining the country's economic and social policy, such as an economic and social council, economic committee of ministers, etc.

(i) Indicate whether this body was set up by law or government decree, or whether its constitution has not been formalized.

(ii) Indicate what officials and other representatives make up this body, and who its chairman is.

(iii) Indicate the specific functions exercised by this body.

(iv) Indicate at what intervals it meets.

3. Dimensions of sectoral planning

Do sectoral plans exist? Which are they, and what criterion has been used to select the sectors which require or warrant their own plans?

Describe briefly the existing organization for the preparation of development plans for the main sectors of production: agriculture, mining, industry, energy and transport, indicating in each case:

- (a) Whether the sectoral planning divisions or offices are departments of the central body or of each ministry.
- (b) Who formulates the sectoral plans?
- (c) What links exist between each sectoral office and the executing institutions of the sector itself, including State enterprises?

4. Dimensions of social planning

Indicate whether there is a higher body responsible for defining policies and plans for the social sectors (a Social Development Council, for example). What organization exists for the preparation of plans for education, health, nutrition and housing? Indicate in each case:

- (a) Whether sectoral planning divisions or offices are responsible to the central body of each ministry.
- (b) Who formulates the social plans?
- (c) To what extent the plans prepared for these sectors have adopted the basic needs approach or the integral approach for sectors of extreme poverty?

5. Dimensions of regional planning

(a) Describe briefly the organization existing for regional planning.

(b) Indicate what progress has been achieved in the country's regionalization policy, indicating the level reached: still under study, before the Government for consideration, or already adopted as the form of administrative division of the country.

### C. THE PLANNING PROCESS

1. As regards the phases of the national planning process

(i) Describe briefly the different phases legally recognized in the planning process, with particular emphasis on their duration and the procedures employed in each.

(ii) What decision-making machinery has been envisaged for the adoption of and changes in plans in the respective national process?

(iii) What machinery has been envisaged for monitoring the implementation of the plans?

2. As regards social participation in the planning process

Is there a relation between the planning bodies and the different sectors, groups or institutions which act in national society? If so, what is it in terms of the following:

(i) In what phase of the planning process and through what type of procedure is note taken of the opinions of the groups of entrepreneurs and the unions and workers' associations?

(ii) With what level or levels of the administration are the different corporate associations representing the interests of groups of producers, consumers, local workers, or others, most regularly linked?

(iii) At what level and phase of the planning process is note taken of the opinion of the political parties, ideological groups and voluntary associations?

(iv) Is there any discussion of the plans or advisory assistance in their preparation on the part of academic centres, whether independent or belonging to the Universities?

(v) In what form are the contents of the plans made known to the inhabitants of each country?

## II. PLANNING PROCEDURES AND TECHNIQUES AND THEIR LINKS WITH DEVELOPMENT POLICIES

The questions in this section seek to identify the different stages of formulation, implementation, appraisal and monitoring of long-, medium- and short-term development plans. In particular, the aim is to establish the ways in which the planning body is linked with the executive bodies responsible for handling economic and development policy.

### A. FORMULATION PROCEDURES

1. Indicate the prevailing forms of planning in terms of the type of plans formulated: short-, medium- or long-term. Indicate the main instruments used by the planning body to express the wishes of the State as regards to planning:

- (a) Medium- or long-term economic and social development plans of a comprehensive nature.
  - (i) Indicate the title of the current development plan, its period of coverage and the name of the issuing body.
  - (ii) Was it published as an official government document? Of what nature?
    - Adopted by a law of the Republic
    - Adopted by government decree
    - Adopted as a technical document by the issuing body.
  - (iii) Give the titles and periods of coverage of the two medium-term plans published in the country before the present plan came in force.
- (b) Development strategies or general policy pronouncements. Give the title, date of issue of such documents and authority responsible.

- (c) Annual plans or programmes of an operational nature.
    - (i) Give the title and year of reference and a brief description of the thematic content.
    - (ii) Give the name of the issuing body.
    - (iii) What is the nature of this document for the public bodies?
      - Normative
      - Indicative
      - Forecast of the future situation.
    - (iv) What degree of circulation does it have?
      - Only for government use
      - For public use
  - (d) Plans for specific sectors (agriculture, energy, education, health, human resources, etc.).
    - (i) Give the titles of specific plans published as from 1970, either separately or as part of a general plan.
  - (e) Other instruments. Indicate which.
2. Describe briefly the procedure used in preparing the current medium-term development plan, indicating the bodies which took part in it. Show how the stages of global, sectoral and regional planning were linked and what compatibilization procedures were used.
  3. Indicate whether there is an established procedure for formulating annual or short-term plans. Indicate the bodies taking part and the machinery for their approval.
  4. Indicate what technical instruments have been used in the formulation of plans: methodologies or models for quantitative programming, materials balances, balances of the external sector or the financial sector, etc. If possible, annex to your reply a copy of the models or techniques used.
  5. Indicate the main difficulties which exist in the formulation of plans, such as lack of specialized technicians, shortage of basic information, lack of up to date diagnostic studies, etc.

Indicate what action would have to be taken in order to solve the problems encountered.

6. Show what progress has been made in designing regional strategies and plans, indicating briefly their nature and the criteria which inspired them.

7. Identify and describe briefly the main projects now being implemented which will have an important effect on the development of specific regions.

B. FORMS OF IMPLEMENTATION AND RELATION WITH  
ECONOMIC AND SOCIAL POLICIES

1. Summarize the terms of reference of the planning body as regards the implementation or co-ordination of the implementation of the plans.

2. Indicate what institution is responsible for the preparation and approval of the state budget, the stages of its preparation, and the relation between the planning and the preparation and implementation of the budget.

(i) If it is not the planning body which carries out this function, specify what means are used to ensure that the institution which does so incorporates the criteria and programmes of public, current and investment expenditure on development plans in the public budget.

(ii) Indicate whether the planning body participates or has participated in preparing proposals referring to the tax system, indicating what work had been done in this regard.

3. Indicate what current processes are used for the identification, preparation, appraisal and implementation of preinvestment and investment projects and their relation with the planning system.

In particular, indicate:

- (a) The name and institutional dependence of the main body responsible for this area, especially in relation to the national planning body.
  - (b) Its main functions.
  - (c) Sources of financing.
  - (d) Whether or not there are technical studies to standardize the criteria for the appraisal of new projects financed totally or partially by the public sector or with support from it, such as rates of social return, social price of the resources used, etc.
  - (e) Machinery for the appraisal of projects already implemented (ex-post appraisal).
4. As regards the links between the development planning process and the monetary policy, identify the body responsible for establishing the country's financial and credit policy.
- (i) If this is a collegiate body (Monetary Board, etc.), indicate what officials or representatives make it up.
  - (ii) Show by what means and processes compatibility is ensured between the monetary policy and the objectives of the short- and medium-term plans.
5. As regards the links between the development planning process and the policies concerning the external sector, identify the institutions responsible for the design and implementation of the policies of that sector in the following fields:
- (i) Exchange policy.
  - (ii) Tariff policy.
  - (iii) Short-, medium- and long-term external financing policy.
  - (iv) Trade policy and policy for bilateral and multilateral negotiations (GATT, UNCTAD, SELA, etc.).
  - (v) Foreign investment policy.



- (vi) Policy for transfer of technology (contracts, licences, patents, etc.). Specify the relation with the bodies responsible for science and technology policy.

Indicate in each case the machinery and phases used by these institutions to consider the priorities and criteria arising out of the development plans and the national planning bodies.

6. If the country is a member of a subregional integration agreement, identify the body responsible for representing the country in the agreement and indicate:

- (a) How the integration policy has been explicitly considered and its effects on the national development plan.
- (b) What links exist for discussion and analysis of the integration policy between the responsible agency and the planning body?
- (c) What links does the planning body of the country maintain with agencies of other member states of the agreement?

7. Indicate briefly what wages and prices policy is in force for the private and public sectors, e.g., complete freedom of prices and collective bargaining, or else selective price control and setting of minimum wages, etc. etc. If a deliberate policy exists in this regard, indicate:

- (a) What institutions are responsible for studying, proposing and applying this policy in both sectors?
- (b) What degree of participation has the planning body in this process, and in which of its phases?

Give examples of this participation in the past.

8. As regards the State production enterprises or those producing the country's most important services, indicate whether they are autonomous or subject to ministerial decisions as regards:

- (a) Setting prices or tariffs.
- (b) Setting wages for their staff.
- (c) Investment programmes.
- (d) Internal and/or external indebtedness.

Indicate the machinery through which the planning body influences those decisions.

9. Identify the body or bodies responsible for the definition of plans and policies on employment and the training of human resources, those responsible for their application and implementation, and the relation of both with the national planning system. Indicate what instruments and action are used to implement this policy.
10. Indicate what agencies are responsible for fixing the science and technology policy of the country. Indicate what degree of coverage this topic has in the development plan. Describe briefly what machinery exists for linking the planning body and those agencies.  
Also:
  - (a) How are the decisions of those agencies linked with science and technology research bodies in the country?
  - (b) What degree of co-ordination exists among the agencies which establish general policy and those which directly or indirectly regulate the inflow of foreign technology?
11. Identify the agencies which define policies on the development and renewal of natural resources and the protection of the environment. Show the coverage of these topics in the national development plan and the machinery linking the planning body and these agencies.
12. Indicate whether an explicit government policy or plan exists regarding the incorporation of women into the development processes and the elimination of such discrimination as may exist against them. Indicate what this policy is and through what activities and institutions it is implemented.

#### C. MACHINERY FOR MONITORING AND APPRAISAL

1. Describe briefly the machinery or procedures used to monitor and appraise the implementation of medium- and short-term development plans.

- (a) To what extent are the appraisals circulated?
- (b) What is their degree of coverage: the economy as a whole; the public sector; both?
- (c) Do the appraisals of the implementation of the plan with regard to the public sector give rise to action of any type on the part of the pertinent authority? What action?
- (d) Is there any feedback procedure between the appraisal process and the formulation of new plans?

2. Are there any important sectors or activities in the public sector, including State enterprises, which are substantially or totally excluded from the planning activity of the central body? If so, indicate which they are and give the reasons which prevent greater integration of these activities in the plan.

### III. INTERNATIONAL CO-OPERATION IN PLANNING

#### A. DIAGNOSIS OF THE PRESENT SITUATION

1. From what international or extra-regional organizations, and in what fields, have you received co-operation in planning?
2. Have you received co-operation from national planning bodies in Latin America?
3. What are the basic results of the technical co-operation received, in terms of institutional strengthening, technical training, improvement of planning methods and techniques, etc.?
4. What is the basic organization for programming and channelling technical co-operation, and what is its link with the planning system?
5. To what countries or training centres abroad are planning technicians usually sent for further training?
6. Have national planning courses been held, organized either by national or international bodies? Do you have any appraisal of their results?

#### B. TECHNICAL CO-OPERATION PRIORITIES

7. What gaps exist as regards technical co-operation for the institutional strengthening of planning?
8. What stages in the planning process have not been covered by technical assistance: formulation, implementation, control or appraisal?
9. What are your priorities as regards planning methods and techniques?
10. Are there gaps in co-operation for basic and advanced staff training in the areas of global, regional, sectoral or social planning? In other fields?
11. Is there a need for co-operation as regards basic studies or research in planning.

12. What gaps exist in the fields of statistics, national accounts, economic indicators, economic programming models, etc.

C. POSSIBILITIES FOR CO-OPERATION AMONG  
PLANNING SYSTEMS

13. What fields do you know where other national planning bodies in Latin America and the Caribbean would be equipped to assist you?

14. In what fields would you be equipped to furnish planning assistance to other national bodies in the region?

APPENDIX II

1. Concept and scope for planning.
2. Institutional set up. Designated planning positions in the public service.
3. Does your Government do sectoral planning, (if so which sectors), social planning, regional planning or national planning?
4. Are these plans short-, medium- or long-term?
5. Please indicate the degree of social participation in the planning process.
6. Indicate the main data base used in formulating plans. Is the data in your view satisfactory?
7. Indicate the main difficulties in formulation of plans.
8. Indicate what institution is responsible for preparation and approval of state budget. What criteria are generally used in allocating the financial resources sectorally?
9. What linkages are there between planning and actual policy making?
10. What machinery is there for monitoring, reviewing and appraisal of plan performance?
11. Please state what international and national co-operation your Government has received in planning.
12. In what areas do you require training for personnel in planning?
13. What do you think should be the contents of a bulletin on "Planning in the Caribbean"?
14. What general statement would you like to make about planning as a tool for development?

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