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 research and the objectives of the study. It is followed by a
 literature review which covers the theoretical background and
 previous studies related to the topic. The methodology section
 describes the research design, data collection, and analysis
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ADVISORY PROGRAMME

A. GENERAL BACKGROUND

Development problems in the countries of Latin America, particularly those connected with chronic poverty, regional disparities, difficulties of increasing the level of accumulation, the need to protect domestic earnings, restrictions on the capacity to import and on external financing and the loss of autonomy, have been aggravated by the world crisis. These difficulties have, however, contributed to reinforcing the planning systems as valid instrument for better allocation of the scanty resources available, bearing in mind the achievement of basic objectives such as the sovereign development and well-being of population. Through long-term strategies and medium-term plans, planning has ensured a better acquaintance with the real possibilities of the countries, which makes it possible to envisage a development with brighter prospects. With a clearer picture wide-horizon development processes, the countries thus have better chances of not going off their economic and political course when their governments are faced with difficult conjunctural problems. The demands for technical co-operation increasingly show up the concern of the countries in linking the long-term strategies and the five-year plans with short-term work, either by preparing new annual operational plans in keeping with the conception of the strategy and as a course for the medium-term plans, or by improving the indicators and the conjunctural analyses in order better to give support to the economic policies and the taking of decisions. The planning offices in Latin America which have succeeded in becoming organized and in showing their usefulness, are progressively moving closer and taking part in the highest levels of decision-making.

/The states

The state for their sort, which are increasingly forced to take part in negotiations with the major international corporations which systematically use the most sophisticated planning techniques for their world-wide activities, have gained in experience and in the awareness that one means of becoming stronger themselves is to increase their levels of knowledge of the operation of world economy and its real possibilities, through the specialized study organizations linked up with their national planning systems.

This Institute, which through its advisory services is in permanent contact with the specific reality of the countries, has observed that those most concerned with planning and which concentrate their efforts on a better knowledge of their social, economic or historical horizons, i.e., seek to have a long-term conception of the society they desire, are also best prepared to face up to the conjunctural problems which mark greater successes in their development processes.

These problems also show the need to examine the possibilities of the countries of the region vis-a-vis the new international economic order and their integration options.

Experience thus shows that ILPES should not only give continuity to its technical co-operation programmes, but also make them dynamic so as increasingly to strengthen national planning systems, either by supporting their activities with regard to the preparation of plans, or in specific fields of economic policies, preparation of models and quantitative methods, introduction of new variables such as the environment variable in the plans or by assisting the countries in their problems of regional and social disparities.

B. ACTIVITIES IN 1978

I. ADVISORY SERVICES TO THE COUNTRIES

Advisory tasks this year have taken in the following countries: Ecuador, Bolivia, Venezuela, Brazil and the frontier region of Colombia and Venezuela. The main advisory work in connexion with planning activities which ILPES is carrying out in these specific situations is described below.

1. Ecuador

The National Economic Planning and Co-ordination Board (JUNAPLA) selected ILPES as the specialized agency which would provide it with technical co-operation and go ahead with implementation of the work contained in the ATN/SF-1595-EC agreement between the Government of Ecuador and the Inter-American Development Bank (IDB).

Under the terms of the co-operation agreement with JUNAPLA, the Institute is first of all advising the Government of Ecuador in the preparation of a national long-term development strategy to serve as a general framework for the following tasks:

- (a) Preparation of a medium-term national development plan, covering the period 1980-1984.
- (b) Inclusion of regional development aspects in the national planning process.
- (c) Transfers of programming techniques to the staff of JUNAPLA and other offices linked to the National Planning System (SNP).

/(d) Co-ordination of

(d) Co-ordination of JUNAPLA activities with those of the sectoral planning offices of the different ministries and the regional programming agencies.

ILPES/JUNAPLA activities take in interdisciplinary co-ordinated work which not only includes the preparation of the global model, the analyses of the sectorialists and the proposals of the regional experts, but also the work of specialists in financial problems of economic policy and social aspects.

2. Bolivia

In its concern to strengthen the National Planning System, and particularly to normalize relations with the regional development corporations, set up by law, the Government of Bolivia requested advisory services in the field of regional planning. This was the start to activity which should last until the end of next year and consists in providing advisory services to the Regional Planning Office of the Ministry of Planning and Co-ordination for the preparation of:

(a) The national long-term regional development strategy (horizon 2000) for the end of June 1979; and

(b) The regional development plans (quinquennial) of the different corporations and their respective annual operational plans as from the second half of 1979.

/3. Venezuela

3. Venezuela

The Government of this country has signed a project with UNDP for the conservation of the environment, the regulation of the territory and the appropriate planning of human settlements. Within the context of the project a first inter-agency UNEP-CEPAL-ILPES-UNESCO mission has been organized to advise the Ministry of the Environment and Renewable Natural Resources in:

(a) Formulating a First National Plan for the conservation, defence and improvement of the environment.

(b) Preparing an Annual Work Programme of the Ministry for 1979 in research, policies and training.

The advisory services of CEPAL-ILPES deal with the relations between environment and socio-economic space, the introduction of the spatial aspects of development, and the activities to be promoted in connexion with the regulation of the territory.

4. Brazil

In its programme supporting the planning and development of the relatively less developed areas of the major countries of Latin America, the Institute has provided advisory services to the States of Bahia, Pernambuco and Rio Grande do Norte in the north-east and to the State of Minas Gerais

The advisory services, generally speaking, have concentrated on identifying the main problems of development, the preparation of economic and social development strategies, medium-term plans, implementation of short-term plans and policies, conjunctural problems and in-service training of local experts to strengthen the planning systems of these states. Generally speaking, the work undertaken may be summed up as follows:

State of Bahia

The Institute has carried out the technical co-operation agreement signed with the State of Bahia. The work was mostly done between April 1977 and May 1978, when it was completed.

The technical co-operation of ILPES involved the following aspects:

(a) Analysis and evaluation of the State's development in recent years to explain the present model and the main socio-economic problems, and definition of a medium and long-term strategy;

(b) Evaluation of the technical and institutional aspects of the state planning system in order to strengthen it in its functions as an instrument for decision-making;

(c) Collaboration with the Secretariat for Planning, Science and Technology in making estimates of the regional accounts; this has been a pioneer study.

State of Pernambuco

In the State of Pernambuco, ILPES is taking part in two different experiences. First of all, in the Metropolitan Region of Recife it is collaborating in urban planning, so as to orient activities in this respect in the future. Experience of this matter was necessary to clarify how the problems of general and regional planning, mainly decision-making at these levels, affect the urban area and the

/requirements in

requirements (in terms of these general and regional aspects) for planning urban space. Secondly, covering all the State, ILPES is advising the Development Institute of Pernambuco in probing more deeply into the problems of development and preparing an economic and social long-term development strategy to obviate these problems.

The technical co-operation of ILPES in the above two fields may be summed up as follows:

(a) Metropolitan Region of Recife

In keeping with the terms of the agreement (FIDEM), signed between ILPES and the Foundation for the Development of the Metropolitan Region of Recife (RMR), to collaborate in defining instruments for the application of the Integrated Development Plan (PDI), advisory services were begun in March 1977 and terminated in July this year.

The technical co-operation covered the following areas, and the Work Programme described below was given concrete form.

Areas

1. Operational definition of the strategies.
2. Promotion of industrial development.
3. Identification of suitable institutional structures for providing services of metropolitan interest.
4. Conception and operation of methods and instruments to monitor, stimulate and orientate metropolitan development; and
5. Preparation of normative instruments.

Work Programme

ILPES has mainly concentrated its activities on the following points:

1. Metropolitan planning
2. Strengthening of the economic base of the RMR
3. Political and institutional aspects
4. Normative instruments
5. Training of local technical personnel and
6. Specific advisory services.

(b) Economic and social development strategy of the State of Pernambuco

The agreement made with the State of Pernambuco to provide advisory services to its Development Institute (CONDEPE), began in January 1978 and will last until February next year. The objective to be achieved is the preparation of a diagnosis and a development strategy compatible with the long-term state objective and with the design of national policies modelled on the strategy of the federal government. To date, part of the stages programmed for the agreement have been implemented:

- Diagnosis of the Pernambucan economy in its main sectors, with emphasis on the application of the policies of the public sectors and the financial market. Analysis of the impact of state economic growth on employment and wages.

- Initial estimate of state accounts for the most important sectors of its economy and introduction of a methodology for calculation.

- Ordering and selection of the statistical series and methods of research most suited to setting up a state statistical system.

State of Rio Grande do Norte

The Secretariat of Planning (SEPLAN) of the State of Rio Grande do Norte, Brazil, and the Institute signed a technical co-operation agreement in which the Institute undertook to:

(a) Analyse and evaluate the economic and social development of the State in recent years.

(b) Study the development perspectives for State and Government action for the period 1979-1983; and

(c) Define proposed economic and social policy guidelines for the forthcoming period 1979-1983.

Under the terms of the agreement, three missions have been carried out to date this year and a last mission will be carried out in December. They have:

(i) Up dated the 1974 diagnosis;

(ii) evaluated the activities carried out by the Government between 1975 and 1978; and they

(iii) are preparing the proposed economic and social policy guidelines for submission to the next government.

State of Minas Gerais

Under the terms of the technical co-operation agreement with the State of Minas Gerais, ILPES has carried out the following work in technical co-operation this year:

/(a) Conclusion of

(a) Conclusion of the document on information for planning and its improvement entitled: "Sistema de estadísticas e informaciones para la planificación regional: El caso de Minas Gerais, Brasil" ^{1/}.

(b) Progress in the preparation of the diagnosis of the state economy over the past 20 years.

(c) Collaboration in formulating and introducing the innovation project for the conjunctural analysis of the State.

(d) Co-operation in implementing the economic and social development project of the Zona de la Mata (PRODEMATA), mainly with a view to seeking appropriate solutions for reaching the targets set in the multiple specific activities ^{2/}.

(e) Preparation of the System of State Accounts. The methodology, problems and solutions found will be recorded in a Manual of Regional Accounts at present in preparation.

5. Colombian-Venezuelan Frontier Integration

The CEPAL Office in Bogota has transmitted to ILPES the request made for technical assistance by PROINTEGRACION ^{3/} in connexion with the main problems which this organization must face in its initial stage of operation.

^{1/} Regional here is to be understood as State.

^{2/} This project is financed by the World Bank, and the State of Minas Gerais has signed an agreement with ILPES as a Specialized Agency which will provide technical assistance to implement it.

^{3/} Colombian-Venezuelan Corporation, set up as part of the integration agreements, to identify, promote, formulate and implement projects which will contribute to Colombian-Venezuelan Integration.

The staff of this corporation are binational, and its headquarters is in Maracaibo, Venezuela.

This advisory work is an important part of the technical guidance in support of the political will of the Governments of Venezuela and Colombia to use the wide possibilities which frontier development offers for economic complementary to improve the living conditions of the inhabitants of the area, as the Declaration of Maracaibo signed by the two presidents on 24 July of this year, states.

As the result of an exploratory mission in the field, the following fields in which PROINTEGRACION could receive technical co-operation have been identified:

(a) Technical co-operation to establish a provisional working hypothesis on Colombian-Venezuelan frontier problems. This is intended to serve as a frame of reference for the first year of PROINTEGRACION's operation, while the more complete framework which will emerge from the UNDP project ^{1/}, at present at an advance stage of negotiations, is being prepared.

(b) Technical co-operation in project formulation and evaluation. This assistance is intended to complement the technical capacity of PROINTEGRACION for formulating and evaluating projects, taking into special consideration its relation with a development framework of frontier complementary and its relation with consultant enterprises for the formulation of projects (statement of problems, fixing of terms of reference, evaluation and monitoring activities). It is anticipated that PROINTEGRACION will recruit trained staff with some experience in this field.

^{1/} Project for the integral study of the Colombian-Venezuelan frontier problem.

(c) Assistance in promoting and financing investment opportunities. Activity directed basically at getting to know, systematizing and placing at the service of the frontier programme the technical and financial machinery existing in both countries and abroad, in connexion with the identification of investment opportunities, markets, entrepreneurs, legislation, promotion machinery, etc.

(d) Assistance in the problems of the entrepreneurial management of an enterprise of this kind.

II. OTHER ACTIVITIES STEMMING FROM ADVISORY EXPERIENCE

1. Inter-institutional co-operation

It is important to stress the inter-institutional collaboration between CLADES, ILPES, the Division of Operations of CEPAL, the Programme Office of CEPAL and the CELADE-DOCPAL Project, in preparing a project to set up an information network for planning in Latin America. Work on this activity was in conjunction with CLADES and staff from the International Development Center of Canada.

2. Transmission of experience

Also of importance in the inter-institutional field is the participation of the Division of Advisory Services in Training Activities, which fulfils the objective of transmitting to the planning professionals undergoing training in our courses, the most recent experiences taken directly from planning practice in the countries.

C. ACTIVITIES FOR 1979

It has been observed in recent years that Planning Ministries and Offices are increasingly playing a leading role in the formulation of government policy. This results from the overall view and the perspective such institutions acquire from the long-term development strategies, and the factual knowledge they obtain by handling the budget and the national projects system.

Thus, as planners succeed in linking up economic policy and operational instruments with medium-term strategies and plans, i.e., succeed in demonstrating their usefulness as planners, they are able to gain an increasingly strong position with the political decision-making levels.

The Institute is following with attention the great effort being made in the field of planning and economic development, and in the course of 1979 will continue the co-operation it has been furnishing to Latin American countries, helping them to strengthen their national planning systems. To that end, it will cover all activities ranging from strategy formulation to the formulation of economic policies and the execution and monitoring of specific plans and projects, and will continue to orient its advisory services towards the relatively less developed countries, with a view to counteracting regional disparities.

In light of the commitments undertaken hitherto, the Institute envisages the following programme for 1979:

- Long-term development strategies (Bolivia, Ecuador and Pernambuco State, Brazil);
- Medium-term plans (Ecuador and Minas Gerais State, Brazil);

/- Medium and

- Medium and short-term regional plans (Bolivia);
- Plan for the conservation, protection and improvement of the environment and for territorial development (Venezuela);
- Improvement of the statistical system (Minas Gerais State, Brazil);
- Economic and social policy guidelines for submission to the next government (Rio Grande del Norte State, Brazil);
- Execution of the economic and social development project for the Mata Zone (PRODEMATA) in the State of Minas Gerais, Brazil;
- Colombian-Venezuelan frontier integration.

