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### PLANNING IN ALGERIA

(Presented by the Government of the Democratic and Popular  
Republic of Algeria)

Perusal of the documents provided by the secretariat of the Economic Commission for Africa regarding the results of implementation of plans since the beginning of the United Nations Development Decade, and particularly the paper E/CN.14/CAP/10 "Suggestions for establishing project identification services in Africa", has aroused considerable interest and proved a valuable contribution.

Indeed, the General Directorate of Planning and Economic Studies has been engaged for several months past in the work of planning.

After drawing up the Seven-Year Perspective Plan, which is itself based on a longer-term (15-year) perspective plan and reflects the reversal in the employment trend, the Directorate of Planning is undertaking the preparation of a Five-Year Plan (1969-1973). This last-named Plan will link up with the Three-Year Plan (1967-1969), which is in course of implementation.

In view of the upheavals and the structural changes to which the Algerian economy is still subject, and also taking into account the scarcity of information, the idea of establishing a detailed medium-term plan was rejected in favour of introducing a short-term plan.

The need to adapt planning to the circumstances in which such planning is to evolve, led us to conceive the Algerian system of planning from the standpoint of progressive development by stages.

Thus, the first Algerian Plan is a plan to establish structures designed to encourage rapid development. Moreover, the plan will have to prepare the whole range of decision-making agencies and institutional sectors for the tasks of planned development. This Plan assumes the guise of a programme of action, which enumerates a series of measures

relating to institutions, administrative procedures, marketing channels and networks for the collection of information.

From the methodological point of view, a simple and pragmatic method has prevailed. Indeed, it was on the basis of sectoral analyses (agriculture, industry and infrastructure....) and of their development prospects that an initial projection was carried out.

The volume of investment that would be attainable was determined in the light of the financial resources available, and of absorption capacities, over the whole seven-year period.

In working out the Five-Year Plan, the method employed is different. It will be based on tables provided by the National Accounts. The overall economic balance of a base year will be projected to the end year (1973) of the Five-Year Plan.

Final demand, which will be used as an initial basic approximation for the fixing of production and investment targets by sector, and which will make it possible to analyse certain special aspects from the standpoint of their effects on foreign trade and of their linkage effects on the economy as a whole, will be deduced from this global economy pattern.

Thus, with the help of various working hypotheses, and after repeated testing of various alternatives, a balance that is deemed to be realistic will be adopted.

This initial global outline of the economy must serve as a framework for project planning.

Great difficulties arise at this phase in working out the second Plan. Indeed, although Algerian experience of planning has been short, the annual programmes of capital investment carried out since independence have brought out the major significance of the bottlenecks affecting the fulfilment of investment: the technical ministries experience the greatest difficulty in using up the appropriations provided for. The reasons are numerous, but a few of them may be mentioned: some are due to the insufficiency in numbers and quality of projects listed for the Plan, or to inadequate preparation of such projects, whilst others are attributable to the lack of persons having a sufficient knowledge to carry out feasibility studies of the projects, or else to administrative machinery that is ill-adapted to and unprepared for the tasks of economic and social development, or again to the absence of methodology in identifying projects, and widening the range (univers) of projects.

The majority of African countries, perhaps in varying degrees, find themselves, or will find themselves, confronted by the same problems as those with which our planners are grappling.

Overall projection having provided medium-term production targets, it is the planner's task to match this combination of targets with a whole range of precise and well-prepared projects.

One of the established aims of the Algerian economy is to achieve self-sustained growth within the next ten years. The basic instrument will be investment (i.e. for the complete project) and it is important to give priority to this aspect of planning. The problem posed by the choice of investments should be approached with particular care. No body of methodology for projection selection criteria exists. No criterion is independent of the fundamental aims of economic policy. As far as the Algerian economy is concerned, such investment as will have a favourable effect on foreign trade will deserve special attention. Changes in the structure of production will result from investment of this type, which will reduce the constraint imposed by shortage of foreign exchange. To this criterion must be added others such as linkage effects (especially in the case of unused capacity), that of value added per unit of cost, and the capital coefficient which will express the average period of delay to produce an additional unit of output.

The choice of criteria will likewise depend upon the stages through which the Algerian economy must pass.

In order to achieve the objectives laid down by the Five-Year Plan, the General Directorate of Planning is engaged in:

- Finalizing methods designed to widen the range (univers) of projects, and thereby to increase the possible choices open to planners;
- Compiling a manual on the preparation of development projects, to ensure the homogeneous presentation of such projects;
- Elaborating data sheets to enable the implementation of major projects to be properly controlled.

Within this context, the process of project analysis could be reduced to three stages:

- Project identification would constitute the first stage. This important stage could, with advantage, be decentralized;
- Determination of costs and of economic advantages would constitute the second stage;
- Project selection, the responsibility for which would fall upon the Directorate of Planning, would constitute the third stage. It should be noted that this selection should be compatible with the overall projection.

Traced thus rapidly in broad outline, these are the main characteristics of the Algerian system of planning, and the principal difficulties encountered by our planners in working out the first Five-Year Plan.

The next Conference, as is stressed in the documents submitted by the secretariat, will encourage the progress of planning in Africa, in accordance with the overall development strategy that has been adopted, through the comparisons and exchanges of experience that it will doubtless provoke.

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