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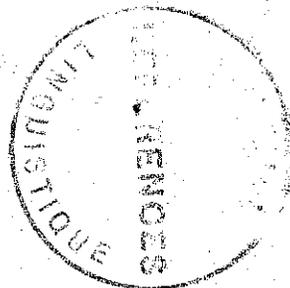
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REPORT OF THE SEMINAR ON THE ROLE OF PUBLIC ENTERPRISES  
IN PLANNING AND PLAN IMPLEMENTATION

Mauritius, 16-26 September 1969

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## I. INTRODUCTION

1. A Seminar on the Role of Public Enterprises in Planning and Plan Implementation, organized by the United Nations Economic Commission for Africa, was held in Mauritius from 16 to 26 September 1969. It was a follow-up to the Seminar on the Management of Public Enterprises held in Bizerte (Tunisia) from 9 to 20 December 1968.
2. Nineteen participants from fifteen African countries took part in the Seminar. All were high-level officials or managers of public enterprises with considerable experience and knowledge of the activities, problems and difficulties of public enterprises in African countries. Consultants made available by the Governments of France, the Federal Republic of Germany and USA, as well as by the University of Mauritius, and staff members of the United Nations Economic Commission for Africa, took part.
3. The Seminar was organized in two language groups and, apart from the opening and closing sessions, organized visits and social functions, the two groups met and conducted their business separately. This procedure was adopted because it was felt that the system of administration and control of public enterprises in the two groups of countries represented in the language groups differed to such a marked degree that in a short Seminar it would not be possible to give sufficient explanation of the different systems to enable one group to communicate meaningfully with the other. It is hoped that the report of this Seminar, as well as that of the Bizerte Seminar, and other documents in course of preparation or contemplated, will go some way towards bridging this gap of understanding and enable fruitful exchange of experience to take place between the two groups in future.
4. The English-speaking group discussed in plenary session, during the first five days of the Seminar, the importance of public enterprises in the African economy; the participation of public enterprises in the formulation of national and regional plans; their roles in the economy

of a country including physical planning and regional planning; the integration of public enterprises within the administration; financing; management of projects: programming, co-ordination, supervision, manpower development and training; and the economic orientation of enterprises. The experiences of the United Arab Republic and of Mauritius were outlined and discussed (see annex I A). Two syndicates were then constituted to discuss particular aspects in more detail and to formulate recommendations (see annex II A). The reports of the syndicates were considered in plenary session and a consolidated summary of discussions as well as recommendations were approved and constituted the text of this report so far as it relates to the English-speaking group.

5. The French-speaking group discussed in plenary session, during the first week of the Seminar, the importance and role of public enterprises; the participation of public enterprises in the preparation of development plans and programmes; participation of public enterprises in plan implementation: project management, regional development and physical development; financing; economic and technical data needed by public enterprises. Each participant made a statement on the problems of public enterprises in his country and these were discussed (see annex I B). Two syndicates were then constituted to discuss particular aspects in more detail and to formulate recommendations (see annex II B). The reports of the syndicates were considered in plenary session and a consolidated summary of discussions as well as recommendations were approved and constituted the text of this report so far as it relates to the French-speaking group.

6. The Seminar was opened by the Honourable Prime Minister of Mauritius, and the Honourable Minister of State for Development addressed the closing session.

7. Visits were arranged to the Central Electricity Board, Tamarind Falls Power Plant, the Savannah Sugar Factory and the University of Mauritius at Reduit. Outings were arranged to Chamarel, the town of Curepipe

(including the Trou aux Cerfs), the northern part of the island and Port Louis (including attending a race meeting at Champ de Mars). Receptions and hospitality were offered by the Government, the Central Electricity Board, the Mayor of Curepipe, Ramphoul Ltd., the Provisional Council of the University, the Savannah Sugar Company Limited, the District Council (South) at Blue Bay and the Minister of Labour. An offer to visit the Debrevil Tea Factory and accept their hospitality had to be declined because of pressure of business of the Seminar.

8. The participants in the Seminar expressed their thanks, and the ECA wishes to add its profound appreciation and thanks, to the Government of Mauritius for agreeing to act as host to the Seminar and for the excellent facilities that it made available; to the Honourable Prime Minister, the Honourable Minister of Labour and the Honourable Minister of State for Development, for showing such keen personal interest in the Seminar and its proceedings; to Mr. Burrenchobay, Permanent Secretary in the Prime Minister's Office and Chairman of the Central Electricity Board for all the arrangements made and the smooth administrative machinery provided for the Seminar; to the Governments of France, the Federal Republic of Germany and the USA and to the University of Mauritius, for providing highly qualified consultants at their expense for the Seminar; to the consultants for giving so freely of their expertise; to the hosts at the official visits and social occasions organized in connexion with the Seminar for their kind and generous hospitality; to the Mauritius Red Cross for providing such an effective and friendly service of first aid and medical care during the Seminar; to Mr. Parfait, the Liaison Officer provided by the Government of Mauritius, for all the detailed preparations made before the Seminar as well as his able and tireless efforts to meet all the administrative needs of the Seminar and for doing everything in his power to make the stay of all participants and consultants as pleasant and fruitful as possible; to the administrative assistant; to the secretariat staff put at the disposal of the Seminar by the Government of Mauritius; to the drivers of the buses, police cars and taxis which transported the participants and consultants; and to all the others who had in one way or another contributed to the success of the Seminar. Without all this help and co-operation it would not be possible to hold such Seminars.

## II. SUMMARY OF DISCUSSION IN THE ENGLISH-SPEAKING GROUP

### A. The importance of public enterprises in the African economy

9. Note was taken of the importance and need of public enterprises, such as the need to diversify the economy in order to improve the standard of living of the people: the need to preserve foreign exchange earnings by the production of import-substituting products, having regard to the deteriorating terms of trade against primary producers; the need for technological training of local manpower and less dependence on imported foreign manpower; the need for infrastructural services for expansion of administrative, commercial and industrial activities; the need for large-scale industrial projects to provide employment for the growing numbers of urban dwellers especially school leavers; the need for a large industrial and commercial wage-earning population to create effective demand for the products of the agricultural sector which would encourage rural population to remain on the land instead of drifting to the towns in search of better wage employment. Public enterprises could offer a leadership role in the establishment of industries which are not very attractive to private investors at present, and they could participate in the vast fields of industrial opportunities in developing countries.
10. It was agreed that public utilities should be regarded as a category of public enterprises. What is important is not the extent of the participation of the public sector in these enterprises in the past or at present, but that their nature, especially with regard to the sale of the units of the services provided, certainly makes such services as telephone, electricity and to some extent water, fall under the category of "enterprises". It was appreciated that what are now regarded as public utilities were not always so in the past and might not be so in the future. It was also noted that while in many African countries today electricity is provided by public corporations, nevertheless, in some East African countries and in Jos, Nigeria, as well as in the United States, electricity is provided by private companies. However, in the United States, although private companies provide telephone service, public authorities regulate and control the fees charged for the service.

11. Note was taken of other reasons for setting up public enterprises:

- (a) In a country which has already taken positive steps in acquiring shares in existing private companies, other companies which have not yet been affected are likely to be placed in a state of suspense which discourages them from expanding their activities unless and until the government makes its stand clear on its possible participation in these companies;
- (b) Public leadership in industrialization helps to reduce wasteful duplication of projects by competing private investors. It also helps to co-ordinate the production programmes of projects which are interdependent in terms of supply of raw materials and disposal of finished goods;
- (c) A country may have the fear that large-scale investment by a company, whose headquarters is based in another non-friendly country, might have detrimental political implications. It was, however, agreed that as long as such a company was prepared to abide by the regulations laid down by the government of the country concerned, and the officials ensured that these were observed, there should be little or no problem, as the entrepreneur is more interested in his profits than in the politics of the country.

B. Formulation of national and regional plans (including physical planning)

12. Participants in the Seminar observed that some African countries have a national plan or plans but most of these consist merely of compilations of individual projects, and of enterprise or regional plans and do not constitute national planning in any real sense. It was stressed that a sound plan must provide for balance among competing social and economic objectives, provide guidelines to be used by enterprises in developing sub-plans, and establish standards against which enterprise performance can be measured.

13. Planning is a dynamic process, a method of analysis and thinking, and may or may not involve the preparation of a comprehensive legally binding blueprint for social and economic development. It was recognized by the participants that planning is and should be a continuing process

of making present risk-taking decisions systematically and with best knowledge of their future consequences, organizing the efforts needed to carry out these decisions and measuring the results of these decisions against expectations through organized systematic reporting. Planning decisions can be no better than the information on which they are based. Where plans are based on incomplete or inaccurate statistics, inaccurate cost or manpower estimates, or inadequate technical information and data, the plans inevitably will be defective.

14. In a number of African countries errors have resulted from failure to conduct the necessary feasibility studies and to consult enterprises about plans which they are to implement. Enterprises are in the best position to advise the planners, within their prescribed areas of competence, about (1) feasibility of projects to be included in the plan; (2) detailed estimates of costs under classified items of expenditure; (3) material and manpower resources required which are adequately costed, on best estimates available; (4) potential markets and expected level of sales harmonized with the production function of the enterprise.

15. Examples were cited of conflicts between central planners and enterprise managers. In one country, the planners attempted to apply to a public enterprise productivity standards derived from developed countries. It was suggested that planning decisions should be based on norms tailored realistically to local conditions and potentialities. Difficulties also occur when different time frames are utilized in developing the national plan and the operating plans for the individual enterprises.

16. Planning involves several stages in the preparation of long range, intermediate, and annual plans:

- (1) Formulation of goals;
- (2) Translation of goals into specific objectives covering a multi-year time span;

- (3) Identification and analysis of alternative courses of action, with particular emphasis on cost effectiveness, feasibility, utilization of scarce resources (including foreign exchange), interrelationship with other sectors and activities, etc.;
- (4) Development of projects to carry out the plan;
- (5) Measurement of performance against established goals.

17. Under ideal arrangements the planning process proceeds "from the top-down", "from the bottom-up" and horizontally. The central planning organization, where one exists, advises on basic goals, and should provide the economic criteria to guide the enterprises in developing the component parts of the plan.

18. While the participants agreed that the formulation of national goals or the macro-economic decisions included in the national plan should be made at the political level within the government structure, it was pointed out that suitable administrative arrangements must be made to ensure that the enterprises were consulted about micro-economic decisions such as the desirability and feasibility of individual projects. Communication between the planners and enterprises about these types of decisions has not been satisfactory in many African countries. Enterprises should be given an opportunity to propose alternatives, comment on production targets, and review sectoral plans for purposes of facilitating co-ordination.

19. "Regional planning" was defined as meaning planning for the economic and social development of a territorial sub-division of the national territory. Planning for areas comprising more than one national territory or parts thereof was termed "supranational planning". In small States there would often be no need for regional planning on a separate level. The sizes of regions for which to prepare development plans will depend on the given circumstances. In demarcation of regions not only economic but also population, national and other characteristics and features may be decisive. No rules for general application can be given. The planning region may or may not be identical with an administrative area.

20. It was pointed out that the constitutional situation in a country is of great importance with regard to the question whether planning for regions is possible and which fields and subjects can be dealt with in regional planning. In a system with rather limited central powers it might be possible for regional planning to be guided by some basic national development principles only, instead of a national development plan.
21. As far as the actual preparation of regional plans is concerned, most of what was discussed with regard to national plans is also true for regional planning. Great emphasis was put, however, on the necessity of adjusting regional plans to national goals and/or development plans. In order to guarantee that, it was considered mandatory to require central government approval of regional plans. This would also enable the central planning authorities to compare a regional plan for co-ordination with plans for neighbouring regions.
22. In the absence of a regional organization which could prepare regional development plans, this could be done by central planning authorities at the level of the national government. There is also the possibility of assigning some responsibility to existing enterprises, or of establishing new public enterprises, for the preparation of regional plans. Precautions should, however, be taken against the interests of a powerful public enterprise unduly dominating the development of a region.
23. As with national development plans it was considered mandatory that public enterprises be consulted in the preparation of regional plans and that they should be given an opportunity to present their views and possible alternatives. The public enterprises, in many cases, would be in a position to provide the planning authorities with information about the needs in the region.
24. As with national plans, it was thought necessary that regional plans should aim at being implemented within a specified period of time. They must, however, be kept under constant review and adapted to changing conditions.

25. Whether or not regional development plans can be carried out by the existing authorities, agencies and public enterprises in the region depends very much on the degree of autonomy which these organizations enjoy, and on the availability of funds which may have to be provided entirely by the central organs. Self-help activities should be integrated in the plans.

26. Physical planning can be said to constitute the task of preparing plans for measures, activities and projects by which land is used or the territorial development of an area is influenced. This influence may stem not only from the direct effects on land, for instance, it may involve constructing roads or a water reservoir, providing energy or pipelines, planting or cutting forests. The territorial development can also be influenced by tariffs for the transportation of goods and passengers by road or rail, or by good or bad timetables for public transportation.

27. Because projects may determine the possibilities of land utilization for a long time, which very often cannot be changed at all or only with great difficulty and at enormous costs, proper physical planning was considered mandatory. Things which should be avoided, for instance, are the location of smoke-producing industries close to residential areas over which the smoke is blown by the prevailing winds, or the construction of a modern first-class hotel in the immediate neighbourhood of the run-way of an airport so that planes taking off fly over it at low altitude.

28. Physical planning, therefore, should be considered an integral part of any kind of development planning. It may become necessary to prepare physical development plans for territorial sub-divisions of the State (regions). Town planning is a specific form of physical planning for local communities.

29. Physical planning often must ensure that in certain areas no land-consuming projects are carried through, in order to allow for such future projects as roads which, according to the expectations and

prognoses in the field of traffic development, may become necessary only after, say, 15 years, or protection of areas for future water supply.

30. It was pointed out that physical planning must provide facilities for promoting economic and social activities in the most convenient areas, bearing in mind the best land utilization at reasonable costs but avoiding over-concentration and over-development so as not to create vast agglomerations with all the attendant problems of urbanization.

31. Physical plans may be imperative or indicative. In the first case they have binding effect, depending upon the pertinent legislation, on the public and/or private sector, including public enterprises. The indicative plan is a guideline which will readily be followed if it is convincing. That imperative plans may result in land being purchased, sold or expropriated must be taken into consideration. Sometimes investments may have been made or withheld due to the contents of a physical plan, and the question of compensation may come up.

32. In the discussions, the participants further pointed to the problems of physical planning arising out of transport difficulties in the vicinity of large conurbations and depressed areas. Whereas, on the one hand, road and transport planning must cope with the existing and expected traffic requirements, on the other hand, it serves the purpose of stimulating traffic in the interest of development.

33. It was mentioned that sometimes locations of industries are pre-determined by the availability of natural resources such as coal. In such cases, planning must start early enough to provide for new industries if the existing ones are disappearing because of exhausted natural resources, etc. This is also a matter requiring effective co-ordination between the various agencies engaged in sectoral planning.

34. As a very important point in this connexion, the necessity of timely retraining of the labour force of disappearing industries was mentioned. This is a great problem in agriculture in many countries. The rural population often give up their employment hoping to find a better standard of living in other occupations, and thus create a problem of over-population and unemployment in the towns. Endeavours to reorient them towards agriculture may be a means of relief.

35. The implementation of regional development plans is a duty of the public as well as of the private sector. It may happen that the first result of a regional development plan would be the necessity to revise it or draw up another plan. A local community may have to revise its town plan or draw up a new one, because the regional plan determined the location of certain projects in a binding way, contrary to what the town plan had previously envisaged.

36. The term "implementation of a development plan" could thus denote a variety of different measures and activities to be undertaken by the plan implementing institutions. Sometimes plan implementation may, for instance, consist of a specific project to be undertaken by a public enterprise, like the construction of a power plant, a bridge, etc.

37. The discussion was focussed on the question as to whether or not new organizations, public enterprises, etc., should be established for plan implementation, or whether the existing ones should be assigned that responsibility. It became clear that no ready-made answer could be given. It depends very much on the organizational and constitutional structure of a country, on its size, and on the existence of effective organs of local government.

38. The same is true with regard to the question whether a central plan implementation body should exist as part of the planning authority at the regional or central level. Sometimes the establishment of co-ordinating committees can obviate the need for new organizations.

39. Examples from various participating countries were given and extensively discussed. It became apparent that in these problems the principles of decentralization and deconcentration were involved. Decentralization in this connexion was intended to mean the transfer of powers and duties to a separate, independent institution, not being subject to immediate supervision and orders from the central government. Deconcentration is the devolution of powers within the existing government machinery to subordinate levels, which may have a smaller or larger amount of discretionary powers delegated to them, but which are completely under the overall supervision of the central authorities in every respect.

40. It was also pointed out that a regional organization for planning and/or plan implementation would require qualified personnel available at the regional level. Training should be undertaken in time for this purpose. It may be possible to use personnel from other regions; experience shows, however, that difficulties may arise in this connexion.
41. A danger of regionalization in planning and plan implementation is the possible fragmentation of the country due to different ethnic groups, tribes, natural conditions, etc. Therefore, in the interest of nation-building, a certain amount of central direction, co-ordination and control may be mandatory.
42. In order to prevent confusion arising from overlapping and conflicting lines of command and responsibility, it was thought necessary that planning and plan implementation bodies should be clearly determined.
43. If planning is left to the central agencies and plan implementation to local government (local communities and municipalities), it was explained (from the example of the UAR) that the danger could arise of public enterprises coming under pressure from strong local authorities to act in their interest, contrary to the plan. Nevertheless, local communities and municipalities should participate widely in plan implementation, especially if their own funds have to be used.
44. Especially for larger States, the question of co-ordination between different regions was seen to be of importance. Very much often depends on the personalities involved and how well the interests of one region are represented vis-à-vis another in relation with the centre.
45. It was agreed that the entire question of regionalization of planning and plan implementation is one to which no uniform answers can be given. The existing circumstances have to be taken into consideration.

C. Defining of enterprise goals and objectives within the national (or regional) economy

46. There was general agreement that within the context of national and/or regional plans the public enterprises have to develop the guidelines for their own activities.

47. Goals should be quantified as far as possible. Major difficulties may arise out of the existence of conflicting goals. On the one hand, for instance, it may be considered desirable to operate at optimal costs, using modern production or service techniques. On the other hand, the public enterprise may have to bear its share in easing the nation's unemployment situation, even at the expense of profitability. In most cases, the goals and objectives should be set and co-ordinated in accordance with their importance and priority. As with national and/or regional development plans, the goals and objectives governing the activities of public enterprises may change, or have to be changed, in the light of new situations and conditions, e.g., technological progress, or if existing national resources approach the stage of exhaustion, or if the manpower situation changes. A corresponding machinery for the revision of goals and objectives should exist at the pertinent levels. Depending on the type of activities of public enterprises and the economic system in a country, the revision of objectives and goals may be influenced by market conditions.

D. Harmonization of public enterprise plans with national plans

48. The objectives of public enterprises. In establishing public enterprises government should set out clearly the main objectives of the policy for the establishment of the enterprise, they have been established either:

- (a) For strategic reasons, such as to achieve economic independence, to create employment opportunities or to build infrastructural services; or
- (b) As commercial-type enterprises, principally for import substitution, or to contribute to the economic development of the country by diversifying the economy, or to preserve foreign exchange earnings for other development projects of high priority.

49. The use of budget for planning purposes. To achieve the objectives of the enterprises within the framework of national goals, planning and budgeting must be regarded as integral elements in the decision-making process and must be interrelated. Whilst the budget provides the framework for periodic consideration and evaluation of plan objectives and measurement of performance, there should be close co-operation between budget and planning staffs, which in some countries is less than satisfactory.

50. A budget is essentially a management plan, usually of a short-range and control nature, expressed in terms of quantities and/or monetary values. It involves the translation of plan objectives and short-range programmes into monetary amounts and the careful phasing of these amounts over time and cycles of production.

51. The budget process contains obvious limitations, if relied upon as a substitute for planning:

- (a) Programme guidance may deviate from budgetary objectives;
- (b) Decisions may be overweighted by fiscal consideration in disregard of programme requirements;
- (c) Budget structures are based primarily on organizational units rather than programme areas. In some countries budgets stress "in-puts" such as supplies and materials and personnel rather than "out-puts";
- (d) The use of the monetary unit as a common unit to describe dissimilar activities may give an unrealistic equality to all of them.

52. At every level, national, ministry and enterprise, the budget process should be designed to identify:

- (a) Accomplishments of existing programmes;
- (b) Planned accomplishments of new programmes;
- (c) Future annual costs of present decisions.

53. Preparation of budgets. In general, the budget system should:

- (1) Relate budget proposals to specific national goals, i.e., the composition of the projects being carried out by the various enterprises must be related to the objectives of national goals. It is assumed that the enterprises should take part in plan preparation which would include built-in objectives against which performance will be measured.
- (2) Relate goals to alternative programmes with the given goals and objectives of the various enterprises it should be assumed that there are alternative ways of carrying out the programmes. There should be a planning department or section within the enterprise to determine the least-cost means of achieving given programmes. In the UAR, it was observed that groups of organizations have planning services as a staff function at an intermediate level between the organizations and the various ministries. In Ethiopia, the Investment Corporation assists new enterprises to prepare plans, to evaluate new schemes, and prepare accounting records for them until a full management is established to which the records and other details can be handed over. In Nigeria, various statutory corporations have planning and design departments which evaluate projects and, in co-operation with other departments, determine the feasibility of carrying out different projects before they are included in the annual budgets (which are prepared by all corporations in Nigeria).
- (3) Relate programmes to specific resources. It is part of the planning programmes that the programme of work is related to specific resources like foreign exchange, limited capital, scarce materials and manpower, to achieve balanced development. To be able to do this successfully, there must be a breakdown of resources and detailed costing of projects to allow for proper management. A timetable for completion is also prepared for each project to allow detailed phasing of programmes of work.
- (4) Relate specific resources to budgetary allocations. Where physical planning has been developed under conditions of scarce resources, it will be necessary in allocating specific resources to budgetary allocations to consider social cost and benefits as well as economic ones.

54. Types of budgets. A good budget should take all the above factors into consideration. The types of budget required for public enterprises are those normally prepared for commercial organizations and not the

usual government revenue and expenditure accounts which are related to annual budgetary allocations. The following types of budget may be identified:

- (a) Operating budgets - a statement of carefully calculated estimates of income and expenditure for a year based on the best estimated assessment of sales units multiplied by the selling prices and the estimates of annual expenditure based on either historical or comparable cost of similar items of expenditure. It may also be referred to as an income statement or profit and loss statement.
- (b) Cash budgets - based on cash realizations of the revenue on an accrual basis which is also based on expected sales and credit period allowed, as well as estimated debt level. It also takes into consideration estimated cash payments on the basis of expected commitments and credit period allowed to the enterprise. A good cash budget should show in detail the management of funds by the public enterprises.
- (c) Capital budgeting is an integral part of resources mobilization and the main determinant of the achievements of the plan objectives of the public enterprise. Appropriate capital budgeting may consist of lists or schedules of projects in priority order which provide the means for the control of uses of funds and allocation of resources. If carefully prepared and its financing carefully planned, it allows flexible adjustments to the requirements and progress of the plan. When the priorities have been carefully determined it is an effective tool for eliminating uneconomic demands for funds and advancing projects which would assist in the achievement of economic objectives of the national goals. It should contain all the essential projects of the enterprise in the national plan, phased out on an annual basis and related to practical, physical completions. A good capital budget should be accompanied by a financing plan which should state the provisions of both local and foreign funds for paying for the various projects included in the budget.
- (d) Sources and application of funds statement or cash flow statement. A funds statement examines all sources of funds such as surpluses, provisions for depreciation, government grants or subventions and their application to finance the different phases of projects, which should be separated into local funding needs and foreign exchange requirements of the projects. It should also contain provisions for servicing old debts and repayment of past borrowings.

55. The need for harmonization. There were examples in various countries of the major problem of harmonization of sectoral plans at the ministry level with the plans of other sectors. This should be co-ordinated by a higher planning authority, responsible for overseeing the general direction of the plan. The best ways to achieve harmonization are said to be based on budgets submitted to the ministries and the planning commission or planning authority and separate annual progress reports which comment on achievement of specific targets as set out in the annual budget.

56. The problems which arise where there is a difference between the fiscal year and the operating year of the enterprise were considered. Also, national plans are usually stated in terms of general goals and rates of investment or percentages of gross national products and consideration was given as to how this can be related to the details of physical, sectoral targets contained in the enterprise plan. It was considered essential that there should be central direction and integration of public enterprise plans with the national plans and the following principles were set out:

- (1) That the programmes of expenditure contained in the budget of the enterprise should support the basic national development objectives, especially in the case of public utilities and strategic industries.
- (2) That close co-ordination with related and interdependent government and private sector programmes is necessary.
- (3) That where there is direct or indirect financial support from the government treasury, the amount to be provided should be decided in advance by obtaining decisions on the total cost of the project and the phasing out of annual cash requirements so that work will not be stopped because of shortage of funds from budget allocations.
- (4) That when the enterprise relies on foreign exchange or other scarce resources for the implementation of the programme, this also should be determined in advance and notified to the appropriate Ministries of Finance, Planning and Economic Development to ensure the allocation of foreign exchange, so that unnecessary delays will not occur.

- (5) That a system of reporting of progress of the major projects in the public enterprises should be established which indicates the degree of progress that has been achieved in respect of every individual enterprise and spotlights problem areas.

57. It was agreed that there was a need for a national planning unit or commission or agency. Enterprises would be expected to take part in plan preparation, and to prepare the annual budgets which should be forwarded to the national planning commission. Annual progress reports should be forwarded and compared with budget estimates, so as to ensure a balanced and proper allocation of resources among sectoral organizations involved in executing the national plan.

58. Commercial-type enterprises may not be supervised by the planning commission. The planning organization should only provide guidelines and should not interfere with detailed management in the various enterprises. The need to review and harmonize should not be confused with interference with the management of projects.

59. A common basis must be decided upon in respect of allocation of foreign exchange or available local resources. The budget must be relied upon as a specific means of control and its approval along with the financing proposals should be an effective means of ensuring harmonization with the national plan.

#### E. Financing of public enterprises

60. Sources of finance. The viability of an enterprise and the degree of its autonomy may depend on the source of its financing. Enterprises which are wholly dependent on the national budget as the source of funds are those least likely to maintain financial stability or to be accorded the necessary operational flexibility. Capital and operating funds must be correctly estimated and their sources determined well in advance of either the establishment of the enterprise or the financing of the projects which the enterprise is responsible for carrying out. Public enterprises should thus be provided with sufficient finance to achieve national economic development goals in respect of projects allocated to them.

61. Sources of financing may be:

- (1) Government loans or grants which are provided directly to finance specific projects or subventions or initial working capital to start the enterprise at the initial stages.
- (2) Funds provided by government through intermediaries such as investment banks or development banks, which may be assigned supervisory responsibility over the various enterprises.
- (3) Funds provided by international institutions such as the World Bank, or other lending agencies to finance specific projects or funds for general development given to governments for further lending to specific enterprises.
- (4) Funds supplied under bilateral or multilateral agreements in the form of loans or grants to finance given projects. These are almost invariably "tied" loans in respect of which the lenders insist that the equipment required for the projects must be purchased from the country giving the loan. This may result in higher costs.
- (5) Suppliers' credits from firms supplying the equipment; as the repayment period is usually short and the rates of interest high, these are not usually to be recommended.
- (6) Enterprise revenues realized from sales during the first period of operation of the enterprise.
- (7) Equity shares or sales of bonds providing funds for commercial or economic projects which would attract investment from financing organizations. Also, convertible debentures may be issued by well established or prospective industries and these may require government backing.
- (8) Short-term loans and overdraft facilities provided by local banks.

62. It was generally agreed that central bank policies may create problems in some countries where the bank clings to obsolete concepts of monetary and budgetary policies which may become a significant obstacle to economic development. This is true when the central bank tends to equate any form of deficit financing and government borrowing with original sin. In developing countries, it is usually impossible to finance all capital projects out of current revenues of public enterprises.

63. The question of whether funds from successful public enterprises should be used to finance less successful ones was considered in great detail; whether there was a case for the pooling of idle resources from one corporation with surpluses in a bank for use by another corporation which is short of funds, so as to avoid borrowing money from the same bank at a higher rate of interest. This is obviously a case in which the funds from one public enterprise earns, if they are on deposit, a low rate of interest whilst the sister enterprise pays a higher rate of interest for borrowing the same funds from the same bank.
64. Consideration was given as to whether a central depository like the central bank or a government bank could act as a pooling centre as against putting money in different commercial banks. It was pointed out that, in some cases, a government may insist on total cash collections being paid directly into its treasury by the public enterprise, the treasury then making allocations of funds to meet recurrent expenditure. This practice may be detrimental to the financial independence and autonomy of public enterprises. In the UAR, net profits are paid into the Treasury, replacement funds or investments in new projects are made from a central budgetary allocation. This is regarded as a means of harmonizing the total investment programme of the government.
65. Consideration was given to the difficulties caused by the use of traditional government accounting procedures as opposed to commercial accounting systems, comparable to those used by successful commercial enterprises. Procedures for utilizing enterprise surpluses are not uniform. Logically, surpluses ought to be used in accordance with the priorities of the plan. Also, it may be desirable to require enterprises to keep their funds in a central depository so that governments may not have to borrow from a bank when idle cash is available in enterprise accounts. There should at least be some means of reporting to government the amount of surpluses held by enterprises and the status of the enterprises' cash balances. It was pointed out that where there is an effective central banking organization, as in Nigeria for example, public enterprises which have surplus funds are required to buy treasury bills with 90 days' maturity and may continue to reinvest. The funds are used by government to finance its other projects.

66. Allocation of limited resources. Participants raised the question of whether the government budget should distribute limited resources over a wide number of enterprises or whether investments should be concentrated on a limited number of projects selected on the basis of priorities. It was the general view that optimum utilization of resources can only be achieved by a dynamic review of basic and infrastructural investments and the investments in productive public and private sectors. It was also suggested that in developing countries in Africa the best results could be obtained by giving priority to short-term projects which will contribute to capital accumulation. The underfunding of projects by spreading limited resources, especially on non-economic projects, will result in failure to achieve national goals.
67. It was re-emphasized that the total costs of a project should be identified in advance and sufficient funds committed over the phased completion period to permit the project to be completed on schedule. In Zambia, for example, the Cabinet authorizes the total cost of any project before any public enterprise initiates the project. If there are cost overruns the matter must be brought to the attention of the Cabinet with a request for approval of a modified scheme. Where the requirement of additional funds is due to inefficiency, this should be known before authority is granted.
68. Payment of subsidies. A public enterprise should be treated as an economically self-sustaining unit. The objective should be the provision of services at cost or at cost-plus profit. If an enterprise receives a subsidy or if the plan or government directives call for the provision of services at less than cost, the impact of these subsidies or directives should be identified clearly in financial statements so that the enterprise performance may be accurately evaluated. Preferably, the government budget should reimburse the enterprise for the amount of losses incurred as a result of government directives. No definitive answer can be provided to the question of how long the government subsidy should continue in developing industries. No agreement was reached as to whether

subsidies should be extended to both public and private enterprises by protective tariffs. In general, it was evident from the discussions that no generalization can be made about the economic and financial aspects of public enterprises which does not take the initial objective of their establishment into consideration. Different policies must be applied to any enterprise whose primary objective is profitability as compared with one which is expected to provide services without regard to the recovery of costs.

69. Pricing policy. The pricing policy of any public enterprise is an important determinant of whether the enterprise operates on a commercial profit-making basis or non-profit-making basis. The assumption of commercial operations in respect of public enterprises pre-supposes that the prices of their products are determined taking into consideration the essential costs of operating the public enterprise. There may be differences of opinion about the method of costing used, whether full costing or marginal costing, average or standard costing. This may give different types of costs depending on the policy of depreciation or when costs are to be fully recovered. However, even in respect of strategic industries, efficient pricing policy and costing should allow the cost of subsidy of the operation to be determined for efficient operation.

70. Objectives of pricing policy in respect of either strategic public enterprises or commercial enterprises could be as follows:

- (1) The pricing policy may be such that the enterprise breaks even, that is, its operating income and operating expenditure are in balance either on an annual basis or over a given period of time.
- (2) The price policy may be such that a surplus is earned after full depreciation so as to provide a given rate of return which contributes to the financing of the expansion of the enterprise. The problem then is how much the present consumers are expected to contribute to finance the expansion of a future growth in services. It is also relevant to answer the question whether public enterprises should be

allowed to invest the surplus for internal expansion or permitted to invest the funds in other enterprises, public or private. It should also be decided whether such practices may not cause a distortion in the national plan. It is also necessary to determine what level of surpluses is permissible.

(3) A price policy which as a matter of public policy allows subsidies to be paid to make up for operating losses, for example, in case of infrastructural enterprises. To ensure efficient application of the subsidy:

(a) A decision must be made as to the level of subsidy permitted and a means of control to ensure that the type of loss is such as was contemplated and that the loss was not due to inefficient operations;

(b) Price policy is determined so that after a level of losses which is subsidized, the balance must be recovered from users or consumers.

This subsidy may be by government foregoing the payment of its interest charges or it may be in the nature of actual subventions paid in respect of operating losses.

(4) Price policy determined by market forces, where there is competition from private enterprise for the products or services provided by the public enterprise. If surpluses are earned even with this type of competition, a policy should be established on what should be done with earned surpluses if they result from, e.g., tariff protection in the case of infant industries.

71. To prevent abuse of a monopoly situation by public enterprises, regulatory bodies are proposed to review the pricing policies of the various public enterprises. The problem of price control was discussed, and so also was the problem of distortions in valuation of products and the possibility of black market prices where there is a shortage of supplies.

72. Consideration was also given to the problem of prices to be charged in respect of services provided between one public enterprise and another, either in the same sector or in different sectors. Discussion also centred on whether special prices should be paid by the government

for services from a public enterprise, especially where government agencies and other public enterprises are the major users of services provided by any public enterprise concerned. Where government does not pay the full costs for services provided by any public enterprise, it should be realized that other consumers are paying for the government services either directly by paying higher prices than are necessary or indirectly through the payment of a subsidy to the public enterprise in respect of its losses. It is recommended that government should pay all services, in the same way as other users.

73. Where discriminating tariffs for different classes of consumers are encouraged, e.g., as an inducement to the location of particular industries, the cost should be properly assessed to determine the level of indirect subsidy which other consumers who are paying economic rates are giving the favoured industries.

74. The limitation of regulatory bodies for fixing tariffs was illustrated by the Nigerian experience in respect of the determination of transfer costs of power between the Niger Dam Authority and the Electricity Corporation of Nigeria, and also the public tariff which the Electricity Corporation of Nigeria would have to charge for the sale of power to the public.

75. In respect of the limitation of regulatory bodies it is essential that costs of inefficiency should not be concealed by precipitated tariff adjustments. Public enterprises must ensure efficient operations before increases in tariffs are allowed.

76. Treatment of depreciation. It was noted that profits could be increased or reduced by manipulating the depreciation rates. The need for safeguards in this regard was emphasized. Manipulation may be prevented when, as in the UAR, the depreciation rates are fixed by the Central Auditing Organization and cannot be changed without its approval. In Nigeria, public enterprises which are expected to operate on a commercial basis are required to provide full depreciation for replacement

of all their assets; depreciation rates are approved both by the supervising ministry and the inland revenue department which review the tax liabilities of various corporations.

77. It was pointed out that public enterprises which are using commercial accounting systems would normally provide for depreciation and the adequacy or otherwise of its provision can be considered and reported on by the external auditors under the statutory provisions of the corporations. A central auditing organization may be acceptable if the accountants are professionally qualified and apply commercial standards, and if the auditing organization is not merely an extension of the government audit department, which may not be competent to review the depreciation rates.

F. Financial control

78. The nature of financial control. Financial control should not prevent the flexible operation of the enterprise by insisting on strictly government procedures such as pre-audit procedures or investigation processes like those required in government departments and organizations. It is not possible to run a commercial type of enterprise on the basis of pre-audit and pre-approval of details of expenditure. The type of financial controls appropriate to commercial organizations are those best adaptable to public enterprises.

79. Internal audit systems. Internal audit systems should ensure that checks and controls are properly maintained and that proper procedures are in force for delegation of authority and division of duties designed inter alia to prevent collusion and fraud which would lead to loss of revenue.

80. External audit systems. External audit should be undertaken in accordance with the statutory provisions relating to public enterprises and the accepted practices of relevant professional bodies, such as those of chartered or certified accountants or certified public accountants, as these bodies have rules of procedures designed to suit the needs of commercial enterprises.

81. Post-audit examinations must ensure the efficiency of the working of the internal audit system as well as ensuring that the enterprises are operating according to law.

82. Reports prepared and submitted by the internal audit section to the general manager should be made available to the external auditors or, where there is disagreement between the internal auditor and the general manager, there should be provision for the internal auditor to raise the issue with the Board and the external auditor should be able to comment on the propriety or otherwise of the internal auditor's point of view.

83. If a high level controller or financial adviser is employed by the public enterprise he may be expected to be in attendance at board meetings or take issues up to the board where he disagrees with the general manager. The relationship between the controller, the chief internal auditor and the general manager may be the subject of comment by the external auditor in appropriate cases. The external auditor's report and the controller's report should not be limited to routine review of accounting and financial matters, but should include a careful assessment of budget performance or non-fulfilment of budget targets in relation to plan implementation.

84. Accounting systems. An essential tool of management is the keeping and rendering of proper accounting records according to the best practice in either private or public enterprise. The best management accounting and costing procedures must be used to relate actual accounting records to budget proposals so that the budget will be seen as a means of control within the organization and of measuring the effectiveness of the organization.

85. The estimated foreign and local costs of running the enterprise should be indicated in the financial plans. Proper accounting procedures should provide for efficient custody of funds and the protection of assets which are the responsibility of the enterprise. The accounting system should disclose the financial results of operations.

86. Financial reports and performance evaluation. No amount of external performance evaluation can replace effective internal management. There is no satisfactory method, even in developed economies with management efficiency audits. It is widely believed that in developing countries the people with the know-how and experience are in such short supply that it would be more economical to employ them in running enterprises than employing them to evaluate the enterprises.

87. It is not possible to evaluate performance in the abstract, but various African Governments have been attracted by the new notion of management audits as a panacea for all the ills of their public enterprises. In Nigeria, the Federal Government has stated, as an objective of its new policy for the management of public enterprises, that external auditors should carry out annual management audits of the operations of all public enterprises, but the majority of professional accountants who audit government accounts have submitted a memorandum to the Government to point out that they do not have the resources to carry out the type of management audits required by the Government. They also felt that the disruption to the normal working of the corporations which such audits would entail cannot be justified by any resultant improvements in the operations of the corporation.

88. The participants agreed with the findings of the United Nations Document on "Organization and Administration of Public Enterprises" (ST/TAO/M/36) as follows:

"The basic concept of annual and institutionalized efficiency audits raises serious questions. Central audit agencies of this type find it difficult to attract and retain the highly trained and specialized personnel with the competence to evaluate management. This problem is particularly aggravated in countries where managerial talent is in short supply. Unless conducted by individuals with outstanding and recognized professional qualifications, efficiency audits can degenerate easily into petty fault-finding and second-guessing. At worst, they can discourage managerial initiative and encourage bureaucratic "buck-passing"."

89. However, the difficulty of getting external bodies to undertake efficient auditing does not remove the necessity for performance analyses built into the reporting procedures of the various enterprises. The following procedures may be of use:

- (1) An internal system of control could be established including, e.g., measuring costs against performance and measuring productivity either in terms of scientifically designed standards or against past performances.
- (2) Comparisons of expenditure on selected goods and services in similar enterprises could be made and budget estimates earmarked against the various enterprises. Performance analyses of groups of public enterprises with comparable functions could also be made.
- (3) A detailed classification of expenditure and costs could be prepared, to enable effective cost-control to be undertaken by the use of standard costing. The "principle of exceptions" could then be used and variances from norms as set up within the organization carefully analysed.
- (4) The ratio of supervisors to operatives in the organization should be kept under review and variations in the value of wages and overtime, the rate of absenteeism and contracts and payments for services at different levels of operation should be analysed.
- (5) A careful and regular review of inventory levels for materials and finished products should be established.
- (6) Meaningful monthly, quarterly and annual reports should be prepared and a carefully built-up performance evaluation should be made based on different levels of achievements, which must be related to the goals and objectives of the enterprise. Performance data may include an analysis of cost of production, relation of overhead charges and their growth to the levels of sales or of expenditure. It is important to ensure that correct evaluation standards are set, as wrong yardsticks may mislead and create false impressions. The monthly reports should be utilized principally as a tool for management, while quarterly and/or annual reports should be addressed to Boards of Directors and the responsible Ministers and supervising authorities. It is essential that the reports should be co-ordinated both horizontally and vertically and should be made available as appropriate to the auditors for comments.

- (7) The government should clearly indicate to the external auditors the type of reports and information which they require to ensure a full coverage of normal auditing and budget achievement analysis.

G. Implementation of projects - programming, co-ordination, supervision, manpower development and training

90. A public enterprise may be organized as (1) a government department or bureau, (2) a commercial company whose shares are owned in whole or in part by the government, (3) a public corporation chartered by special legislative acts, or (4) a special form of organization exemplified by holding companies, development banks and corporations.

91. The structure should be geared as closely as possible to the purposes which the enterprise is to fulfil. Too often the choice of organizational form is haphazard and is the result of historical accident rather than of an analysis of the functions and needs of the enterprise.

92. The requirement for, and degree of, central co-ordination and control, should depend upon the functions it performs. In practice, in most African countries the relationships to the central control agencies are more likely to be influenced by legal forms than by the functions performed by an enterprise or its operating requirements. Enterprises which are not revenue producing and which must rely on the government for financing are necessarily the most subject to control.

93. Integration and central direction are essential in order to ensure close co-ordination of enterprise objectives with basic national development objectives and with inter-dependent government programmes especially in respect of public utilities and strategic industries. Co-ordination and evaluation of financial requirements (local or foreign) are a means of achieving this co-ordination.

94. Considerable attention was given to the relationships between the responsible minister and a public enterprise. It was noted that if a minister is to represent an enterprise effectively in the cabinet and defend it before the Parliament, he must be kept fully informed and

have the power to give it directives based on national policy. On the other hand, a minister should abstain from interference in day-to-day operations since he has neither the time nor the perspective to act as an enterprise manager.

95. In some cases, the minister serves as a board chairman, but this practice is not uniform among the African countries represented at the Seminar. After experimenting with part-time board chairmen appointed from among the members of the public, the trend in Zambia is towards full-time executive chairmen. The executive chairman is responsible for external enterprise relationships, the general manager for internal operations.

96. Where there is a responsible minister, he generally nominates the board members. There may be ex-officio board members representing the minister or, as in Zambia, the Permanent Secretary. In many of the countries the Ministry of Finance and/or the Ministry of Development is also represented. While there was some debate about the desirability of having representation from the Ministry of Finance, the consensus of opinion was that, on balance, such representation in African countries is useful and provides the enterprise with a "friend in court". The Ministry of Finance is likely to dominate the board only when an enterprise is not financially self-supporting.

97. Conflicts have occurred between general managers and civil servants, particularly in countries where most of the board members are civil servants without business experience.

98. Intermediate supervisory levels are used in the United Arab Republic and in Ethiopia. Under each ministry in the UAR, enterprises engaged in similar activities are grouped together under an "organization" for purposes of control. There may be several such "organizations, under the control of a minister. In Ethiopia, public enterprises may be controlled indirectly through financial intermediaries such as the Development Bank or the Investment Corporation rather than directly by the Government. The Minister of Finance is only represented on the

board of the intermediaries. In the Cameroon the public enterprises are under a commissioner who also represents the Federal Government on the Board of Directors.

99. Within any country, the system for supervision and control of public enterprises will depend partly on the legal and constitutional structure and partly on political and social factors. Whatever system is adopted, emphasis should be on the objectives to be achieved by the controls not on controls for their own sake.

100. There was general agreement that public enterprises to which the management of projects was entrusted must engage in administrative planning for the co-ordination and supervision of the implementation of the projects, including their physical and financial aspects. Attention was called to the many cases in which several public enterprises were, in greater or smaller measure, involved in the implementation of a single project (e.g., in the construction of roads, land reclamation, housing, and the provision of other public utilities for industrial projects). Emphasis was laid on the need for co-ordination at all levels and at all stages of implementation, and also the need for supervision of a public enterprise responsible for implementation in the same way as if a private firm were the contractor-executing agency.

101. It was considered necessary that sub-projects should be identified and spelled out in agreement with the planning authority. It is necessary to plan the implementation of sub-projects, including their timing, with a proper regard to their interrelationships.

102. Proper feasibility studies, to ascertain viability, undertaken at the planning stage, can be very useful for supervision and control at the implementation stage. Bad surveys lead to increased costs. Reports should be made on the performance of consultants and construction engineers as well as on the progress of implementation of the project itself; nationals of the country should be trained to appraise projects and not leave such matters wholly in the hands of expatriate construction firms and consultants.

103. In order to minimize the costs of future maintenance and repair, it is necessary to ensure strict control at the construction stage. It is advisable for developing countries to select machines, equipment and systems which have been well tried and tested - "prototype" projects almost always involve increased costs and delays.

104. Modern control techniques such as PERT (programme evaluation and review techniques), Critical Path, Operations Research, Organization and Methods, etc., should be used whenever they would be of assistance, but it is equally necessary to have trained and experienced managerial and supervisory staff in the public enterprises who can control and direct the execution of the projects.

105. It was pointed out that serious financial and material losses can result for the public corporations and for the country as a whole due to non-fulfilment of targets within the specified period or at the planned time. Other projects and sub-projects can be delayed; the labour force may be unemployed or underemployed; interest must be paid on capital which is not being utilized (or fully utilized), etc. In order to avoid such delays, attention must be paid to improving the behaviour of individuals in the enterprise (e.g., time-keeping, diligence, etc.).

106. It was pointed out that when an expatriate group had been responsible for planning a project, local commitment to its implementation was often lacking - it is therefore important to involve those who will be responsible for the execution, operation and maintenance of a project in the planning process.

107. Delays and failures in communication are a common cause of delay in execution of projects. The communication system vertically and horizontally in any public enterprise needs, therefore, to be reviewed and adjusted constantly to maintain its efficiency.

108. Plans are often too sophisticated in relation to the statistical and other available data. Forecasts are often not accurate or not available; plans are sometimes very loose and need continuous revision; control of implementation is often very loose.

109. It was agreed that a public enterprise, in preparing its development plan, should consult fully with the government in order to ascertain its priorities and to gear the enterprise's plan as far as possible to these priorities.

110. In order to ensure the success of a project when the construction is completed, during both the planning and construction stages steps should be taken to ensure the necessary co-ordination with other agencies and departments who will be responsible for providing the necessary infrastructural services as well as with the private sector which will be responsible with supplying raw materials for production purposes. Training personnel to operate the plant, distributing the products of the project and controlling the importation of competing products should also be carefully co-ordinated.

111. It was also felt that before a project is launched, some broad guidelines should be established, by those in authority, for the regulation of such matters as its financial and personnel administration and the procedure governing the purchase of raw materials and the sale of the products. This is necessary not only to avoid wastage and excessive expenditure on redundant staff, but it facilitates the task of those who are responsible for inspection and supervision and reduces the element of personal frictions which may arise from a feeling that a supervisor is being unnecessarily strict or bossy in insisting on the adherence to certain rules and procedures.

112. At the planning stage, there is need for co-ordination with other enterprises in the country which are producing the same type of, or similar, products in order to ensure that, having regard to the existing and planned expansion of plant capacities, the new plant is designed to fill the gap in the effective demand for the products.

113. Stress was laid on the proper training of both the operational and maintenance staff before the project is launched. Examples were given of projects which were facing management problems because of inadequately trained staff. It was also emphasized that maintenance staff should be

trained (before the commencement of the project) in the factories manufacturing the major equipment to be used by the new project. It was pointed out that plant and equipment could deteriorate rapidly because of poor maintenance.

114. While the need for defining the relationship between the Board of Directors and the general manager was appreciated, it was felt that there should be some degree of flexibility in this in order to allow for the maximum utilization of the talents of all concerned. In the same manner, an opinion was expressed that in the early stages of a country's development, when most of the subordinate staff of a public enterprise are still being educated on the political and social implications of the government's development programmes, the general manager of a public enterprise should not over-delegate his powers to his subordinate staff in politically sensitive spheres of his functions.

115. The general manager should, however, be in constant touch with his subordinates through regular staff meetings and through informal discussion of their management and production problems.

116. For efficient co-ordination and supervision there should be a system of regular reporting at every step of the management and production ladders in the enterprise. The methodology for reporting should be precise both as to format and training in order to ensure that the reports throw the searchlight on potential problem areas of the enterprise early enough for them to be nipped in the bud. Two-way communication from top to bottom and vice versa is a "sine qua non" to effective supervision and co-ordination which is so essential to the successful achievement of the production goals of the enterprise.

117. It was agreed that where the establishment of a large project like an iron and steel mill has necessitated the setting up of a number of subsidiary economic and social services such as roads and electricity, for efficient co-ordination the planning and execution of such projects might be the responsibility of one organization.

118. Furthermore, where a project is very large, the phases of execution should be clearly set out in the construction contracts in order to avoid serious delays.

### III. SUMMARY OF DISCUSSION IN THE FRENCH-SPEAKING GROUP

#### A. The problem of public enterprise in Africa

119. In Africa, direct State intervention in social and economic development has led to the existence of a growing number of public enterprises set up for various reasons. It was not long before these establishments, quite apart from the economic or political options that might account for their existence, came to be regarded as the essential instruments for State action to promote growth and development.

120. It was not long either before disconcerting problems began to appear. Although, by and large, public enterprises secured their basic objectives, in that they provided an economic structure for sovereign nations and could frequently claim to have succeeded technically, there was a feature which caused the public authorities growing concern. Quite often, the cost of public enterprises soared out of all proportion to the services rendered. Thus they absorbed a growing percentage of public resources and produced uneconomic effects by limiting productive investment possibilities. Moreover, their indiscriminate proliferation created a multiform public sector which it was difficult to fit rationally into development policy, the essential feature of which is that it should be dynamic.

121. Studies undertaken to assist governments in finding a solution to this serious problem, pinpointed two factors which were basic and complementary, though different. First, there was the need to administer public enterprises through strictly modern methods and techniques of management and, secondly, the necessity to determine a clear policy of how such machinery was to be used in a framework of planned development.

122. These problems were successfully tackled at the Bizerta and Mauritius Seminars which also increased the amount of data on the problem and introduced three ideas which could make a handsome contribution to the views held on the role of public enterprises.

- (1) Public enterprises regarded as entities made up of more or less independent units appear to provide a planned economy with a coherent system without which it could not exist.
- (2) Economic intervention by the State, which is essentially backed up by public enterprises, is now a permanent feature of sovereign nations. Whether for devising a particular legal code or changing the socio-economic balance, for raising funds or accumulating capital, manpower and the required initiative for production or for directing the proper use of ill-administered resources, the State has always had a tendency to assert the paramountcy of its political over its economic functions. In other words, it has tended to ensure that it maintains control of the instruments of its economic functions.
- (3) Irrespective of the fluctuations affecting the public sectors of different nations, the State seems likely to play an increasingly active part in the implementation of necessary projects. The reason is that such projects involve heavy financial outlay and entail technical difficulties. They are not necessarily a paying economic prospect from the word "go" although their advantage to the nation may be unquestionable and, therefore, cannot be left to private initiative. A change will occur only through State intervention, in other words, through a policy of use and the legal character of public enterprises. It therefore follows that the problem of public enterprises will become increasingly complex as time goes on, and a close watch will have to be kept on their development.

123. In the opinion of the group, the Bizerta (studies on the administration of public enterprises) and Mauritius Seminars (the role of public enterprise in planning) have widened the range of data on the problem and brought such data into the context of the African economies. In addition, they have proved to be complementary and have provided a logical basis for public sector activities, if these are to make an essential contribution to the development of the African region.

B. Analysis of the purposes and objectives of public enterprises

124. On the attainment of independence, most of the newly established African States were faced with economic problems for which quick solutions had to be found. They had to produce economic agents who could promote a national policy of social and economic development; further, there was the need to plan certain key sectors for the nation's future economic and social development.

125. Consequently, the newly independent African States felt the need to resort to public enterprises to satisfy their immediate requirements, organize or reorganize their economy, secure integrated development and lay the physical foundations for economic independence.

126. Experience has shown that whenever the need arose for active State intervention, this took the form of public enterprises in the basic economic and social fields of energy, transport, industry, currency and credit, agriculture, forestry, animal husbandry, fishing, trade, housing, and handicraft, etc. This was done through political processes when the State had no intention of allowing private enterprise to share in development (a policy of direction), or when it desired to remove certain sectors it considered essential like energy, marketing, transport, etc., from private enterprise; or when private enterprise failed in a given field regarded as important for development (increasing the number of entrepreneurs and the prospects of profitability); or when the private sector did not exhibit sufficient flexibility and understanding, and was somewhat reluctant to accept the sites proposed for physical development, or refused to lower tariffs and make trading conditions flexible (in such cases, a change of heart might be produced by competition with a State-owned society.); or when there was the need to secure a certain degree of independence and all-round action, etc., which could not well be provided through the usual administrative channels.

127. Participants also noted that African States had used public enterprises as a productive system, subject in principle to the rules of the market, the aim being to supply the national economy with the necessary

goods and services; as an economic system, itself oriented and making for orientation, its aims being to provide what was necessary for the economy and for the modernization of the productive system as regards complementarity, coherence, general balance, inducements, etc...; as a support system for State intervention (price and wages policy, transfer of resources, etc.)

128. In considering the above data, the group held the view that the establishment of public enterprises satisfied a practical need of developing countries, which must organize their economic space by providing national economic agents to carry out the economic decisions of sovereign nations. Public enterprises generally performed this task and were playing an increasingly important part in the African economies. This implied that governments should pay the greatest attention to public enterprises and make them effective instruments for economic and social development.

129. The group therefore came to the conclusion that it was necessary to remedy the defects in the public sector (the analysis made at the Bizerta Seminar was approved) by the introduction of strict methods and techniques of management and by laying down for each particular enterprise a policy of rational use. Actually, the increasing tasks the public sector was being required to perform made it necessary for it to adhere as strictly as possible to the rules of efficiency implied in modern methods and techniques of organization and management; to define, as far as each particular enterprise was concerned, the purpose and precise objectives for giving effect to essential economic aims, in other words, the correct representation of overall macro-economic stimuli in terms of micro-economic decisions; to promote the establishment of public State enterprises of a mixed and inter-State character, whenever necessary, to enable the political authority responsible for the nation's future to hold the reins of the economy, and thus select a line of action which would be genuinely national, as far as the development of individual countries was concerned.

C. Participation of public enterprises in national and regional plan preparation

130. Any examination of the problems of planned development reveals the fact that enterprises (public as well as private) are the essential units of the economy. Their task is to use labour, material and capital for the production of consumer goods and services. These enterprises are in fact the economic machinery lying midway between the policy-making bodies and propulsive forces of the economy, in other words, the State, the nation's potential, the users or simply the nation, organized within a given economic space.

131. These enterprises therefore perform an economic function. The State is responsible for establishments, in other words, its task is to define the social goals of economic activity and organize these activities to achieve these ends. To do so, the development plan which is an instrument for producing a conscious change in the socio-economic structures and the market, uses enterprises as an essential operational channel in which account must be taken of the economic role of public enterprises and the growing importance of the tasks assigned them. These, among other things, are as follows: to make the State master of its production machinery; to fit development into an interlocking process and open up possibilities for forward and backward links in the sectors of enterprise; to secure a reasoned policy of physical development, regional as well as multinational (pluri-national enterprises like the State-owned Abidjan-Niger railway); to facilitate the use of co-operatives or national entrepreneurs; to release new employment possibilities and accumulate funds for the country's economic development. Action should be taken, bearing in mind the universally accepted need for planned economic and social development which implies the co-ordination of plans for enterprises (both public and private) with the nation's economic activities; nor should the difficulty be overlooked of integrating the activity plans of private enterprises whose decision-making bodies often lie outside the plan objectives; and, owing to the nature of such enterprises and their final targets, of seeing to it that they accept the complex oriented type of co-ordination implied in plan development, etc.

132. Once this is done, public enterprises can be seen as the cardinal institution in a planned, developing economy, the basic unit where the macro-economic objectives of the plan can be given practical effect at the micro-economic level.

133. This means that apart from the conditions previously laid down as regards their purpose and objectives, public enterprises should be regarded, as indeed they were by the participants at the Bizerta Seminar, as "the privileged instrument<sup>1/</sup> for achieving the plan objectives"; that governments and senior officials responsible for planning should be aware of this and draw the necessary conclusions; that practical problems arising from the participation of public enterprises in plan preparation and implementation should be studied.

134. As regards the last point, emphasis was placed on the importance of the following problems; public enterprises should make an accurate assessment of their possibilities and, on this basis, governments should determine their functions and give them clearly-defined objectives; public enterprises should be usefully consulted when objectives are being determined, and also when a decision is taken on the subject of planning measures; they should be supplied with machinery for management, information, administration, finance, supervision and adjustment, which would fit them for use in a planned economy; they should also provide a coherent network of operational units whose activities could be rationally programmed.

D. Fitting public enterprises into the administrative and general planning system

135. After defining the purposes and objectives of public enterprises and studying the problems relating to the participation of public enterprises in the preparation and implementation of plans and development programmes, the group noted that it was absolutely necessary to give a definition of the way in which public enterprises could and should be fitted into the administrative and general planning system.

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<sup>1/</sup> The term "privileged instrument" was used by the participants at the Bizerta Seminar in the sense of the "best" or "most efficient" instrument.

136. Two points were noted. In the majority of cases, because of the urgent problems to be solved by the newly independent States, public enterprises were generally established either before plan preparation, or independently of any overall development policy. Later, there were many instances when public enterprises were established to meet the requirements of individual States, as their economies developed.

137. It would seem that most of the States did not then have any overall policy for setting up a co-ordinated public sector, but merely met their needs as they occurred piecemeal. Nor was any attention given to the need for fitting this sector rationally into the administrative system.

138. The group analysed this position and expressed the view that close co-ordination between the various sections of the economic machinery was necessary to meet the very necessary obligation of planning. As regards public enterprises, note was taken of their structural links with public administration, their operational links with planning and their economic links with marketing. Consequently, there was every need to attract the attention of governments to this problem, upon the solution of which the operational value of the public sector, in other words, its efficiency would largely depend. The group, therefore, tried to emphasize the following points: whenever there was any intention of setting up a public enterprise, a number of studies should be carried out on the expediency of the project, from the operational and economic standpoints, the possibilities particularly as regards staff and resources or means, profitability, various consequences, etc. Emphasis was also placed on the need to provide efficient support for links between public enterprises and the supervisory organizations; the ministry or central planning bodies; the ministry of finance; the ministry responsible for infrastructure and physical development; the regional and local authorities, particularly the bodies responsible for regional planning and development; the organizations responsible for technical and economic information; the ministries or bodies responsible for commercial matters; other public enterprises to co-ordinate activities at the national, sectoral, regional and local levels;

the units responsible for professional training; bodies responsible for promoting the production of national entrepreneurs; the co-operative sector; the private enterprises in the given sector or branch. It was necessary also to have specialized organizations, like departments or institutes for organization and management, to provide a rational scheme for the establishment of public enterprises and ensure that they are fitted into the administrative system.

E. Management of development projects

139. In the developing countries, the small number of economic agents, lack of economic co-ordination, the very nature of the private sector, real or potential, (very often foreign) imply that the public sector should be responsible for carrying out basic projects in the primary as well as the secondary and tertiary sectors. (The term "public sector" is used to denote all public enterprises and not merely the administrative departments which are unsuitable for certain production tasks).

140. The projects considered by the group represent unitary, homogeneous types of integrated operation for achieving set objectives. They are designed to give practical operational effect to plan objectives by assigning definite localities to them and dating them, their implementation representing the practical phase of plan implementation. Consequently, it was thought that the central planning organ should define projects (project identification unit); fit them into programmes (programming unit); determine and evaluate them (project sheets); assign them to economic agents, and here public enterprises would be given priority; and provide them with a time schedule for implementation, standards and a control plan for the various aspects of the planned objectives: human, social, economic and financial.

141. To enable public enterprises to deal effectively with development projects, these should be associated with activities of the central planning body. Consequently, they should be capable of intervening to advantage when economic options as between projects are being determined; where technical specifications in the matter of the projects to be implemented are concerned; programming the time schedule; providing the necessary

resources for implementation at the right moment, and preparing the necessary planning measures. They should also have available the necessary economic and technical information; their organization should take such information into account, particularly where machinery for management, programming, administration, supervision and adjustment are concerned; they should be provided with a control plan, particularly as regards the physical size of the plans to be implemented, time schedule, standards of quality and prime costs ... They should also be provided with a flexible procedure for adjustment which would make it feasible to correct the initial operation plan, if necessary.

F. Financing public enterprises

142. On the problem of the financing of public enterprises, three observations attracted the group's attention:

- (1) The State seldom uses less than 40 per cent and very often more of its GDP.
- (2) It invests in the basic productive sectors upon which development depends.
- (3) Public enterprises upon whose importance for economic development great emphasis was placed, absorb a growing percentage of the public resources and this raises three problems:
  - (a) Organizing the rational use of public resources;
  - (b) Limiting unproductive expenditure, in other words, reducing the deficits recorded by a large number of public enterprises;
  - (c) Devising efficient methods of development financing through public enterprises.

143. The financing of public enterprises was therefore regarded as an essential aspect of development financing. The group studied the following aspects of this problem and put forward the relevant recommendations on the need to establish the exact cost of public enterprise operations, category by category, and instead of using the method of global subsidies, reorganize the finance supplied by the State in the form of

reimbursements or credits for each operation identified as a State intervention; on the economic impact of State intervention (transfer of resources, tariff subsidies, etc.), effected through public enterprises; the need to reorganize public enterprise budget systems; the need to provide public enterprises with adequate powers to administer their finances independently and make financing methods more flexible, and the use of public enterprises for development financing and the mobilization of savings.

G. Public enterprises, physical and regional development

144. The group was of the opinion that physical and regional development are the mainsprings of development designed to give practical effect to the essential preoccupations of the various populations on an integrated basis. For instance, it considered that governments should define a policy of physical development and of regional development programmes geared to the country's economic policy, its possibilities and its prospects for future development. Such a policy should take account of problems of developing the national (economic) space as well as problems arising from the need to secure inter-State regional development (sub-regional agreements, river basin development, etc...); the resources or means available for implementing such a policy should be defined.

145. In the opinion of the group, public enterprise was, from the operational standpoint, the privileged instrument for implementing the policy of physical and regional development. In actual fact, the ideas with which private enterprise is primarily concerned tend to frighten it away from any action based on the principle of regional development. Besides, physical development can be achieved only by the State, since this type of development is by its very nature non-profit-earning. Further, private enterprises are usually channelled into specialized activities which do not correspond with the ultimate goals of regional development. On the other hand, public enterprises can be directed into regional development designed to correct glaring imbalances. What is more public enterprise,

by its very nature, can take the form of a development enterprise and be equipped with the necessary all-round competencies (the need to co-ordinate a number of well-timed acts into an overall plan integrating all problems: finance, the pooling of resources for operational purposes, etc. ...).

146. After considering the role of public enterprise as a privileged instrument for regional development, the group drew attention to a number of points. It noted that regional development was based on the establishment of pivots of growth conveniently situated and interdependent. Although it was impossible to secure the simultaneous establishment of all the necessary pivots of growth, it was unthinkable that the spontaneous process which led to various kinds of imbalance (the exodus from the rural areas, parasitical forms of urbanization, etc. ...) should be allowed to continue unchecked. The government should intervene without necessarily adopting as its criterion the principle of equal siting between regions, as this could produce uneconomic results. This was why the necessary use of public enterprises as far as regional development was concerned implied the prior definition of an enlightened physical and regional development policy and the adoption of a set of measures.

147. These considerations were embodied in a recommendation addressed to individual governments.

#### H. Economic and technical data on public enterprises

148. After studying problems arising from the supply of economic and technical data to public enterprises as well as the problems of development research in the interest of such enterprises, the group made the following comments:

- (1) Public enterprises should have available to them selected and actualized economic information, in order to substitute for an unco-ordinated short-term type of administration an administration based on projections, making it possible for enterprises to face the complex decisions necessary. Generally speaking, this information is inadequate both as regards environment (especially the market) and results (implementation of objectives).

- (2) Indeed, in most cases public enterprises have no services enabling them to make investigations that are necessary for their activities (especially market studies); or co-ordinate the data collected by administrative departments, public enterprises, private enterprises and organizations that undertake studies (particularly those working for planning bodies).
- (3) As regards technical information, it would be necessary for directors of public enterprises to be in a position to make an exact appraisal of the state of scientific and technical research, evaluate their development and consequences in advance, be informed of any innovations, etc. In this matter it was realized that information was inadequate and that few public enterprises were in a position to prepare a policy of development research.

149. The group thought that situation should be rectified as a matter of urgency. For this purpose, it put forward a recommendation defining the necessary conditions that should exist as far as information was concerned for developing high productivity economy.

#### I. Conclusions

150. After evaluating the data on the problem of public enterprises, the group came to the conclusion, in the light of the experience of the participants and the lessons learnt from the Geneva, Bizerta and Mauritius Seminars, that it had taken an unusually long time for the problem to be fully examined, because it had always been dealt with piecemeal. It was therefore necessary, as a matter of urgency, to provide synthetic information by way of a single document (a manual, for example). The real problem one of evolution, closely connected with economics and, therefore, information on it should be actualized periodically. In many cases, this problem might be a subject for inter-State research which implied inter-governmental collaboration. Further, the studies carried out on public enterprises could be amplified, as a rule, by a study on problems of management personnel for these organizations.

151. In conclusion, the group expressed the wish and hope that ECA would put the findings on public enterprise to good account and enable individual governments to make use of the knowledge gleaned to solve their own specific problems.

#### IV. RECOMMENDATIONS

##### A. English-speaking group

The following recommendations arose from discussions in the syndicates:

##### Formulation of national and regional plans

1. The formulation of goals and objectives in national economic, social and physical development plans, based on accurately and speedily compiled statistics or the macro-economic decisions included in the national plan, should be made at the political level within the government structure. National plans must take cognizance of development in the private sector - possibly through some form of National Advisory Council and/or sectoral committees.
2. Ideally the planning process should proceed "from the top down" and "from the bottom up" and horizontally. The central planning organization should advise on basic goals and should provide the criteria to guide the public enterprises in developing the component parts of the plan.
3. National plans should never be considered as straight jackets; there must always be flexibility - room for better achievement.

##### Defining of enterprise goals and objectives within the national (or regional) plan

4. In establishing public enterprises, governments should set out clearly the main objectives for their establishment. They should distinguish between enterprises set up for strategic reasons or to operate public utilities from those set up for commercial purposes.
5. Governments should establish systems to facilitate close co-operation between budget and planning staff and enable exchange and continuous flow of information between the planning agency and public enterprises.
6. Governments should define local norms and standards against which performance can be evaluated.

7. Government and public enterprises should establish rules for periodic reporting and for follow-up and assessment of projects.
8. Public enterprises should make use of the local natural resources and assess the requirements of the country; they should not be unduly influenced by economic activities undertaken by similar enterprises in other countries.
9. Where outside influences, particularly world market prices, would be likely to affect a country's economy from year to year, government should take measures to avoid economic disorder resulting from bountiful and depression years.
10. In the selection of projects and methods of implementation, governments and boards of public enterprises should consider the overall economic and social needs of the country: for example, labour-intensive projects are normally desirable when there are unemployment problems and the introduction of mechanization may need to be very carefully planned, phased and controlled.

#### Financing and financial control

11. At every level: national, ministry and public enterprises, the budget process should be designed to identify:
  - (a) Accomplishments of existing programmes;
  - (b) Planned accomplishments of new programmes;
  - (c) Future years' costs of present decisions.
12. Government should make arrangements to ensure that planners consult with public enterprises regarding:
  - (a) The feasibility of projects;
  - (b) Detailed estimates of costs under classified items of expenditure;
  - (c) Material and manpower requirements;
  - (d) Potential markets and expected levels of sales.

13. Public enterprises should not be expected to commence projects without a firm commitment by government or the enterprise itself to provide adequate finance to complete the project. Such arrangements should take into account the most appropriate methods, e.g., by government grant or loan, government guaranteed loan, by the issue of shares (preference or ordinary) or debentures.

14. The government should apply budgetary and accounting procedures and regulations appropriate to their tasks to public enterprises; traditional government systems are often inappropriate to business operations.

15. Public enterprises should consult with the Central Planning Agency with regard to their capital budgets. Planning agencies should provide some guidelines but not interfere with detailed management of the public enterprises.

16. Governments and boards of public enterprises should give careful consideration to the balance between long-term and short-term projects and, where possible, give emphasis to projects which will contribute to capital accumulation at an early date.

17. Central banks should adopt fiscal and monetary policies conducive to economic growth.

18. Governments should encourage public enterprises to conduct their business economically and efficiently by allowing them to reinvest at least a part of their corporate earnings in accordance with the priorities set forth in the national plan.

19. Public enterprise financial statements should clearly reflect the extent of subsidy from the government or the amount of any losses incurred as a result of directives from government to supply services at less than cost.

20. Government should not demand that services be provided to the government at less than cost price unless the consequential losses are fully reimbursed as subsidies to the various enterprises.

21. Government should periodically review the subsidies and other protections granted to public enterprises with a view to determining their continuance or relevance.
22. Government should provide independent review of prices and approval of tariffs where public enterprises are natural or statutory monopolies or quasi-monopolies.
23. Public enterprises should maintain an internal audit system which ensures internal checks and controls.
24. Unless otherwise provided by law, public enterprises should provide for independent post-audits by qualified accountants.
25. Public enterprises should ensure that their accounting systems provide the financial data and costing for the comparison of performances against budgets for budgeting control and performance evaluation.

Implementation of projects - programming, co-ordination,  
supervision

26. Public enterprises should devise suitable systems for internal performance evaluation, including:
  - (a) Comparison of standard or projected costs against performance;
  - (b) Ratios of supervisors to operatives;
  - (c) Rates of absenteeism, etc.;
  - (d) Standards of productivity, costs of production and inventory levels;
  - (e) Periodic reports which reflect performance evaluation of the goals and objectives of the enterprise and in relation to national plans;
  - (f) Establishment of efficient standards against which performance may be measured.

Machinery should be instituted to ensure that when recommendations are made for improvement in organization, administration, methods or techniques, they are properly and speedily considered, decisions are made on them and, when they are adopted, that they are implemented.

Caution should, however, be exercised by the developing countries of Africa in introducing annual and institutionalized management audits before fully trained and experienced personnel are available to undertake such tasks.

27. Managers of public enterprises should ensure that systems for communication both vertically and horizontally between the different departments and units of an enterprise are set up and constantly reviewed, to avoid delay in implementation of projects.

28. Boards and managers of public enterprises should ensure that closely related projects are properly co-ordinated. It will often be appropriate to place them under the overall control of one management to ensure that a proper schedule of priorities is maintained. Public enterprises operating in the same field should collaborate to establish centres of research and technological development including, where appropriate, planning and design departments.

29. Controls should not be allowed to interfere with the functioning of commercial public enterprises; although the responsible minister or supervisory authority must be kept informed of the activities of a project, they should refrain from interference in the day to day operations. Whatever system is adopted, emphasis should be on the achievement of objectives and control must not be imposed for control's sake.

30. Boards and managers of public enterprises should ensure that systems of working are adopted which incorporate up-to-date methods and sound technical, industrial and commercial practices including those recognized and adopted by comparable undertakings in the private sector.

31. Boards and managers of public enterprises are advised against becoming "guinea-pigs" for prototype machines, equipment and systems; this usually leads to delays, disappointments and expenses to economies that can ill afford them; well-tried and proved machines, equipment and systems are usually more appropriate to developing countries.

32. ECA should collect or prepare case studies of development of selected public enterprises in African countries and make the results available to African countries as a guide to and for comparison with their own enterprises.

Implementation of projects - manpower development and training

33. Governments and boards of public enterprises should establish systems for the recruitment of young professional men as prospective managers in public enterprises. They should appoint civil servants as senior executives in public enterprises only if they have the required experience to operate the organization along commercial lines; on the other hand, machinery should be established for seconding and eventually transferring to public enterprises those civil servants who have demonstrated an aptitude for commercial-type operations.

34. If expatriates have to be recruited to develop a project, the general manager should ensure that they are engaged for long enough to see through a clear cycle of operation, including training local counterparts and successors.

35. Boards and managers of public enterprises should ensure that proper incentives are given to employees to ensure that they maintain an interest in maximizing the efficiency and productivity of the enterprises in which they serve.

36. Governments, boards and managers of public enterprises should ensure that systems of training and development are instituted and maintained which provide an adequate supply of efficient manpower at all levels and in all departments of the public enterprise. Training should cover, inter alia:

- (a) Development of a cadre of nationals of the country trained to appraise and assess projects and make feasibility studies, to avoid leaving such matters any longer than necessary in the hands of expatriate firms and consultants;
- (b) Development of young professional men as potential managers, including giving them the opportunity to co-operate with and be groomed by those shaping the national plans;

- (c) Sending maintenance staff for training in the factories manufacturing the major equipment to be used by new projects;
- (d) Attachment of operational staff recruited for new projects for training in similar existing projects.

As part of the management and staff development programme, managers at all levels, including general managers, should be in constant touch with their subordinates through regular staff meetings and informal discussions.

37. The ECA should arrange a future Seminar or Seminars to consider in detail the various aspects of personnel and management in public enterprises. Important aspects which need to be stressed are powers to hire and fire and termination terms; current rules and procedures often favour the wrong-doer who is dismissed and penalize the efficient employee who resigns.

38. ECA should provide facilities and technical assistance to train personnel of public enterprises and officials of supervisory authorities or Ministries, including establishing systems for performance evaluation.

B. French-speaking group

The following recommendations, based on the discussion in the syndicates were formulated and adopted by the French-speaking group.

1. Public enterprises are the basic instrument for economic and social development in the African States. They make it possible for each nation to select for development a genuinely national course which, without excluding the private sector and actually co-operating with it on a basis of complementarity, orients it in accordance with set national objectives in development plans and programmes. Consequently, governments should, whenever necessary:

- (a) Strive to establish State-owned, mixed or inter-State public enterprises in accordance with requirements. These enterprises should form an integrated, co-ordinated network, capable of modifying particular sectors or branches of the economy in the interest of government policy.

- (b) Do everything in their power to strengthen the physical foundations of the public sector and promote its development.
- (c) In the interest of public enterprises (or groups of enterprises) define policy, purposes and objectives in accordance with development plans or programmes. Such a definition would give these organizations the maximum degree of economic usefulness.

2. Any examination of the problems and development of the African economies will prove that public enterprises are the cardinal institutions in planned economies, the basic units where the macro-economic plan objectives are given practical effect at the micro-economic level. They are therefore the essential operational instruments for development plans and programmes and should, therefore, play a part in plan preparation and implementation.

This means that public enterprise management boards should be consulted and made to play an effective part in the discharge of their responsibilities and in the preparation of national and regional plans and programmes. They should also be associated with decision-making as regards planning measures (economic, social, administrative, financial, fiscal, legal, constitutional, etc.). It also implies that public enterprises have accurately assessed their possibilities as regards production capacity, the state of their equipment, technical levels, required facilities, state of the market, development prospects, prospects of innovation, etc.) and that precise objectives have been assigned in the form of operational plans; that public enterprises are provided with machinery for management, information, administration, accounting, programming and supervision, which will make it possible for them to control and organize their activities in the best circumstances to secure their objectives and adjust their programmes in the light of experience. To do so, the attention of governments is drawn to the recommendations of the Bizerta Seminar and to the possibilities offered by modern methods and techniques of organization and administration.

3. Where there is a planned economy, it is necessary to pass from a supervisory type of administration to a propulsive one, conceived for purposes of co-ordination and capable of taking decisions on an integrated basis. Public enterprises should, therefore, be able to count on administrative backing which will integrate them with a particular system and ensure rational links: structural and organic links with the public administration; operational links with the plan and economic links with the market.

Consequently, governments are invited to take the following points into consideration:

- (a) When a public enterprise is set up, an exhaustive preliminary study should be made of its operational and economic expediency, its practical possibilities especially in the matter of trained staff, facilities, etc., its profitability prospects, the various consequences that may flow from its establishment, the methods of its inclusion in the established administrative system, the organization of its management, etc. A standard model study plan should be worked out.
- (b) It is necessary to set up central machinery responsible for co-ordinating supervision of public enterprises and co-ordinating and programming their activities. In this connexion various solutions might be envisaged, such as a central programming office, side by side with the central planning unit, programming co-ordination offices side by side with the supervisory ministries, a central supervisory organization, etc.
- (c) Participation in financial decisions, the very necessary co-ordination with the Ministry of Finance, the ministries or organizations responsible for infrastructure and physical development might be secured through the bodies referred to above.
- (d) Regional and local action by public enterprises, their participation in regional development, the activities of local communities, as well as their relations with regional and local authorities and the external services of the ministries might be organized through regional programming and co-ordinating offices which should be in touch with similar offices in the ministries and the central co-ordinating office of the planning ministry or with the central supervisory unit.

- (e) Public enterprises should be in a position to make direct contact with the units responsible for commercial problems (prospecting and market studies, modification of products, etc.). In this connexion, it is recommended that they should have available to them the necessary economic and technical information which should be supplied as part of an information plan.
- (f) It is important that a dialogue should be organized, that an effective concert of opinion be achieved with the private enterprises in the sector or the branch, through the plan or by means of socio-professional organizations. African States must, in fact, be in a position to make full use of the capacities of their productive systems and replace sterile competition by a policy of co-ordination, co-operation and complementarity between the public and private sectors, to further the basic needs of economic policy.
- (g) Public enterprise makes use of trained staff, but also trains its own. It should, therefore, come to some agreement with the services responsible for training and promotion.
- (h) Public enterprise should be in a position, as a result of government policies to contribute to the production of national entrepreneurs and entrepreneurs in the co-operative sector (equipment, markets, various forms of assistance, etc.).
- (i) It would be advisable for consultations to take place between public enterprise in African States, especially within the framework of regional or sub-regional agreements.
- (j) It is recommended that a specialized body be set up which, acting within a more general context of organization, administration, productivity, costs and output for the public sector as a whole, would be responsible for making the necessary adjustments in public enterprises established or about to be, so that such enterprises might reflect development policies and be their effective instruments.

The complexity of this problem, its scope, the different economic situations in individual States, make it necessary that any solution adopted should be examined in relation to the practical circumstances of individual States and their possibilities.

4. Since public enterprises are basic to the organization of genuinely national economic and social development, they should be regarded as essential economic agents in the key sectors of development. Consequently,

governments should carefully and methodically organize the take over by public enterprise of projects determined by central and regional development planning units. For this purpose, the following measures are recommended:

- (a) Close and constant co-ordination should be established between the plan services, the ministry/ministries or supervisory organizations, and the management boards of public enterprises. Backing for such co-ordination might be given by a central unit at the planning ministry, programming and co-ordinating offices attached to supervisory bodies, regional organizations, etc. It would then be necessary to identify a co-ordinating and programming function for the public enterprise or a group of public enterprises.
- (b) The planning services should accurately determine the projects and results expected. These projects should include a study of the necessary facilities, a time schedule for implementation, the standards to be observed (quality, costs, etc.). It is advisable that it should be presented in a recognized form (project sheet). A control plan and a study of possible alternatives in case of adjustment are also necessary, as well as the projection of proposed planning measures.
- (c) Public enterprises and supervisory organizations should be associated with these efforts at preparation (particularly in the economic selection of the projects), and should be able, in good time, to draw the attention of senior officers to the consequences of their decisions.
- (d) The objectives determined as part of the projects with which public enterprises are entrusted should be the subject of the sectoral programmes overseered by supervisory organizations. They should be broken down into definite programmed operational plans, which the public enterprises would be responsible for implementing.
- (e) To realize these projects, public enterprises should have suitable organizational and administrative machinery, not only for a high level of productivity, but also for the accurate analysis and determination of the results obtained, bearing in mind objectives and implementation costs.
- (f) Paramountcy should be given to the need for flexible adjustment procedures to correct the operational plan as it proceeds, and to give the public enterprise management board the necessary initiative and responsibility.

5. Because of the growing proportion of public resources used by public enterprises, special importance should be attached to problems of financing these organizations, especially as regards the following items: the rational use of public resources; the limitation of unproductive expenditure which tends to waste the slender resources available to the developing countries. Consequently, governments are invited to rationalize methods of financing public enterprises, especially by the adoption of the following measures:

- (a) Whatever their aims or objectives, and whatever the action taken by government, (public enterprises actually exist to back up government), they should operate on the principle of price verity. This principle in no way excludes the practice of "administered" prices, but calls for an analysis of the prime costs of each type of operation, to ensure accurate cost assessment. Thus the State and, if necessary, public communities might reimburse public enterprises for costs identified as charges, fines, interventions, etc. This implies that they should have an accounting plan, an analytical system of accounts, and that their financial administration should proceed on the basis of budget control. Apart from the advantage of an accurate evaluation of the cost of public action, this method would also serve as a guide to the administration of public enterprises in this sector, and enable the enterprises to take operational decisions, with full knowledge of the facts.
- (b) When considering the above problem, the group sounded a warning on the need for caution as regards State intervention (transfer of resources, tariff subsidies, etc.) through public enterprises. Because of subsidies, fiscal charges often undifferentiated, are incurred by this type of intervention, which might produce results difficult to control by the socio-economic structures. This very often prevented government from selecting activities with any degree of precision.
- (c) Consequently, it is important to budget for the plan and implement a functional budget, to provide finance for specific objectives and, include in the budget the cost of duly identified State intervention, instead of overall subsidies allocated to public enterprises.

- (d) This reform is regarded as absolutely necessary in the current phase of planning in Africa and calls for a thorough re-organization of budget systems for public enterprises which, apart from a suitable accounting plan, analytical accounts and budget control, should be provided with a projections budget, an improved amortization accounts system and a long-term investment programme.
- (e) Public enterprises should have sufficient latitude to manage their finances independently. The effect of this is not to wean such enterprises from State authority (the authority of the State is sacrosanct), but to improve their administration. The group therefore thought that public enterprises should be given adequate initial funds and working capital, and be made to show a profit (having regard to repayments made by the State in consequence of the imposition of specific constraints). It follows that control should be exercised primarily on the effects and prime costs, in other words, that financial supervision should not convert public enterprises into State monopolies, nor provide them with facilities for administering public funds other than in accordance with the established rules of public accounting. Public enterprises should, however, be permanently in control of their own funds.
- (f) In these circumstances, public enterprise financing might be largely removed from the budget. This could be done substantially through auto-financing. It would also be necessary to make public enterprises more flexible, to enable them to obtain the finance necessary for development (loans, allocation of savings, various financial operations, etc.).
- (g) An obstacle to development in most States is the scarcity of capital. Public enterprise might become an important means of financing through profits, appeals to private capital to establish mixed economy companies, the mobilization of domestic (national), regional and local savings to implement specific projects.

6. With certain provisos, public enterprises can be efficient operational methods for implementing and accelerating regional and local development. They should be used as part of an overall plan integrated with the activities of the regional and local administrations and, if necessary, with the administrative organs of local communities, when they exist. Nevertheless, certain necessities must be met:

- (a) To give effect to the regional character of planning, there must be some adjustment in the regional administration.

- (b) A regional programming function should be identified and given the necessary competence to co-ordinate action at its level (public administration, external services, public enterprises, etc.).
  - (c) The siting of public enterprises for regional development should stem from a policy of physical development, based on an objective analysis of the laws of development, and the international economic context (particularly as regards neighbouring countries).
  - (d) The aims and objectives of public enterprises should be clearly defined, such as the creation of the right atmosphere; socio-politico-economic motivations; the resolution of serious imbalances; integrated regional development requiring all-round action, etc., and the granting or transference of adequate facilities for action.
  - (e) The needs of local communities and, if necessary, their participation in the organization of regional development should be taken into consideration.
7. Public enterprises should follow a strategy of growth and progress, and be ready to adjust at any time to the needs of social and economic development. This means they will require adequate economic and technical information, and in this connexion, the following measures are suggested for official consideration:
- (a) Economic information should be centralized by an organization responsible for:
    - (i) Organizing selected, actualized documentation;
    - (ii) Making such documentation available to the public and private sectors;
    - (iii) Organizing or financing the studies necessary for the public sector;
    - (iv) Establishing a regional information office.
  - (b) Every public enterprise should identify an economic information function, devise a plan of information and an activity schedule. It is suggested that the following should be examined: the type of information necessary for various public enterprises; a standard model of information plans (what information is necessary, sources, collection, classification, records, actualization, distribution); a standard model of an activity schedule. These documents should be standardized with those of the plan and the supervisory units.

- (c) The activity schedule of public enterprises, in other words, information covering administration, should be instruments for control or supervision and for analysing any discrepancies (between projections and actual results), to make it possible to carry out any necessary adjustments.
- (d) Public enterprises should be provided with selected information on scientific and technical research and on implementation possibilities, as well as with changes that have occurred in products, technologies, etc., at:
  - (i) Research and study units;
  - (ii) Other public enterprises;
  - (iii) In the private sector; and
  - (iv) Foreign countries.

In this connexion, it is recommended that some thought should be given to the establishment of an organization which might be a State establishment or a mixed establishment (with the participation of the private sector) or even an inter-State establishment.

- (e) Public enterprises should have a research-development policy. In this way they could contribute to applied research and make systematic use of the results of research (materials, equipment, "gadgets", products, systems and processes, etc. ....). A research-development function should be identified for this purpose.
- (f) To promote a policy of economic and technical information and research-development, States should work out a policy and programmes, and make provision for the necessary institutions, on the basis of options co-ordinated with development plans.
- (g) The rational use of existing computer sets some of which are not being fully used should make it possible, without much difficulty, to:
  - (i) Work out systems of economic and technical information;
  - (ii) Organize profitable inter-State co-ordination.

8. The Bizerta and Mauritius Seminars, each from a different standpoint, tackled an essential problem for development in Africa: the role of public enterprises and their administration. These two Seminars which were complementary led to a methodical detection of the elements and factors in a logical policy of the use of public enterprises in the developing

countries. An effective approach has been made to a key problem of development and it is recommended that the Economic Commission for Africa should take the following action:

- (a) Prepare, in the form of a handbook or manual, a single document integrating the work done during the two Seminars. This document might be an effective guide for governments, directors or public enterprises and planners, since it would make it possible (especially in the case of planners) to give better consideration to public enterprises when carrying out planning studies.
- (b) Work out a plan for making use of information gained from those two Seminars to help governments implement the recommendations, relating them to their own special circumstances. In this connexion, it is suggested that ECA should supply detailed descriptions of the various measures proposed, in the form of technical sheets.
- (c) Organize inter-State co-operation in the matter of public enterprise. Such co-operation is desirable at different levels: technical information, standardization of methods, processes, procedures, contacts between senior officers responsible for the public sector, etc.
- (d) Give some consideration periodically to the actualization of the recommendations adopted at the Bizerta and Mauritius Seminars.

9. In order to complete the Bizerta and Mauritius Seminars, the groups recommend a study of problems of management and training of executive staff for public enterprises. This study should promote implementation of the recommendations. It is therefore suggested that ECA should organize a Seminar dealing particularly with the following problems: functions and organization of management; methods and techniques, especially orientation with a particular objective in view; the training of executive staff for public enterprises, having regard to the development of the economy and of technology.

## ANNEX I

## SEMINAR ON THE ROLE OF PUBLIC ENTERPRISES IN PLANNING AND PLAN IMPLEMENTATION

(Administrative aspects)

Mauritius, 16-26 September 1969

## PROGRAMME

A. English-speaking group

	0900 - 1020	1040 - 1200	1330 - 1450	1510 - 1630
First week				
Tuesday 16 September	<u>No. 1</u> Registration 10.00. Opening of Seminar. (Joint for two language groups)	<u>No. 2</u> Introduction: general plan	<u>No. 3</u> Importance of public enterprises in the African economy	<u>No. 4</u> Participation of public enterprises in the formulation of national plans
Wednesday 17 September	<u>No. 5</u> Participation of public enterprises in the formulation of regional plans	<u>No. 6</u> The role of public enter- prises in the economy of a country: definition of goals and objectives	<u>No. 7</u> Experience of a participating country (UAR)	<u>No. 8</u> The UAR experience (discussion)
Thursday 18 September	<u>No. 9</u> Integration of public enterprises within the administration set-up	<u>No. 10</u> Management of projects by public enterprises	<u>No. 11</u> Experience of a parti- cipating country (Mauritius)	<u>No. 12</u> The Mauritius experience (discussion)
Friday 19 September	<u>No. 13</u> Financing of public enterprises	<u>No. 14</u>	<u>No. 15</u> Public enterprises: programming, co- ordination and supervision	<u>No. 16</u> Public enterprises and physical planning

A. English-speaking group (Cont'd)

Second week	0900 - 1020	1040 - 1200	1330 - 1450	1510 - 1630
Monday 22 September	<u>No. 17</u> Public enterprises and regional planning	<u>No. 18</u> Economic orientation of public enterprises	<u>No. 19</u> Formation of syndicates	<u>No. 20</u> Syndicate discussion
Tuesday 23 September	<u>No. 21</u> Syndicate discussion	<u>No. 22</u> Syndicate discussion	<u>No. 23</u> Syndicate discussion	<u>No. 24</u> Syndicate discussion
Wednesday 24 September	<u>No. 25</u> Visit to an enterprise	<u>No. 26</u> Visit to an enterprise	<u>No. 27</u> Syndicate discussion	<u>No. 28</u> Syndicate discussion
Thursday 25 September	<u>No. 29</u> Adoption of draft report (Plenary session)	<u>No. 30</u> Adoption of draft recommendations (Plenary session)	<u>No. 31</u> Visit to an Enterprise	<u>No. 32</u> Visit to an Enterprise
Friday 26 September	<u>No. 33</u> Adoption of final report and recommendations (Plenary session)	<u>No. 34</u> Evaluation and closing of seminar (Joint for two language groups)		

PROGRAMME

B. French-speaking group

First week	0900 - 1020	1040 - 1200	1330 - 1450	1510 - 1630
Tuesday	<u>No. 1</u>	<u>No. 2</u>	<u>No. 3</u>	<u>No. 4</u>
16 September	Registration 0900 - 1000 Opening of seminar 1000 - 1100	<u>Introduction</u> (objectives and programmes)	Importance of public enterprises in the African economy	<u>Aims and objectives of</u> <u>public enterprises</u>
Wednesday	<u>No. 5</u>	<u>No. 6</u>	<u>No. 7</u>	<u>No. 8</u>
17 September	Experience of participating countries (followed by discussion)	Financing public enterprises as part of the frame- work of planning	Participation of public enterprises in national and regional plan prepara- tion	Project management by enterprises (practical administration of plans - programming - supervision
Thursday	<u>No. 9</u>	<u>No. 10</u>	<u>No. 11</u>	<u>No. 12</u>
18 September	Fitting public enterprises into the administrative system	Financing public enterprises as part of the frame- work of planning	Experience of participating countries (followed by discussion)	Experience of participating countries (followed by discussion)
Friday	<u>No. 13</u>	<u>No. 14</u>	<u>No. 15</u>	<u>No. 16</u>
19 September	Public enterprises - physical and regional develop- ment	Economic and technical data on enterprises	Experience of participating countries and additional information on meetings 3 - 4 - 7 - 8 - 9 - 10 - 13 - 14	Experience of participating countries and additional information on meetings 3 - 4 - 7 - 8 - 9 - 10 - 13 - 14

3. French-speaking group (Cont'd)

Second week	0900 - 1020	1040 - 1200	1330 - 1450	1510 - 1630
Monday 22 September	<u>No. 17</u> Training working parties (definition of objectives) (R. Cremoux)	<u>No. 18</u> <u>Working party discussion</u>	<u>No. 19</u> Group discussion	<u>No. 20</u> Group discussion
Tuesday 23 September	<u>No. 21</u> Working party discussion	<u>No. 22</u> Working party discussion	<u>No. 23</u> Working party discussion	<u>No. 24</u> Working party discussion
Wednesday 24 September	<u>No. 25</u> Visiting an enterprise	<u>No. 26</u> Visiting an enterprise	<u>No. 27</u> Working party discussion	<u>No. 28</u> Working party discussion
Thursday 25 September	<u>No. 29</u> Working group discussion (Adoption of proposed recommendations by working party)	<u>No. 30</u> Working group discussion Adoption of proposed recommendations by working party)	<u>No. 31</u> Visiting an enterprise	<u>No. 32</u> Adoption of recom- mendations (1830 - 2000)
Friday 26 September	<u>No. 33</u> Adoption of recommenda- tions	<u>No. 34</u> Analysis of recommenda- tions	<u>No. 35</u> Plenary meeting	<u>No. 36</u> Assessment and closing of session

ANNEX II

SUBJECTS AND COMPOSITION OF SYNDICATES

Two English-speaking and two French-speaking syndicates were constituted. Each syndicate considered, in relation to the subjects allotted to it:

- (a) Problems, activities and tasks which need to be undertaken and the priorities according to which they should be tackled;
- (b) Recommendations for action to be taken, further studies to be made and lines along which solutions to problems and difficulties should be pursued;
- (c) Who should take responsibility for implementation, i.e., governments, ministers, boards of public enterprises, general managers, etc.;
- (d) What assistance is required from external sources, e.g., ECA, UNDP, bilateral donors.

A. English-speaking group

Syndicate No. 1

Administrative machinery for financing and financial control of projects undertaken by public enterprises:

- (a) Budget/plan harmonization
- (b) Financial control of implementation
- (c) Financial reports and performance evaluation
- (d) Pricing policy

Chairman : Mr. D. Burrenchobay (Mauritius)

Rapporteur: Mr. O. Apará (Nigeria)

Members : Mr. K. Ali Fouda (UAR)  
Mr. A.F. Taha (Sudan)  
Mr. Abdul Jelil Mohamed (Ethiopia)

Consultant: Mr. H. Seidman (USA)

Syndicate No. 2

The planning responsibilities of public enterprises and how they should be exercised:

- (a) Formulation of national and regional plans;
- (b) Defining of enterprise goals and objectives within the national (or regional) plan;
- (c) Implementation of projects - programming; co-ordination; supervision; manpower development and training.

Chairman : Dr. M. Mostafá El-Said (UAR)

Rapporteur: Mr. J.C. Brown (Mauritius)

Members : Mr. J.T. Etame (Cameroon)

Mr. K.M. Iámáswala (Zambia)

Mr. A.H. Hirad (Somalia)

Consultants: Mr. G.O. Oréwa (ECA)

Dr. H. Schirmacher (Federal Republic of Germany)

B. French-speaking group

Under the chairmanship of Mr. Marcel Etienne of Mauritius, the French-speaking group met and constituted itself into a syndicate as follows:

Syndicate 1

- (a) The importance of public enterprises in the African economy;
- (b) Aims and objects of public enterprises;
- (c) Participation of public enterprises in national and regional plan preparation;
- (d) Fitting public enterprises into the administrative system.

Chairman/

Rapporteur: Mr. A. Batango (Republic of the Congo)

Members : Mr. P. Ntahorubuze (Burundi)

Mr. M. Diakite (Mali)

Mr. L. Delon Yao (Ivory Coast)

Consultant: Mr. R. Crémoux (ECA)

Syndicate 2

- (a) Administration of projects by enterprises
- (b) The financing of public enterprises as part of planning
- (c) Public enterprises - physical and regional development
- (d) Economic and technical data on enterprises

Chairman/

Rapporteur : Mr. I. Maga (Upper Volta)

Members : Messrs. J. Razafindrasoava (Madagascar), M. Etienne (Mauritius),  
P. Muyizere (Rwanda)

Consultants: Messrs. Julienne (France), B. Buhagiar

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ECONOMIC COMMISSION FOR AFRICA

REPORT OF THE SEMINAR ON THE ROLE OF PUBLIC ENTERPRISES  
IN PLANNING AND PLAN IMPLEMENTATION

Mauritius, 16-26 September 1969

ADDENDUM

Please attach after Annex II, page 3, of the main document E/CN.14/463, the following Annexes III and IV, which were inadvertently excluded from some of the copies when the document was being collated.

ANNEX/ANNEXE III

LIST OF PARTICIPANTS, CONSULTANTS AND OBSERVERS /  
LISTE DES PARTICIPANTS, CONSULTANTS ET OBSERVATEURS

A. Participants

Burundi	P. Ntahorubuze Directeur général du Plan, Ministère du Plan et de l'économie
Cameroon/Cameroun	J.T. Etame Area Manager, Cameroon Development Corporation
Congo (Brazzaville)	A. Batanga Directeur, Société nationale d'élec- tricité, Ministère de l'industrie
Ivory-Coast/ Côte-d'Ivoire	L. Delon-Yao Directeur, Institut de technologie alimentaire
Ethiopia/Ethiopie	Abdul Jelil Mohamed Deputy General Manager, Ethiopian Investment Corporation
Upper Volta/Haute-Volta	I. Maïga Directeur, Société voltaïque de commercialisation
Madagascar	J. Razafindrasoava Ingénieur d'études, Bureau de développement et de promotion industriels
Mali	M. Diakite Directeur général, Compagnie malienne textile
Mauritius/Maurice	D. Burrenchobay Chairman, Central Electricity Board, Permanent Secretary, Prime Minister's Office  J.C. Brown General Manager, Mauritius Housing Corporation  J.R.M. Etienne Director of Statistics, Central Statistical Office  R. Desmarais General Manager, Central Electricity Board
Nigeria/Nigéria	O. Apará Finance Officer, Electricity Corporation of Nigeria

A. Participants

(cont'd/suite)

- United Arab Republic/  
République arabe unie M. Mostafa El-Said Chairman, Misr Dredging  
and Public Works Co.
- K. Ali Fouda General Director, Public Building  
Contracting Organization
- Rwanda P. Muyizere Directeur de division, Ministère  
des travaux publics
- Sudan/Soudan A.F. Taha Inspector, Public Enterprises Section,  
Ministry of Treasury
- Somalia/Somalie A.H. Hirad Administration and Accounts Manager  
National Agency of Foreign Trade
- Zambia/Zambie K.M. Lamaswala Economist, Ministry of Development  
and Finance

B. Consultants

- B. Buhagiar Directeur  
Centre d'administration des entreprises  
Université de Maurice
- R. Julienne (France) Chef du Bureau des programmes  
Secrétariat d'Etat aux affaires étrangères
- H. Schirmacher  
(Federal Republic  
of Germany) German Foundation for Developing Countries
- H. Seidman (USA) National Academy of Public Administration

C. ECA Staff/Personnel de la CEA

- I.S. Fraser Course Director/Directeur du Cycle d'études
- R. Crémoux Course Co-Director/Codirecteur du Cycle d'études
- G.O. Orewa Chief, Public Administration Section/  
Chef de la Section de l'administration publique

D. Observers/Observateurs

F. Empeigne	Officer in charge Economic Planning Unit
Y. Aumeeruddy	Acting Director Central Housing Authority
A. Mohamed	Senior Investment Officer Development Bank of Mauritius
J.G.J. Labat	Deputy General Manager Central Electricity Board
R. Retnasami	Acting Transmission and Distribution Engineer Central Electricity Board
G. Lamusse B. de St. Romain	Commercial Engineer Central Electricity Board

E. Liaison Officer/Chargé de liaison

J.F. Parfait	Principal Assistant Secretary Prime Minister's Office
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ANNEX/ANNEXE IV

LIST OF DOCUMENTS/LISTE DES DOCUMENTS

E/CN.14/444

Report of the Seminar on the Management of Public Enterprises / Rapport du Cycle d'études sur la gestion des entreprises publiques

Note d'information N° 3

Le rôle des entreprises publiques en Algérie

Information paper No. 4

The role of public enterprises in the Sudan in planning and plan implementation

Information paper No. 5

The role of public building and construction contracting organisations in planning and plan implementation in UAR

Information paper No. 6

The role of public enterprises in planning and plan implementation in UAR

Information paper No. 7 and Add.1

The role of public enterprises in planning and plan implementation in Nigeria

Note d'information N° 8

Le rôle des entreprises publiques et du secteur public dans l'élaboration et l'exécution des plans de développement, par M. Benzineb, CEA

Information paper No. 9

The role of public enterprises in planning and plan implementation, administrative framework, by G.O. Orewa and M.P. Mazinge, ECA

Note d'information N° 10

Entreprises publiques et développement national (extrait du Rapport du Cycle d'études des Nations Unies sur l'organisation et l'administration des entreprises publiques, Genève, septembre-octobre 1966)

Information paper No. 11

Public enterprises and national development (Extract from the Report of the United Nations Seminar on Organization and Administration of Public enterprises, Geneva, September-October 1966)

LIST OF DOCUMENTS/LISTE DES DOCUMENTS  
(cont'd/suite)

- |                          |   |
|--------------------------|---|
| Information paper No. 12 | The role of financial intermediaries in public enterprises, Ethiopia  |
| Information paper No. 13 | Growth of state enterprise in Zambia  |
| Information paper No. 14 | The role of public enterprises in planning and plan implementation, Sudan                                     |
| Information paper No. 15 | The role of public enterprises in Mauritius   |
| Information paper No. 16 | Public enterprises in Mauritius   |
| Note d'information N° 17 | Rôle des entreprises publiques dans la planification et l'exécution du plan au Mali                           |
| Note d'information N° 18 | Le rôle des entreprises publiques ivoiriennes dans la planification et l'exécution des plans en Côte-d'Ivoire |
| Information paper No. 19 | Notes on public enterprises in Somalia  |
| Note d'information N° 20 | Les entreprises publiques à Maurice   |
| Information paper No. 21 | The role of public enterprises in Federal Republic of Cameroon with particular reference to West Cameroon     |
| Information paper No. 22 | Some notes concerning the low-cost housing scheme, Central Housing Authority, Mauritius                       |
| Note d'information N° 23 | Quelques notes au sujet du programme de logement à bon marché de la "Central Housing Authority", Maurice      |
| Note d'information N° 24 | Rôle des entreprises publiques dans la planification et l'exécution des plans à Madagascar                    |
| Note d'information N° 25 | Le problème des entreprises publiques en Afrique  |
| Note d'information N° 26 | Le rôle des entreprises publiques dans la planification et l'exécution des plans, Haute-Volta                 |