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REPORT OF THE WORKING PARTY ON ECONOMIC AND SOCIAL DEVELOPMENT
(Addis Ababa, 15-26 January 1962)

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^{1/} Prepared by the Secretariat on the basis of the report adopted
by the Working Party on 26 January 1962.

I. Organization and Attendance

1. A Working Party on Economic and Social Development met at the Headquarters of the Economic Commission for Africa in Addis Ababa from January 15 to 26, 1962. This Working Party was convened by the Executive Secretary in accordance with the work programme approved by the third session of the Commission in February 1961. This was the first meeting for all members and associate members of the Commission on problems in the field of economic and social development and planning. A more limited group of experts had been convened by the Executive Secretary late in 1959, to discuss problems of development planning in accordance with a recommendation of the first session of the Commission in January 1959. A report of that meeting was submitted to the second session.

2. Forty two delegates from twenty two member and associate member countries attended the Working Party. Representatives of United Nations Specialized Agencies, as well as observers from other inter-governmental organizations also took part in the proceedings. A list of participants is given in Annex I to this report.

3. The preparations for the Working Party included a number of studies, which were presented in several documents.

A list of documents submitted to the meeting is given in Annex II.

4. His Excellency, Lidj Endalkachew Makonnen, Minister for Commerce and Industry of the Imperial Ethiopian Government inaugurated the meeting. His Excellency welcomed the participants to the meeting and emphasized the impact their deliberations are bound to have on the work of the forthcoming session and also on the development plans and efforts of the African countries as well as on that of the continent as a whole. His Excellency then drew the attention to two subjects on the agenda, that are of special importance, namely, those dealing with the setting up of an African Development Bank and an

African Institute for Economic Development and Planning. Finally, His Excellency wished success to the meeting. The Executive Secretary of the Economic Commission for Africa then delivered a speech, in which he welcomed the participants, explained the purpose of the meeting and emphasized the importance of exchanging ideas on problems of Economic and Social Development. The two speeches are given in Annex IV and V.

5. H.E. Mr. Alphonso Massamba-Debat, Minister for Planning and Supply, delegate of Congo (Brazzaville) was unanimously elected Chairman of the meeting. The delegate of Ethiopia, Ato Worku Habtewold and the delegate of Ghana, Mr. J. H. Mensah were elected Vice-Chairmen.

6. The provisional agenda submitted by the Secretariat was subjected to certain amendments. The agenda as adopted is given in Annex III.

II. Exchange of experience in planning institutions
and in the formulation and implementation of
development plans

7. A paper^{1/} relating to agenda items 4a and 6 was introduced by a member of the Secretariat, and discussion followed subsequently. Several delegations made detailed statements on the concepts of planning prevailing in their respective countries and, in particular, on the existing institutional set-ups for development planning. These statements gave rise to many points of general interest which were taken up by a large number of delegates. The discussion was conducted rather informally with direct and specific questions put to speakers, both for eliciting additional information and for throwing more light on the relative merits of institutional and other aspects of planning.

8. The origin and nature of the early plans adopted by various countries were briefly described. It was stated, for instance, that some of these plans provided only a general guidance for development policies, while others consisted merely of unco-ordinated sectoral programmes. In many cases the national plans were restricted to the public sector of the economy, in the form of capital expenditure budgets, and there were instances where national plans represented mainly extensions of the plans of the metropolitan powers.

9. However, the view was expressed by all delegations that the need for more comprehensive planning was increasingly felt in Africa and that a definite trend in this direction was clearly discernible. In a large number of countries studies and research necessary to comprehensive planning are well under way and planning institutions of one kind or another have been set up practically everywhere. Moreover in a few countries of the region comprehensive plans have already been established.

^{1/} E/CN.14/ESD/4 Economic Planning in Africa

10. Several delegations took part in the discussion centering around the types of development plans in existence today. A distinction was made between plans of a coercive nature, and those which limit themselves to providing guide-lines for a most promising growth of the economy. However, it was stressed that this distinction should not be taken too rigidly, and that indeed, it would be possible to think of various intermediate forms best suited to the conditions of individual countries. Some delegates expressed the opinion that in view of African conditions development plans should have partly a coercive character.

11. A good part of the discussion was devoted to institutional features of planning. Interest was shown in the relationship which should exist between planning and statistical agencies. And although it appeared from the discussion that there were only few cases where statistical services were fully integrated within planning agencies it was generally agreed that a close co-operation between the two was indispensable.

12. Another question which engaged the attention of the delegates regarded which authority the planning agency should have or the authority of which it should depend. Different solutions have been observed until now in Africa. In certain countries the Ministry of Finance has the authority over the planning agency. The traditional authority of this ministry and the control it has over the financial resources needed for the plan have been mentioned as a justification for that link. In other countries the planning agency is an independent body attached directly to the Prime Minister or the Chief of State. A third solution noted was the establishment of separate planning ministries on equal footing with other ministries.

13. Certain delegations have drawn the attention to the fact that it is advantageous to entrust planning to an independent agency which is development minded and has a basic attitude towards these problems not guided solely by financial considerations.

14. Some delegates emphasized that the formulation of plans should embrace the active participation of as wide a cross-section of society as possible. Thus, for instance, the central agency in charge of the drafting of plans, as well as the various related committees should include representatives of trade unions, professional associations, employers, farmers, etc., so as to secure a wide support for the plan and to mobilize national effort necessary for its successful implementation.

15. It was also pointed out by one of the delegates that the prospects for the implementation of plans might be improved if the drafting of plans and the control of their execution were made subject to a kind of an interlocking directorate, so that those in charge of the drafting should also feel responsible for the execution of the plans. But the view was also expressed that these two functions should be carried out by separate bodies.

16. One of the dominating themes in the discussions was the question of national versus regional approach to planning. Some delegations felt that time may have come for a thorough examination of whether planning should proceed from nationally determined objectives and targets to regional breakdowns or vice versa.

17. It was stressed by one delegation that while planning may be approached from an overall national standpoint, specific conditions in this or that region would require thorough studies of the particular regional problems in order to adjust national plans to the real economic and social needs of a country. Other delegations were of the opinion that regional studies and research should precede the elaboration of national plans, so that these would take into account from the very beginning the specific problems of various regions. There was also the view that the regional approach might be unavoidable in the case of some countries and that the planning and statistical machinery should preferably be decentralized. This last point, however, was

opposed by some delegates on the ground that a decentralization of the planning institutions would be too costly and might, besides, impair the effectiveness of the central planning agency. A few delegations emphasized the importance of carefully selecting a number of the so called "poles de développement économiques", that is a few strategic centres where investment efforts should be concentrated in order to obtain maximum results from the standpoint of the economy as a whole.

18. Among other points which were raised in the course of the discussions, mention should be made of the following. The necessity of sufficient flexibility of national plans was stressed in view of the fact that various factors may bring about unforeseen developments in the economy during the planning period. In this context distinction was made between the type of flexibility which is forced upon planners (e.g. natural disasters or unpredictable changes in the inflow of foreign capital and foreign aid) and that which is more or less incorporated within the plan at the time of its drafting. Another point concerned the importance of market research, in particular in connexion with the instability of primary commodity prices. One of the delegates mentioned specifically that equal emphasis should be given to the expansion of the markets as well as to growth of productive capacity. Several delegations also showed an interest in supra-national planning capable of promoting co-ordinated growth in several countries, and expressed the wish to go into further discussions on this subject, while other delegates were more interested in the possibility of co-ordinating national plans.

19. There was a general feeling that the planning institutions in Africa are still in a developing stage and that more study and exchange of experience in this field would be beneficial. Moreover, it was evident from the discussions that the institutional frameworks should take into account the specific historical, social, economic and political conditions of individual countries and that it would not be justified to try to work out an "ideal" model which would be universally applicable.

III. Comprehensive Development Planning

20. Discussion opened on the basis of four documents.^{1/} The Working Party agreed that the object of planning is to speed up economic development, i.e., ultimately, to raise the standard of living. Accordingly, the plan must define certain ways and means of attaining that object. It was also agreed that in principle any plan should cover the whole field of economic and social problems.

21. Every plan presupposes the existence of aims to be achieved, and the planner's role is to provide the objectives and directives whereby these aims can be achieved. In practice, the targets are set for a varying "horizon" (say, for five or ten years): their attainment is reflected in a transformation of the country's economic and social situation. The planner must, if possible from year to year, indicate what has to be done to reach the target on that "horizon"; hence his task is to present a coherent programme whereunder the present situation will give way to the future one sought.

22. Three stages have been distinguished in planning:

- (a) During the first stage, the preparation stage, which is generally marked by the submission of a document to the political institutions, the planner has to set certain targets for attainment each year, while at the same time

^{1/} E/CN.14/ESD/1 : Problems concerning Development Programming and Policy in African Countries.
E/CN.14/ESD/13 : Notes on a Method of Comprehensive Planning in Tropical Africa.
E/CN.14/ESD/11 : Planning and Statistical Techniques of Projection.
E/CN.14/ESD/6 : Comprehensive Development Planning.

indicating the means by which the targets can be achieved. If, for instance, an increase of 15 per cent in agricultural production is proposed, the ways of achieving that increase must also be indicated. Over-ambitious targets or objectives may not be attained, as the necessary resources may be lacking or not utilizable in the particular economic, social and political context.

- (b) The second stage is by far the most important, being the phase during which the plan will be implemented; it is, after all, useless having an excellent plan if it is never implemented. Administrations and the various implementing organs must make every effort to follow the directives given when the plan was being prepared.
- (c) The third stage consists in comparing the objectives selected when the plan was being prepared with the results actually achieved. There are generally discrepancies, and these have to be explained. The checking phase is designed for such explanations, and it should enable adjustments to be made for ensuing years either with regard to the over-ambitious (or over-modest) objectives chosen or with regard to inadequate means. From this angle, the plan is composed of a series of annual objectives that have to be reviewed at the end of the financial year.

23. The next problem is to decide what period of time the planning should cover. Starting with a given situation (the basic situation), it may seem appropriate to study long-term developments in that situation which follow either naturally or as a result of the implementation of the plan. Thus, some countries have worked out possible trends over the next 10 or 20 years, working their shorter-term plans into the general framework, since it does appear that even rather rough ideas on the possible situation in 10 or 20 years are important

for a sounder definition of medium-term and short-term objectives, especially in view of the population changes which play so important a part in the development of African countries. The next need thereafter is to determine specific projects for the early years, so that three periods can probably be considered :

- a long-term period (15 or 20 years) aimed at the preparation of long-term proposals;
- medium-term plans (4 or 5 years); and
- annual plans specifying the operations to be carried out each year under the annual national budgets.

The long-term plans are rather general, concerned as they are with more or less overall magnitudes - the distant future being uncertain. The medium-term plan is more detailed, and the annual plan should as accurately as possible define the operations to be carried out within the year.

24. This way of working is obviously not essential, and perhaps all that need be done is to prepare medium-term plans without going into long-term perspective plans.

There were some comments on the difficulty of working out long-term perspectives or even medium-term plans due to the lack of statistics particularly those required for the preparation of detailed national accounts. But it does seem that even rough data can be used to estimate orders of magnitude of the main aggregates required for the preparation of long-term and medium-term plans.

25. The Working Party noted that there is frequently considerable delay between the end of one plan and the launching of the next, and agreed on the desirability of continuity between two consecutive plans.

26. In the preparation of a plan, and of the part concerning the definition of targets, application of certain econometric techniques can be useful. The latter are related to the setting up of sectoral or complete "models", which are always possible where statistics are available either for certain sectors of the economy or for the economy as a whole. The Working Party took the view that these econometric techniques are useful tools that the planner should know exist and should not fail to use whenever possible. With these techniques it is possible to prepare projections to check the internal coherence of the plan and to work out alternatives.

27. Most of the "models" are constructed on the basis of constant prices. But it is possible to introduce variable prices for certain production factors (e.g. wage rates) or for rates of taxation to modify income distribution. It was agreed that the chances of making such changes depend on the social and political conditions existing in each country.

28. The Working Party felt that a comprehensive plan should have the following 7 components:

- (a) An analysis of the structure of the economy, recent trends and broad lines of development.
- (b) A statement of the general aims, priorities and objectives of the government.
- (c) A statement of more precise and quantitative targets.
- (d) Resource balances and tests of feasibility and consistency.
- (e) Details of major projects including pay off studies.
- (f) A public expenditure programme and the amount of private investments.
- (g) An explanation of the policies and measures by which the government proposes to achieve its aims.

29. The question was raised how the general planning framework outlined above could be translated into specific action under the conditions found on the African continent. It is realized that countries and territories in Africa vary widely in their resources, traditions and the availability of information. Nevertheless all of them have in common that the statistical information required for comprehensive planning is inadequate and that the number of qualified people who could formulate and execute plans is still severely limited.

30. Nevertheless it was felt that comprehensive planning was necessary and desirable. Specifically, the plan was to contain capital budgets of government and public corporations; careful attention was to be given to current budgets; policies were to be formulated with respect to the private sector; and finally overall policies such as monetary and fiscal policies were to be included. In order to achieve these aims, attention was also to be given to the building of the necessary institutions by means of which the targets could be achieved.

31. The Working Party agreed that the specific problems of comprehensive planning will vary in different territories. It was felt that the establishment of national accounts was of great value, but in the absence of a complete set of statistical information, important information on major sectors such as government expenditure and revenue, export and import, industrial production, etc., is available in sufficient detail to permit the formulation of sensible policies and to allow minimum checks on internal consistency.

32. The translation of the general aims outlined above into specific quantitative and qualitative targets may reveal inconsistencies of aims. For example, to achieve a growth rate of 5 per cent may require so many resources that it may not be possible at the same time to eradicate illiteracy. The function of even a crude system of national accounts would be to bring out such inconsistencies and to allow the formulation of consistent targets. The discipline imposed by

the necessity of formulating a consistent set of targets and of suitable means will itself lead to the formulation of questions to civil servants and businessmen which in turn will contribute to the accumulation of necessary statistics.

33. Attention has to be paid especially to recurrent expenditure. It was emphasized that many of the most important development expenditures, particularly on agriculture extension and the training of managers and supervisors, while recurrent in nature, should not be treated in the same manner as general administrative expenditure. On the other hand it was important to realize that both current and capital expenditure competed for the same resources and that any saving in administrative cost will free resources for development.

34. In general it was felt that investment wherever possible should have a pay off, that is that it should lead to the accumulation of more resources than the investment required. This question was debated in greater detail. It was pointed out that profitability of an investment would have to refer to economic rather than to financial profitability. This in turn meant that under certain circumstances it was necessary to substitute in the calculation so-called "shadow prices" for prices found in the market and it was in all cases necessary to allow for indirect effects. For example in certain areas with a high degree of unemployment and labour surpluses, it was economically justifiable to put into the calculation lower prices for labour and higher prices for capital than was found in the market. This would tend to induce the use of more labour intensive techniques while at the same time leading to a better allocation of resources. It was stressed, however, that the use of "shadow" rather than market prices is justifiable only in such cases where it is clear that the market price does not reflect the real scarcity of factors of production. In this connexion, it was pointed out that in most African territories insufficient attention was given to the so-called

traditional sector and that in particular an increase in production of the modern sector due to a shift of labour from traditional to modern production was not necessarily a net increase.

35. The Working Party felt that two points required more extended discussion. The first concerned the proposition that most African countries were too small to provide adequate markets for industrialization and general modernization. It was felt that a real danger existed that the development plans of individual countries might be inconsistent with each other. Two points of view were expressed on how to meet this danger. One point of view stressed the need for harmonization of the plan by direct agreement among the interested governments while another point of view wanted to achieve the same aim through the creation of common markets. The Working Party felt that this subject matter was too difficult and too important to be resolved in so brief a discussion and it was suggested that a special meeting with especially prepared background papers should be called on this topic. It was further felt that in this case it might well turn out that there was less difference between the points of view expressed than appeared at first.

36. The second point concerned the question whether profitability was always the proper investment criterion, and how economic calculation might differ specifically from the financial calculation. It was agreed that on the whole economic profitability was the real criterion provided that it took account of indirect effects.

37. It was pointed out that in some areas wage increases had promoted the introduction of capital intensive techniques with a consequent fall in employment. It was further pointed out that in some areas the raising of the lowest wages had had undesirable effects by narrowing the spread between the wages for skilled and unskilled workers, thereby reducing the incentive to the acquisition of higher skills.

38. It was felt that to assess foreign exchange saving of a certain project account should be taken of both the direct and indirect effects of this production on foreign trade.

39. The question was raised to what extent profitability criteria could be applied to the social sector. It was agreed that while the provision for education or health itself was hardly amenable to economic calculation, nevertheless, the planners could point out to the statesman the two aspects: if too many resources were allocated to health and education, less would be available for direct growth inducing investments. The statesman was thereby put in a position where he could make a reasonable choice among the conflicting aims of more rapid growth or more rapid achievement of general education or rapidly improved health. Secondly, given the aims, the planner could show whether these aims were achieved in most economic manner.

IV. Statistics required for planning

40. Introducing this item, the Secretariat recalled that the Conference of African Statisticians had at both of its first two sessions, in 1959 and 1961, stressed the need for energetic expansion of statistical activities over the next five years to meet planning requirements. Under the stimulus of the Conference, nineteen African countries have so far prepared programmes of statistical activities, and others have been requested to do so. It has been recommended that in every country these programmes should be worked out in close collaboration between statisticians and planning agencies. Many, smaller, meetings of experts have also, at the request of the Conference, gone into certain aspects of the problem (June 1960 and January 1961 - national accounts; December 1961 - household budget surveys).

41. In the Secretariat's view, there are three aspects of co-operation between statistical and planning services that merit discussion. On the one hand, it must be acknowledged that statistical activities have their own rhythm; in practice, it takes several years to install a statistical apparatus capable of implementing an extensive programme of surveys and censuses; it is therefore important to include in every plan a programme of statistical activities that will help to improve the framework of the next plan.

42. It is, moreover, obvious that the planner cannot wait until all series are available before undertaking the preparation of a plan that has often to be published within a strict time-limit. So the planner needs a statistician - who could be called a statistician/economist - to provide him in the shortest possible time with the available statistical series or, failing these, with the best possible estimates. Wherever sufficient statistical personnel can be obtained, the solution would be to separate the two statistician's functions, i.e. the collection and the analysis of data. At all events, a training programme must be initiated for statistician/economists. (See section VIII).

43. Again attention should be drawn to the fact that it may be useful to combine in one survey a variety of objectives of interest to different "users". Statistical activities must be co-ordinated, in order to reduce their cost. In that connexion, the December 1961 meeting made important recommendations on multi-purpose survey programmes.

44. The Secretariat went on to recall the list of basic statistical data annexed to the report of the First Conference of African Statisticians. What in fact needs discussion is the statistical "activities" or work required for planning rather than the statistical tables required. In that respect, a distinction has to be drawn between the operations essential to the preparation of the plan and those entailed in supervising its implementation. Wide experience now exists of the former. On the one hand, there are fields in which the necessary statistics are obvious: for instance foreign trade, public finance, education, health, agriculture (measurement of acreage and yields). On the other, if the planner wishes to study the coherence of his planning targets, he needs detailed national accounts for the base year, which in turn entails a series of statistical inventories in which a pre-eminent place is occupied by population, agricultural and labour censuses. Such "detailed" national accounts should be brought up-to-date for "bench-mark years" coinciding with the beginning and end of the plan period.

45. Statistics for use in supervising the implementation of the plan have on the other hand often been neglected, the main reason being that most African countries have barely begun to set up planning organs. If, however, the aim is to anticipate coming needs, it is necessary, in the view of the groups of experts that met in January and December 1961, to attain two results. The first of these is the annual bringing up to date of detailed accounts on key sectors (government accounts, relations with the rest of the world, public undertakings, capital expenditure). It would also be necessary to keep up-to-date simplified accounts of other sectors; multi-purpose survey methods have been suggested to that end. All these statistical operations taken together are the prerequisite for

following year to year trends in the main aggregates and, if need be, revising either the planning targets or the ways and means of attaining them. One inevitable effect is that such operations demand the establishment of a permanent body of enumerators in most African countries, as has recently been acknowledged by many statistical services.

46. During the discussion, the Working Party recognized the need for long-term statistical programmes, as also for co-operation between statistical and planning services in framing such programmes. Unless the long view is taken and unless the necessary statistical apparatus is set up without delay, the same scarcity of statistics will exist five years hence.

47. The fact remains, however, that many planning bodies have now to work with very little statistical knowledge - and the Working Party considered this problem. On the one hand, the preparation of a plan can obviously not be stopped for want of statistics; on the other, it is always possible to improve certain series while the plan is actually being prepared (e.g. the analysis of government expenditure and foreign trade). Lastly, use can sometimes be made of comparisons with neighbouring countries or countries with similar structures.

48. The Working Party considered the functions of the statistician/economist. The representatives of many countries with planning experience said they had found considerable advantage in incorporating in the planning team statisticians to make the necessary analyses for the planners.

49. The "commodity balances" method was mentioned as a very effective analytical tool in preparing the plan and checking its implementation. This method has the additional advantage of bringing out statistical gaps, so that if the analysis is repeated from year to year, it becomes possible simultaneously to stimulate and follow the statistical development. The Secretariat gave the assurance that this method would be examined at a meeting on the adaptation of a system of national accounts to Africa, to be held in 1962.

50. Permanent field survey sections incorporated in statistical offices were acknowledged by the Working Party to be a real need. This problem already arises in countries that have, at great expense, selected and trained many teams of enumerators for population and agricultural censuses held in recent years. Unless it is forthwith decided to keep the best of these enumerators in permanent sections, there is a danger that the intensive training effort made in recent years will have been wasted.

51. The question was also raised of the place of agricultural surveys in multi-purpose surveys. The lack of information on crop yields and **area** under cultivation, especially in shifting cultivation, is a serious shortcoming in the preparation of agricultural development plans. Sample surveys carried out in the past, comprising measurement of acreage and yields, produced results that often led to changes in extension policies. Such surveys therefore merit very high priority, even if it is difficult to combine them with multi-purpose household surveys. Again, it is in many countries cheaper to estimate the production and use of the main agricultural products by permanent surveys on household expenditure and consumption, which are the sort of multi-purpose surveys advocated for the keeping of simplified national accounts.

52. Many representatives referred to the centralization of statistics in their countries. This problem has two aspects: geographic decentralization or the transfer of responsibility from a central organ to specialized ministries. As to the first of these aspects, it was observed that a comprehensive survey programme would probably force the statistical service to set up provincial or regional offices. (Some countries have already reached this stage). The second aspect, i.e. the transfer of responsibility to specialized ministries - e.g. for agricultural statistics to the Ministry of Agriculture - is more complex. On the one hand, the shortage of statisticians in African countries would appear to make decentralization difficult, and the centralization of mechanical processing equipment has considerable advantages. On the other hand, the participation of officers

from the Ministry of Agriculture in surveys on yields and acreage would greatly reduce cost, so that even partial participation by that ministry would be very desirable. Lastly, there is no doubt that at a later stage, with the development of agricultural statistics, there will be a great advantage in decentralization of the annual surveys on acreage and yields.

V. Demographic and Social Aspects of Development Plans

53. The Working Party had before it five papers prepared in connection with this item of the agenda^{1/}. It was realized that the inter-relationship of demographic, social and economic factors in development plans raised complex and controversial questions. The complexity of the causal relationships involved, the absence of any overall theory of economic and social development, the impossibility of quantifying in economic terms many of the social variables (and vice versa), and the general lack of basic data made it difficult to establish a priori guiding principles. There was agreement that economic and social development are complementary in the sense that social development is dependent on the growth of the economy, while the rate of economic growth is itself conditioned by various social factors, including, for example, the level of education, training and health of the population, the institutions and attitudes of the people, and the possibilities of changing certain institutions and attitudes to meet changing needs.

54. At the same time, economic and social development are competitive in the sense that funds available for allocation among economic and social projects are limited. Many economists believe that in order to achieve accelerated economic growth it is essential to have a concentration of investment in the most productive sectors and the most productive areas of a country, while social progress calls for measures to be taken to ensure that the population as a whole benefits as much as possible from the increase in national income and that expenditure policy takes into

^{1/} E/CN.14/ESD/12

E/CN.14/ESD/15

E/CN.14/ESD/21

E/CN.14/ESD/5

E/CN.14/ESD/20 and
add.1

Demographic Factors Related to Economic
and Social Development

Some Problems of Social Development Planning
in Relation to Economic Development

Social Aspects of Economic Development

The Strategy of Human Resource Development
in Modernizing Economies

Economic Aspects of Educational Planning
in Connection with Economic and Social
Development

account the nature of the social needs existing in a country.

55. Differences of opinion as to allocations have to be settled in the last analysis at the political level, but the planner can contribute to the integration of social and economic development by seeking out measures that will maximize the complementary aspect and minimize the competitive aspect of these programmes: by 1) developing programmes that are simultaneously economic and social in character and objectives, incorporating economic and social elements in appropriate proportions; 2) orientating economic programmes so that they will have immediate social benefits, where possible; and 3) orientating social programmes so that they will achieve economic objectives to the extent possible. Such an approach calls for a much closer relationship than generally exists between economic plans and planners on the one hand, and social plans and planners on the other.

56. It was noted that competition for funds could also be reduced by encouragement of voluntary effort in the social field as well as the use of special sources of revenue, such as ear-marked taxes or locally-voted taxes, which might not be available for economic purposes.

57. It was observed that the profitability concept and other concepts of economic measurement were only of limited use as criteria for the allocation of resources between the economic and social sectors, and between social sectors, in view of the difficulty of estimating indirect economic benefits, and the fact that much of the effect of social programmes cannot be measured in economic terms; nevertheless in certain carefully defined cases an assessment can be made not only of the economic costs but also of the economic returns to social programmes, and these can be roughly compared with alternative investment opportunities. Also the levels attained in education, health, etc. can be compared with the levels in the various sectors of economic development, and on the basis of analysis of experiences in other countries as well as the past history of one's own country, some conception can be obtained of a healthy balance of economic and social factors in a growing economy

and evolving society. It is possible, for example, by means of a profile or pattern analysis, using statistical indicators of development in different sectors, to determine whether a given country appears to have unusually high or unusually low levels of social development in comparison with other countries at about the same level of economic development^{1/}.

58. Finally, an estimate can be made of various requirements or complementarities in the social field to meet economic objectives (for example, requirements in education or housing) and of economic requirements to meet social objectives; the mutual consistency of measures in the different fields can be examined, and the future implications of current trends and proposed measures in the social field for the economic field (and vice versa) can be studied by means of projections.

59. The Working Party agreed with the proposals put forward in the working papers for greater orientation of educational planning towards the requirements of economic development. It was pointed out that in Africa, where school enrolment rates were extremely low, the cost of education in terms of the percent of national income spent was about as high as in Europe; one of the contributing factors was, for example, the absolute cost of university education per student which is in fact often much higher than in Europe. This underlined the crucial need to make the most efficient use of resources in educational planning, to reduce costs of educational plants and teaching methods, to make the fullest possible use of voluntary and local efforts, etc. The Working Party agreed with the suggestion that from the point of view of manpower requirements and economy of resources, the highest priority in most parts of Africa should be given at the present time to the expansion of secondary general and technical education.

^{1/} See, for example, the 1961 Report on the World Social Situation by the United Nations, especially Chapter III; also Chapter IV which gives comparative data on government social expenditures at different levels of economic development.

60. It was agreed that employment policy and manpower planning were important tools for integrating economic and social development and for introducing measures that will lead both to growth in national income and to raising the standard of the low income groups. It was suggested that manpower planning should take into account the need to adjust economic employment possibilities to available manpower, as well as the adjustment of manpower supply to economic demand. This was particularly important in African countries, with large traditional sectors of limited productivity.

61. That question was linked to the choice between capital intensive and labour intensive techniques of production. According to some participants, there is a tendency to use techniques of production that are too capital intensive. When making choices between alternative techniques, the real costs of labour and the real costs of capital, as well as the social benefits of expanding employment opportunities, should be taken into account. At the same time, it was pointed out that less-developed countries frequently had limited choice amongst available production techniques and that capital intensive methods were frequently more suited to certain stages of processing or developing a product in manufacturing than to others. It was agreed that more research was needed into production technologies most adapted to less-developed countries.

62. Wage policy was considered a key question in economic and social development planning, although it was pointed out that since wage-earners are a small minority in most African countries, wage policy was a less effective weapon than employment policy which affected the entire labour force. There was agreement that the structure of wages and salaries should reflect the needs of the economy and the contribution of the individuals concerned to economic development rather than tradition or heritage from colonial regimes. It was noted that in some cases salary costs in Africa were higher than for the same type and level of work in Europe since they were based on expatriates incomes which were higher

than would have been received at home for the same work.

63. There was considerable discussion on the extent to which the salary scales of top-level personnel were determined by supply and demand on the international market, and how far adjustment was possible after independence was achieved. On the one hand it was argued that the distribution of wage rates was skewed in the high ranges by inherited rates and extraneous standards, and that adjustments should be made when a country became independent. On the other hand it was argued that, for some categories of high level personnel such as engineers, an international rate prevailed and that any reduction of salaries in these cases could lead to a wasteful use of scarce personnel or to loss of such personnel abroad or to difficulties of recruitment - in some cases trained African personnel were so scarce that they could command a rate higher than the international rate. Sacrifices may be required in the form of lower salaries than equivalent personnel elsewhere, but the magnitude of these sacrifices should not be such as to impose unacceptable standards of living.

64. There appeared to be considerable differences in policy and practice regarding the level of remuneration of high level personnel in African countries and it was felt that the situation called for further investigation.

65. In connection with wage policy it was pointed out that at the other end of the salary scale the timing of minimum wage legislation and the level of minimum rates fixed should be such as not to have the effect of diminishing employment. The minimum wage rate payable to unskilled labour on first entry to wage-earning employment should, it was suggested, be kept in relation to the level of incomes in the non-wage sectors from which this labour comes, taking due account of differences in cost-of-living between these sectors and of temporary local shortages of unskilled wage labour that may arise.

66. It was agreed that economic and social development planning had to start from existing social institutions and behaviour patterns; but that social change was inevitably associated with economic change and that

substantial economic change could not in fact take place without changes in people. The adaptation of social institutions to new needs created by economic development was an important part of social development planning. The process of urbanization, for example, appeared to be an essential element in economic development, but much could be done by balanced rural-urban development, regional and town planning and by organized social services to avoid the worst mistakes of the past.

67. It was pointed out that timing could be of crucial importance in tackling social obstacles to economic development. A special situation may arise when changes may be introduced more quickly and at lower cost than would otherwise be possible, and advantage should be taken of these opportunities.

68. The Working Party agreed that research was needed on the behaviour patterns related to economic development, particularly into questions of incentives and motivation affecting workers and entrepreneurs in Africa. More needed to be known on the factors that provide the initial impetus to change, or the institutions and practises likely to be associated with increased productivity and on the most effective means of social and institutional transition. It also seemed timely to seek as appropriate, through research, social data of a kind and in a form both significant and technically assimilable to recognized procedures of economic development programming.

69. In this connection, the Working Party expressed interest in the effectiveness of "animateurs" and other community development workers concerned with social change at the local level. The important role played by community development programmes in mobilizing human resources and in creating an awareness of national development requirements and programmes was recognized. It was pointed out that rural development programmes in particular often failed because of the lack of response in the given social and psychological environment, and that in some countries the task of the community development worker was thus in the first instance to stimulate the awareness of the rural community in

order to prepare the way for the technician or extension worker. Several countries had found this type of preparatory work an essential precondition to successful rural development.

70. The Working Party realized that economic and social planning in Africa over the next decade would have to take into account the likelihood of rapid population growth and major changes in demographic structure. Although "over-population" is not a problem in most African countries, acceleration in the rate of population growth, owing to a drop in death rates and maintenance of traditional birth rates, is already becoming evident, and is likely to lead to a situation that will call for greatly intensified efforts at development if substantial improvements in the economic and social conditions of the masses of the population are to be achieved.

VI. Project formulation and evaluation

71. The discussion was based on four papers^{1/} submitted to the Working Party in connexion with this agenda item. It was stated that in the case of fully detailed comprehensive plans a special method for project evaluation was unnecessary since in such plans projects were already assessed with regard to their direct as well as indirect impact on all the important aspects of the economy. However, sometimes existing comprehensive plans were not fully detailed, and often comprehensive plans did not exist at all. In these cases the choice between possible projects to be carried out in connexion with the Government's development effort would not easily include considerations of national economic interest. The special technique of project evaluation was developed with a view to include in the yardstick for choosing projects such considerations, notably the overall aims and objectives of the Government as well as relative scarcities and bottlenecks existing in the economy.

72. In dealing with industrial projects the necessity of evaluating projects within the framework of a comprehensive plan was re-emphasized. Furthermore it was vital that the planning authority should examine with great care the project proposals of the ministries and should not hesitate to investigate details of technology of projects when necessary. The outline for project evaluation suggested was first to examine the project for profitability from the private point of view and then to correct this evaluation for national profitability. The specific criteria suggested for evaluation was the

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- ^{1/}E/CN.14/ESD/8 : Some techniques of development lending (IBRD)
E/CN.14/ESD/16: Project formulation and evaluation in relation to Development Programming.
E/CN.14/ESD/2 : Some notes on industrial project evaluation
E/CN.14/ESD/3 : The formulation and evaluation of agricultural projects in Africa.

pay-out time defined as the total time it took for the project to recover, by earning profits, the initial capital investment.

73. The procedure suggested for the determination of private profitability was the straightforward one of determining expected revenues and expected costs on an annual basis thereby determining annual profits and from such data the time necessary before the invested capital was recovered. In determining revenues on the basis of expected markets it was pointed out that the import bill was a reliable guide for an import substitution industry so long as it was remembered that the price might be higher at first and consequently the market size smaller. In addition demands must be evaluated on the basis of the expected rise in national income as given by the comprehensive plan. In the determination of costs an effort must be made to have a choice of scale and of technology available to the planning authority. This requires that the project initiators have a comprehensive knowledge of available forms of technology.

74. Next the private profitability calculations must be corrected for the national point of view. Four types of corrections were suggested: corrections for external economies, for foreign exchange earnings, for factor market disequilibrium, and for prestige or national security projects. Briefly, projects which raised demands for other products or lowered production costs for other products would create "external economies" and the full value of the project would not be apparent in the earned revenues. Correction must be made of the total effect on the foreign exchange position of an individual project. The use of a shadow price for capital was suggested, say doubling the stated rate of interest, but it was noted that the labour inputs should be valued at their market wage rates. Finally it was noted the planner ought to present to the appropriate political authority the cost of a national security or prestige project so that a basis for choice will be available.

75. These corrections, it was suggested, would result in each project having a number - its payout time. As a first step in project selection it was noted, those projects with the shortest payout time could be selected. Then the cost of the selected project in skilled manpower, foreign exchange requirements, and in government revenue as recurrent costs could be calculated and if necessary the selection of projects adjusted until the cost of projects matched the availability of various sorts of resources.

76. It was noted by many that agricultural programmes and projects were of particular importance in Africa. It was suggested that in agricultural projects intensification as well as diversification of production was necessary. However, even given this importance of the agricultural sector such sectorial plans must be fitted into the national comprehensive plan. Attention was drawn to the research of FAO on African agriculture and to the services FAO could provide in the supply of experts for agricultural planning. Of particular interest was reference to FAO's Africa Survey as a source of guidance in agricultural planning, to the country studies FAO was presently conducting, and to current research into stabilization schemes for tropical products and projections of supply and demand for major tropical products up to 1970. It was noted that ECA is co-operating in such research on tropical commodity problems.

77. The importance of such information on prospects for African exports was again pointed out, and especially the need for such material as a background for the evaluation of agricultural projects.

78. In the discussion of agricultural projects several technical problems deserving further thought and research were suggested : first how does one correct soil depreciation. Second, how does one reach a balance between projects with fast pay-offs and more risky, experimental projects which, if they succeed at all, will do so only in the rather distant future? Third, to whom should the

returns from agriculture accrue; to the government as a source of revenue or to the farmers as an incentive to expand production. There was some discussion of the use of input-output analysis in agriculture. On the one hand it was thought that as far as detailed knowledge was available of the reaction of the agricultural sector to investment such analysis was useful. On the other hand it was doubtful that, under tropical African conditions such knowledge would be readily available. Mention was also made of the problem of land tenure and of stabilization of internal prices for tropical export products.

79. One list of priorities suggested for agricultural projects was: accumulation by the government of funds for agricultural investment; training of agricultural officers; development of crops for local consumption; development of export crops.

80. On industrial projects it was pointed out that if input-output analysis was used then it would be possible to calculate in a straightforward manner the effect of a project on the balance of payments. It was also noted that in project evaluation it was necessary to consider both the construction phase and the production phase and their effects on the national economy.

81. There was some discussion of the extent of involvement of the planning authority in project evaluation. It was suggested that even though it might require extra manpower, the planning board really had to involve itself in the technical side of the projects to some extent and thus it was necessary to have some sort of engineering competence.

VII. PROPOSALS FOR AN AFRICAN DEVELOPMENT BANK

82. On introducing this subject^{1/} the Executive Secretary pointed out that interest in co-ordinating and increasing investment in Africa had been expressed at the first session of the ECA. The second session adopted Resolution 11 (II) on the role of ECA in co-ordinating multi-lateral aid in Africa and the third session adopted Resolution 27 (III) which "requests the Executive Secretary to undertake a thorough study on the possibilities of establishing an African development bank and to report to the Commission at its next session". He had therefore convened a panel of independent experts to explore this matter and was now seeking the views of the Working Party. He did not expect a verdict or decision from the Working Party as he realized that its members were probably not instructed by their governments, but he hoped for views additional to those provided by the expert panel in Document E/CN.14/129. He intended to submit these views to the fourth session of the Economic Commission for Africa. He also referred to the General Assembly Resolution of 19 December 1961 which had been adopted after the meetings of the expert panel. This makes reference to the possibility of sub-regional financing institutes, or Economic Development Banks for Africa.

83. In summing up the suggestions of the expert panel the Executive Secretary drew attention to the conclusion that despite the existence of various financing agencies and despite considerable practical difficulties, the creation of a new financing body for Africa was considered to be justified on the grounds of probable higher net availability of funds, or additionality, and the performance of functions not now adequately provided, such as co-ordination of national plans, revealing new investment opportunities, assisting governments to formulate sound projects, guaranteeing of government loans and distribution of soft loans, e.g. to support recurrent government expenditures.

^{1/} Papers submitted for this agenda item were:

E/CN.14/ESD/9 Possibilities of establishing an African Development Bank.

E/CN.14/129 Report of a panel of experts on the possibilities
& Corr.1 of establishing an African Development Bank.

84. The panel had outlined the kind of African Development Bank it thought might be possible. This might be a bank with a flexible organization to provide hard loans, soft loans and grants. It might have a share capital of the order of \$400 million subscribed over 5 years, half from African sources and half from outside together with additional outside contributions to make a total of at least \$1 billion. Outside subscriptions to the share capital might be in B category shares with lower voting rights so as to preserve African control in the Board of Governors and Board of Directors. Management should conform to the highest technical standards and there should be a "hard core" of commercial banking operations to attract outside subscriptions and contributions. The Bank would invest to a limited extent in the equity capital of public, private and mixed projects with the approval of the governments concerned, preferably in projects which are part of national development programmes. Such investments would supplement those of national and commercial banks in larger projects. Grants and soft loans might be distributed possibly under special arrangements with the donors.

85. In the subsequent discussion by the Working Party there was a general support for the principle of creating an African Development Bank, but a number of qualifications and questions were introduced. Some of these related to the scale of operations and the level of contributions. Several delegations doubted the capacity of the African States to subscribe the suggested share capital of \$200 million in 5 years, specially as the expert panel had proposed that half should be in gold or convertible currency. This difficulty might be mitigated if the level of subscription were to vary from country to country according to wealth. At the same time it was pointed out that subscriptions or contributions in national currency might be difficult to use, particularly if, as proposed by the panel, the African Development Bank should help finance mainly the foreign exchange costs of projects. It was also suggested that the African subscription to the share capital need not

equal or exceed the non-African provided this did not involve loss of African control.

86. Views were also expressed regarding the non-African contributions which the panel had visualized as being of the order of at least \$800 million, including up to \$200 million as subscriptions to the share capital. It was proposed by several delegations that the resources of the Bank should be greater, as a total of \$1 billion would permit only a modest scale of operations in relation to the capacity of the region to absorb capital. A suggestion that outside contributions might be assessed on the basis of the scale of dues paid to the United Nations was not considered practical, but it was stressed that as far as possible support should be sought from Eastern as well as Western countries and from as wide a range of financing bodies as possible. The proposed Bank was regarded by some as a convenient channel for bilateral aid, so that this could acquire the multilateral character desired by many African countries. Others suggested contributions from the IBRD but it was explained that this would not be in accordance with the IBRD's constitution, though it and the IDA might support an African Development Bank by joint loans and in matters of organization and management.

87. There was general agreement that it would be difficult to assess the prospects for creating a successful region-wide Bank without securing the official views of the African countries and of the potential outside contributors regarding the scale and conditions of their contributions. The question might also be explored of whether the time is suitable for the immediate creation of such an institution without previously carrying out all the necessary studies.

88. A number of delegations, while recognizing that ECA Resolution 27(III) referred only to an Africa-wide body, expressed interest in the possibility of promoting sub-regional and national development banks. These might be considered together with an African bank, or as a precursor to it. Functions such as the co-ordination of banking policies for

example might, it was suggested, be achieved by a union of national banks. It might also be possible to create a fund or pool for guaranteeing loans without creating a new regional bank. It was considered that these possibilities also warranted close study by the ECA Secretariat and it was noted that the work programme contains a project on national development banks. Attention was also drawn to the UN General Assembly Resolution of 19 December 1961 on the Economic Development of Africa. This, inter-alia, stresses the importance of establishing regional^{1/} economic development banks for Africa. As pointed out in paragraph 82 above the Executive Secretary expressed his intention to draw attention to this point when presenting Document E/CN.14/129 to the fourth session of ECA.

89. Irrespective of the form of organization that might be ultimately decided, there was a realization that much of the financing provided by existing bodies is related to projects more or less in isolation, rather than to integrated programmes of development. This was likely to lead to some imbalance in development. It was pointed out that the bilateral aid given by France is to an increasing extent being directed through national plans and that the IBRD has sent economic survey missions to five African countries and where possible supplies loans aimed at promoting balanced growth. This tendency could be further strengthened by national, sub-regional and regional financing bodies.

90. The Working Party referred to a number of managerial and procedural aspects of the proposed African Development Bank. Membership for example might be that of the ECA and if outside members are included voting should not be weighed by contribution. African control would be a necessary condition. With regard to functions, the importance of giving due weight to agricultural as well as industrial development was stressed and attention drawn to the need to finance projects affecting more than one

^{1/} Presumably sub-regional in ECA usage.

country such as transport, river-basin and marketing problems. The need for advice in formulating such projects was noted. Considerable interest was expressed also in staffing problems. It was suggested that an organisation of the size proposed by the expert panel would, when operating, need a professional staff of about one hundred, which might be increased if the research and advisory services were to be expanded. Difficulties were foreseen in obtaining staff of adequate quality and the need for training was stressed. The proposed African Institute for Economic and Social Development might be able to help in this respect.

91. In conclusion therefore, the working party took the view that considerably more study and negotiation would be needed before a definite decision could be reached on the scale, form, functions, sources of funds and timing of a regional financing body. Account would also have to be taken of the relations with existing bodies and with possible sub-regional and national banks. Its success would depend on securing additional funds for African development and on performing such functions as co-ordination not now being carried out effectively. There would have to be detailed specific negotiations of the type referred to in paragraph 87 above. It would also be necessary to reach agreement, as pointed out by the expert panel, on details of management, membership, voting rights, types of loans and their management, and a great variety of other problems. The Executive Secretary was requested to convey these views to the fourth session of the Commission with a recommendation for further action.

VIII. African Institute for Economic Development
and Planning

92. The papers submitted as a basis for the discussion of this item^{1/} were introduced by the Secretariat who also summarized the report of the Panel of Experts. The latter was deemed necessary in view of the fact that, owing to technical difficulties, the French version of this paper had not been distributed to the delegates.

93. The Secretariat noted that the training of Africans in the field of development planning had been considered already at the first session of the Commission. The proposal before the Working Party reflected therefore discussions among representatives of African governments during the last three years. Reference was also made to the resolution on economic development of Africa adopted on 19 December 1961 by the General Assembly of the United Nations. This resolution requested the Secretary-General to lend his support to the establishment, under the auspices of ECA, of an African Institute for economic development and planning.

94. The Representatives of specialized agencies welcomed the creation of the Institute, and all expressed the readiness of their respective organizations to give their assistance to the future institution. Teaching personnel and/or documentation would be made available by these agencies. Moreover, reference was made to the experience in training acquired by them in their specialized fields. This experience, it was felt, would be of great interest to the proposed Institute.

95. The Working Party expressed its appreciation of the efforts made to meet the great need for the training of Africans in the problems and

^{1/} E/CN.14/ESD/14

E/CN.14/ESD/18

E/CN.14/ESD/18/Add.1

Working Paper on the proposed establishment of an African Institute for economic Development and Planning
Report of the Panel of Experts on the establishment of an African Institute for Economic Development and Planning
The financial implications of the proposals made by the Panel of Experts for the establishment of an African Institute for Economic Development and Planning

techniques of development planning. It also endorsed the idea that training activities should be combined with research as well as with the provision of advisory services to African countries at their request.

96. Considerable attention was given to the supply of trainees and to the length of training courses. The Working Party noted that the Panel of experts had attached top priority to the training of government officials and that the main training course suggested by it would last for a period of nine months. Several delegates expressed the view that under the present circumstances it might be difficult for many African governments to release their officials for such a long period of time. At the present therefore serious consideration should be given to the possibility of training students who had just completed their University education. Such students, it was noted, may often have some experience in government service. It was also suggested that the length of a planning course organized primarily for post-graduate students should be 2-3 years instead of nine months.

97. Several delegates attached particular importance to the organization of seminars of about 3 weeks duration for high government officials. These seminars would provide for the discussion and exchange of experience on specific planning problems encountered by African governments and on the methods which might be successfully utilized to solve these problems.

98. The Working Party recognized that the Panel of experts had only intended to present a very tentative list of the subjects to be taught at the proposed Institute. This list, it was felt, could be revised in several respects. Reference was made to the importance of various additional economic and social subjects that might be included. It was also noted that the representative of UNESCO mentioned that attention should be paid to the economic aspects of educational planning.

99. It was generally agreed that training should be provided not only in the general aspects of planning, but also in the application of planning methods and techniques to special fields. In this connexion, reference was made to the need for contacts and mutual understanding between economists and educationalists, engineers and other specialists, since planning requires a combined effort. Emphasis was placed on providing types of training which would ensure versatility.

100. Consideration was also given to the methods of teaching. Reference was made to the importance of training on the job which, however, was not considered as a substitute for full-time training at an institute, where a variety of methods such as lectures, discussion groups, and case-studies could be utilized. It was pointed out that the case-study method would be well suited to throw light on actual problems as well as on their solutions. African cases were considered much more valuable for training than cases taken from other regions.

101. The Working Party endorsed the idea that the proposed Institute should be bilingual in French and English, i.e. the two working languages of the ECA. It was suggested by some delegates that these languages should be taught at the Institute in order to facilitate mutual understanding among the representatives from the two language areas concerned.

102. It was generally agreed that contemplated training activities had to be based to a significant extent on new research into African economic and social conditions, existing obstacles to economic growth and planning techniques suitable to African conditions. The objectives of this research would be not only to collect information on conditions and problems, but also to derive principles which might be of general applicability. Furthermore, it was emphasized that, in their research, the staff members of the Institute should never lose sight of the practical aims of its training activities.

103. The emphasis on research also found its expression in a proposal to create a documentation centre on African development and planning at the Institute, which, it was suggested, might in addition include a computation centre.

104. The Working Party agreed that the staff of the Institute should ideally possess both high academic qualifications and practical experience in planning under African conditions. It could be recruited from Africa as well as from other regions. Teachers without practical experience in Africa should study the special features of African development before

beginning their training activities. Experience had shown that highly competent teachers from other regions have felt the need to adapt their knowledge to African conditions. In the case of African staff, it was felt that study of conditions and problems in African countries other than their own would be desirable. Finally, it was emphasized that the recruitment policy of the Institute had to be flexible and that use should be made of the services of short-term lecturers on specific topics. Special efforts should be made to obtain the participation of African planning officials in the training activities of the Institute.

105. The need for advisory services was stressed by several delegates. Such services would also have the advantage of establishing close contacts between the staff of the Institute and government officials. It was felt, however, that advisory services should not be provided on a significant scale until the Institute had firmly established itself in the field of training and research.

106. The Working Party discussed at considerable length the problems of decentralization of training and research activities. The suggestion was made that the Institute itself might be decentralized, in which case separate institutes would be established to serve different sub-regions. It was pointed out, however, that this type of decentralization would involve serious organizational problems, including the dispersion of efforts, and that it would tend to prevent the full exchange of experience and ideas among all African countries. Several delegates emphasized the significant advantages which could be gained from the cross-fertilization of ideas on a regional basis.

107. Some delegates felt that, even if one central institute were to be established, serious consideration should be given to a certain decentralization of its research activities. In this connection, reference was made to differences in development problems encountered by various groups of countries and a proposal was made to the effect that sub-regional research centres should be established. Other delegates stressed the need for close co-operation between the Institute and

existing universities and research centres in Africa. It was also pointed out that the staff of the Institute could acquaint itself with specific problems of the various sub-regions through extensive travels and consultations with government officials engaged in planning.

108. Considerable attention was given to the possibilities of decentralizing some of the training activities of the Institute. Such a decentralization would have the advantage of enabling the Institute to train government officials without taking them away from their regular duties. It was noted that the Panel of Experts had suggested that the seminars and the three-months training courses contemplated by it could be conducted both at the location of the Institute and in other parts of Africa. Interest was also expressed in the participation of the staff of the Institute in discussion groups organized by individual countries on their development plans.

109. The delegate of the UAR informed the Working Party that he had been instructed by his Government to state that the Institute would be welcome to establish itself in Cairo. The delegates from Ethiopia and Ghana declared that they would also be pleased to see their respective countries act as hosts to the Institute. The Executive Secretary promised to inform the forthcoming session of the Commission about these statements in the form of an addendum to the report of the panel of experts. This addendum, would also refer to a cable received by the Executive Secretary, indicating the interest of the Government of Senegal to have the Institute established in Dakar, and to a statement made by a delegate of Nigeria to the second committee of the 16th General Assembly of the United Nations, expressing the readiness of his government to offer facilities to the Institute.

110 The observer from the Commission of the European Economic Community (EEC) informed the Working Party of plans for the establishment of a development institute within the framework of the new convention of association with EEC. The Working Party noted that one of the main functions of this institute would be to co-ordinate research on African

development problems undertaken in Africa as well as in Europe and invite the Executive Secretary to discuss with EEC arrangements designed to ensure complementarity between the activities of the two proposed institutes.

111. In winding up the discussion on this item, the Executive Secretary stated that the free exchange of views among delegates would prove very useful for the further consideration of the Institute by the Commission. It emerged clearly from the discussion that despite differences in opinion on many points, all delegations were interested in the creation of an institution which could help African countries in speeding up and improving the training of national personnel engaged in planning, in contributing to the research which is already carried out by various national and international institutions as well as in assisting governments at their request in the more concrete tasks related to the elaboration of national plans. The Executive Secretary concluded that it seemed to be generally agreed that there is plenty of room in Africa for various institutions of this kind, so that there should be no fear that the proposed Institute might become competitive with existing or projected national or international institutions of a similar nature. Care would be taken to ensure that the Institute would complement the activities of other institutions in the field of economic development and planning in Africa.

IX. Proposals for further work

112. The Secretariat had submitted two papers (1) as a basis for discussion on this agenda item. Activities of the Commission in the field of development planning and policies could be classified into four categories.

1. Studies either for publication or as a basis for discussion at meetings;
2. Organization of meetings whether conferences of all members and associate members of the Commission or small technical meetings of specialists from inside or outside the region on particular problems.
3. Training either under its own responsibility or in conjunction with the envisaged Institute for Economic Development and Planning.
4. Advisory services.

113. With regard to the last item, it was stated that the Executive Secretary was making efforts to attach to the Commission a small number of regional advisers who would be available to countries at their request for longer or shorter periods. The view was expressed in this connexion that it was of particular interest for countries which desired assistance to have expert advisers at their disposal for extended periods since usually much time passes before the specialist concerned has acquainted himself with the specific problems of the country. However, the usefulness of short-term advisory services was admitted and it was welcomed that the Executive Secretary had been able to make arrangements with planning institutions and individuals for the provision of such services at the request by members and associate members of the Commission. (See: E/CN.14/ESD/INF.3 & Add.1: Roster of experts available for ad hoc advisory services given in Annex VI to this report)

(1) E/CN.14/ESD/19 : Proposals for further work on development policies and programming.

E/CN.14/ESD/INF.3 & Add. 1 : Roster of experts available for ad hoc advisory services.

114. With regard to meetings on subjects in the fields of planning and economic policy formulation, some participants expressed their preference for annual conferences of all members and associate members of the Commission mainly to renew contacts and exchange experience; several others, however, stated the view that general conferences should be held infrequently and that small expert meetings would be a more appropriate way of thoroughly discussing specific problems. Experts from inside as well as outside the region should be involved in this work.

115. As far as studies by the Secretariat were concerned, it was generally felt that the Executive Secretary should be given freedom of action. Subjects of special interest to participants had already received attention at several points in the discussions of the Working Party. However, the view was expressed that studies should be as concrete as possible and should therefore rely heavily on studies at the country level and on country by country comparisons.

116. A number of specific suggestions were made with regard to studies to be carried out; the Secretariat took note of these remarks.

X. SUMMARY AND CONCLUSIONS^{1/}

117. In summary, the Working Party felt that comprehensive planning covering the whole field of economic and social problems was necessary and desirable, and that in fact, a definite trend in this direction was already clearly discernible in Africa. Although it was recognized that lack of statistical information as well as shortage of qualified personnel would cause many initial difficulties, it was felt that a start in planning could be made in the absence of a complete set of statistical data. Important information on major sectors, such as government expenditure and revenue, export and import, industrial and other forms of modernized production is available in sufficient detail to permit the formulation of sensible policies and to allow minimum checks on internal consistency.^{2/}

118. Moreover, a start in planning would itself lead to the formulation of questions which would contribute to the accumulation of the necessary statistics. In the meantime best possible estimates could be prepared from available material. It was therefore felt that both a close co-operation should exist between the planning and statistical agencies, and that if possible, planning units should comprise an economist/statistician.^{3/}

119. With the shift towards comprehensive planning and in view of the all-embracing nature of that type of planning, it was the conviction of a number of participants that in order to formulate successfully the development plan as well as to play its role of co-ordinator of the national development effort properly, the Planning Agency should be independent from any particular ministry.^{4/}

^{1/} This section has been prepared by the Secretariat on the basis of the foregoing report adopted by the Working Party on 26 January 1962.

^{2/} Paras: 9, 20, 29-31.

^{3/} Paras: 11, 32, 41, 42, 47.

^{4/} Para: 13.

120. The Working Party also noted that it would be useful to put medium and/or short-term plans in the framework of a long-term perspective plan. Even if ideas on the possible situation in ten or twenty years could only be rough, they were important for a sounder definition of medium and short-term objectives, especially in view of the importance in Africa of population changes and the effects of education.^{1/}

121. It was generally felt that geographical coverage of a development plan had important implications both with regard to the area it did as well as with regard to the area it did not comprise. Within the area covered by the plan, attention should be given to different situations in different regions, whatever the policy approach to such differences might be. It was possible that it would be decided to concentrate development efforts in a small number of concentrated areas so called "poles de développement économique" because investments would be more productive there, or it was possible that part of the development effort would be directed towards backward areas thus broadening the base for the development of the country as well as assisting those sections of the population which most needed assistance.^{2/}

122. It was, however, also noted that the situation in neighbouring areas as well as plans for their development should not be overlooked. As most African countries were felt to be too small to provide adequate markets for industrialization and general modernization, a special danger existed that development plans of individual countries might be inconsistent with each other. Approaches suggested to a solution of these problems were: supra national plans, harmonization or co-ordination of national plans, or the creation of common markets. With regard to the latter it was remarked that the problem of geographic distribution of increased economic activity would not be solved automatically, but

^{1/} Para: 23.

^{2/} Para: 17.

would still have to be the subject of detailed planning and negotiation between the countries involved. It was suggested that a special meeting with specially prepared background papers should be called on the latter topic.^{1/}

123. The Working Party agreed that planning was intended to devise a plan of action which would make the maximum contribution to the governments' aims and objectives. Projects and investments therefore had to give a "pay off" i.e. the economy should end up with more resources than it started off with, and preferably the time in which the investment would be earned back should be as short as possible. Profitability or pay-out period should, however, be computed on the basis of national-economic and not on private-financial considerations. This would mean that on the one hand government objectives and on the other prevailing scarcities should be given their proper weight. Moreover, indirect effects on the economy as a whole should be taken into account.^{2/}

124. The Working Party noted that in order to achieve accelerated economic growth it was essential to have a concentration of investment in the most productive sectors and the most productive areas in the country, while social progress called for measures to ensure that the population as a whole benefits from the increase in national income. Economic and social development were both complementary and competitive as they are putting demands on the same fund of scarce resources; it was therefore essential that programmes in both fields should be closely co-ordinated so as to maximize complementarity and minimize competition.^{3/}

125. It was noted that employment policy and manpower planning were important tools for integrating economic and social development. To increase employment was considered more beneficial under the prevailing circumstances than to raise wage levels, since in that way the benefits

^{1/} Para: 35.

^{2/} Paras: 34, 71, 72, 74.

^{3/} Paras: 54-58.

of development would be spread over greater numbers of the population. Therefore, in case a choice existed between application of labour intensive or capital intensive production techniques this consideration should be taken into account. In connexion with wage policy it was pointed out that minimum wage rates fixed should be such as not to have the effect of diminishing employment or reducing the incentives to acquire higher skills, and that the minimum rates payable on first entry to employment should be related to the level of incomes in the non-wage sectors from which the labour was drawn, taking due account of differences in cost-of-living between these sectors.^{1/}

126. Finally the Working Party discussed at length proposals for the establishment of an African Development Bank as well as for an African Institute for Economic Development and Planning; both received general support from the meeting. With regard to the programme of further work, it was stated that small meetings of specialists would be more conducive to discussions at a technical level and that general conferences of all members and associate members to renew contacts and exchange experience in the field of planning should be held infrequently. Studies carried out by the Secretariat should be as concrete as possible and therefore rely heavily on the analysis of actual situations in the countries of the region so as to be of real value to the members and associate members of the Commission.^{2/}

^{1/} Paras: 34, 37, 60, 61, 62, 65.

^{2/} Sections: VII. VIII and IX.

Annex I
List of Participants

Members

Belgium:

Mr. Frans Frans

Cameroun:

Mr. A Foalem

Mr. Vincent Efon

Central African Republic:

Mr. Hyacinthe Mainetti

Mr. Maurice Deballe

Chad:

Mr. Georges Diguimbaye

Mr. Philippe Giraut

Congo (Brazzaville):

Mr. Alphonse Massamba-Debat

Mr. Gabriel Dos Santos

Mr. Andre Hovine

Mr. David Peindzi

Congo (Leopoldville):

Mr. Pierre Tona-Masesa

Mr. Augustin Ngongo

Ethiopia:

Ato Worku Habtewold

Ato Zegeye Abberu

Ato Tesfaye Wolde-Yohannes

Ato Asnake Getachew

Ato Pheesseha Abebe

France:

Mr. Jean-Pierre Berard

Mr. Bernard Pecriaux

Ghana:

Mr. J.H. Mensah
Mr. Ben Honyoh Mensah

Ivory Coast:

Mr. Blaise Liguier-Luabhouet

Liberia:

Mr. Kedrick Brown
Mr. Cyril Bright

Madagascar:

Mr. Samuel Robert Rabedaoro
Mr. Claude Perret

Mali:

Mr. Komory Keita

Morocco:

Mr. Albert Assouline

Sierra Leone:

Mr. Silvanus Bamidele Nicol-Cole

Somali Republic:

Mr. Ahmed Raghe Abdi
Mr. Abdurahman Herzi

UAR:

Mr. Soliman Mansour
Mr. Gamal Eleish
Miss Aida Abdel Hamid Abou Haif

United Kingdom:

Mr. Robert Stanley Porter

Associate Members

Kenya:

Mr. Peter M. Rees
Mr. Oliver Staniforth Knowles

Federation of Rhodesia and Nyasaland:

Mr. Richard James Randall

Ruanda-Urundi:

Mr. Gaspard Harelimana

Uganda:

Mr. Peter Robson

Mr. Dennis Lury

Members of the United Nations not Members
of the Commission

Netherlands:

Mr. Naboth Van Dijn

USSR:

Mr. M. Younakov

Specialized Agencies

International Labour Organization:

Mr. Anthony A.P. Dawson

Food and Agriculture Organization:

Mr. Cedric Fernando

Mr. Gildo Insfran - Guerreros

United Nations Educational Scientific
and Cultural Organization:

Mr. Peter Lengyel

International Bank for Reconstruction
and Development:

Mr. John Philip Hayes

Observers

European Economic Community:

Mr. Maurice Schaeffer

Mr. Rolf Sannwald

Members of the Secretariat

- Mr. Mekki Abbas - Executive Secretary
- Mr. Stein Rossen - Director of Research
- Mr. D. McGranahan - Chief, Office of Social Affairs, Geneva
- Mr. Jan Ligthart - Research Division, ECA
- Mr. S. Ficowski -
- Mr. M. El Shazly
- Mr. T. Gedamu

Consultants

- Mr. Wolfgang F. Stolper
- Mr. Roland Olivier
- Mr. Forrest E. Cookson

Annex II

List of Documents submitted to the Working Party

<u>Symbol No.</u>	<u>Title</u>
E/CN.14/ESD/1	Problems Concerning Development Programming and Policy in African Countries
E/CN.14/ESD/2	Some Notes on Evaluation of Industrial Projects
E/CN.14/ESD/3	Evaluation of Agricultural Projects
E/CN.14/ESD/4	Economic Planning in Africa
E/CN.14/ESD/5	The Strategy of Human Resources Development in Modernizing Economies
E/CN.14/ESD/6	Comprehensive Development Planning
E/CN.14/ESD/8	Techniques of Development Lending
E/CN.14/ESD/9	Possibilities of Establishing an African Development Bank
E/CN.14/ESD/10	Agenda
E/CN.14/ESD/11	Planning and Statistical Techniques of Projection
E/CN.14/ESD/12	Demographic Factors Related to Economic and Social Development
E/CN.14/ESD/13	Notes on a Method of Comprehensive Planning in Tropical Africa
E/CN.14/ESD/14	Working Paper on the Establishment of an African Institute for Economic Development and Planning
E/CN.14/ESD/15	Some Problems of Social Development Planning in Relation to Economic Development
E/CN.14/ESD/16	Project Formulation and Development Planning
E/CN.14/ESD/17 and Corr. 1 & 2	Annctated Agenda
E/CN.14/ESD/18	Report of a Panel of Experts on the Establishment of an African Institute for Economic Development and Planning
E/CN.14/ESD/18/Add.1	The Financial Implications of the Proposals made by the Panel of Experts for the Establishment of an African Institute for Economic Development and Planning
E/CN.14/ESD/19	Proposals for Further Work on Development Policies and Programming by the Commission

<u>Symbol No.</u>	<u>Title</u>
E/CN.14/ESD/20	Economic aspects of educational planning in connexion with economic and social development, and
E/CN.14/ESD/20/Add.1	Annex: Analysis of educational development plans
E/CN.14/ESD/21	Social Aspects of Economic Development
E/CN.14/127	Report of the Working Party on Economic and Social Development. Addis Ababa, 15-26 January 1962
E/CN.14/129 and Corr.1	Report of a Panel of Experts on the possibilities of Establishing an African Development Bank
E/CN.14/ESD/INF.1	General information for participants
E/CN.14/ESD/INF.2	Documents submitted to the Working Party
E/CN.14/ESD/INF.3 and Add.1	Roster of experts available for <u>Ad Hoc</u> Advisory Services

Annex III

Agenda

1. Opening
2. Election of officers
3. Adoption of the agenda
4. General stocktaking and exchange in experience in development planning
 - a. Planning institutions and the organization of work in formulating and implementing development plans.
 - b. Planning techniques: current practice, experience gained, problems encountered, and expected changes
5. Comprehensive development planning
6. Statistical data used in planning and plans for improvement of statistical information for development programming
7. Demographic and social aspects of development plans
8. Methods of project formulation and evaluation
9. Recommendations for further work by the Commission
 - a. Proposals for an African Development Bank
 - b. Proposals for an African institute for economic development and planning.
 - c. Further work in economic development by the Secretariat
10. Report to the fourth session of the Commission

Annex IV

OPENING ADDRESS

by

H.E. LIDJ ENDALKACHEW MAKONNEN

Minister for Commerce and Industry
of the Imperial Ethiopian Government

Mr. Chairman,
Distinguished Delegates,

I am most happy to be present here today to welcome distinguished delegates to the Working Party on Economic and Social Development in Africa.

This meeting of the Working Party is doubly significant and timely for the added reason that it takes place so soon before the Fourth Session of the Economic Commission, which as you know, is to meet next month.

I feel sure and confident that the achievements of this Working Party will prove of the utmost importance to the work of the next Session and will provide useful background for its deliberation.

Planning is the most important aspect of African development and I think it would be no exaggeration to say that in planning lies the economic salvation of Africa.

It is now generally accepted that you cannot attempt, let alone achieve, the staggering objectives of economic development without the co-ordinating instrument of a plan.

The acceptance of this same principle led the Third Session of the Economic Commission to authorize the Secretariat to organize this Working Party in Economic and Social Development, so that countries may have the opportunity of exchanging views and experiences in matters of development planning.

The Secretariat of the Economic Commission deserves our congratulations for following this initiative and for organizing this useful and timely meeting.

When looked at from the angle of African progress, your Working Party becomes the strategic nucleus for economic and social development in Africa and your deliberations here are bound to have their impact not only on the work of the forthcoming session, but also on the development plans and efforts of our respective countries as well as on that of the Continent as a whole.

You should, at the same time, always bear in mind the fact that planning in itself can by no means provide the final solution to our economic and social problems.

The usefulness of a plan lies in its proper execution, and there are problems in execution as grave as in planning.

In fact, it can be said with truth that it is better to have a bad plan well executed than a good plan badly put into effect.

It is, therefore, important that you pay equal attention, in your deliberations, to the problems of execution as to those of planning itself.

I see from your Agenda that you are to discuss a wide-range of subjects related to African development.

Of the many items that have appeared on your Agenda, the two subject matters that have most impressed my mind are those dealing with the setting-up of an African Development Bank and of an African Institute for Economic Development and Planning.

These twin Institutions should prove the sure and lasting basis for development and planning in Africa, and should also serve as the Clearing House for experience and effort as between countries in the region.

The proposal to study the possibilities of establishing an African Development Bank was agreed to unanimously at the Third Session of the Economic Commission last year and I am happy and proud to say that Ethiopia played an active role in the promotion of this significant venture.

His Majesty, the Emperor, devoted part of his message to this same subject and the Ethiopian Government continues to follow this matter with keen and devoted interest.

The proposal to establish an African Institute for Economic Development and Planning is an equally important matter deserving serious study and consideration.

The establishment of such an Institute holds great promise and should contribute tremendously to the vital matter of Economic co-operation between African countries.

I feel, Mr. Chairman, that these and the other subjects that you are to explore during the coming weeks are of vital importance to African co-operation.

The co-operation between African countries must have a sure and strong basis if it is to produce that solidarity and strength so essential for the collective well-being of our Continent.

Such meetings as the present Working Party can made great and lasting contributions to the cause of African solidarity and well-being and it is with this hopeful confidence that I open this meeting today.

I wish success to the meeting and rewarding experience to each and everyone of you.

Thank you, Mr. Chairman.

Annex V

OPENING ADDRESS

by

the Executive Secretary of the Economic Commission for Africa

Your Excellency, distinguished delegates, ladies and gentlemen.

It is my pleasant duty to welcome all participants in the Working Party on Economic and Social Development to the Headquarters of the Economic Commission for Africa. I am happy to see so many representatives of Members and Associate Members and of United Nations Specialized Agencies, as well as observers from other inter-governmental Organizations and consultants to the Secretariat.

You have gathered here to exchange ideas on what is now generally accepted as the crucial objective of most countries in the world, namely economic and social development. The Commission's mandate, as laid down in its terms of reference, placed particular emphasis on action towards the attainment of this objective. It was natural, therefore, for the Commission at its Third Session in February 1961 to consider this Working Party as a project of high priority and it is gratifying to note that the Commission's interest in development policy and programming has been confirmed by the response to the Secretariat's invitations to this meeting.

Economic and social development has now become a major concern not only of the underdeveloped countries themselves but also of the economically more advanced countries. At the last General Assembly of the United Nations, this concern found expression among others in the adoption of a resolution designating the present decade as the United Nations Development Decade, in order to stress the importance of economic and social development and draw the world's attention to the need for a concerted effort to accelerate economic and social progress.

We all realize the intricate problems which governments of the region have to tackle and solve before development can be achieved. For this reason, practically all the governments have decided to plan their economic and social development. As planning in these modern times has become a technique, the Commission considered that every effort should be made by the Secretariat to help the governments of the region adopt the right techniques which would help bring about development in the most prudent and in the quickest possible way.

The First Session instructed the Executive Secretary to "establish and develop a system of advisory services to members and associate members on the techniques and problems of development programming and to arrange for meetings of experts and officials responsible for the execution of development programmes and should arrange for training in the techniques of planning". This decision was taken as early as January 1959. Following the instructions of the Commission, I called a meeting of development planners late in 1959 and you have before you the working paper prepared for that meeting (E/CN.14/ESD/1). The main conclusions of that meeting are summarized in the annual report of the Economic Commission for Africa from January 1959 to February 1960. After that meeting, the Secretariat of the Commission gave considerable time and thought to the question of development policies and development programming. A survey of development programmes and policies in selected African countries and territories was prepared and included in the first issue of the Economic Bulletin for Africa. The general impression conveyed by the survey is that, apart from the countries of North Africa, development programming in the region has gone little beyond planning of government capital expenditure. Later a questionnaire was sent to all African countries, many of which have co-operated fully with the Secretariat. The answers to the questionnaire have formed the basis of document E/CN.14/ESD/4 which is before you. Now, the purpose of this second meeting of development experts from a wider range of African countries, together with a number of consultants and

representatives of specialized agencies, is to examine more thoroughly against a better prepared background the development policies in the African countries and to analyze the techniques and methods used in the hope that each one of us, after a thorough exchange of views, will see his way clearer to the methods and techniques which will suit his own particular circumstances best. The documents which you have before you do not only deal with methods and techniques but cover a wide range of the problems which face the development planner, such as demographic factors, education and other social aspects of development.

Right from the start, the Commission recognized the importance of training of development planners and of the provision of advisory services. Here again, the General Assembly also adopted the resolutions regarding development institutes and advisory services. To this effect I appointed a panel to study the possibilities and make recommendations for an African institute for economic development and planning which might serve the purposes of training, research and advisory services. The report of this panel which is before you will be submitted to the Fourth Session of the Commission, and I am sure that your comments on this report will be most valuable for many and for the Commission when it comes to consider the report.

Finally, a third subject for consideration by this meeting is the African Development Bank. The question of financing development is one of the most important problems which will face the government of the region. Following the instructions of the Commission, the Secretariat prepared a study of the possibilities of establishing an African Development Bank. This study was considered by a panel of bankers which met twice and produced the report which is before you and which I have circulated to the Commission for consideration during the Fourth Session. It is therefore fitting that this Working Party should study this report and make any comments and suggestions which it may have. These comments will be brought to the attention of the Commission when it considers this project.

The subjects under discussion cover such a wide range that you can hardly be expected to deal with them exhaustively. It is my hope, however, that you will be able to appraise the present stage of development planning in Africa and to indicate the most promising directions for further practical work in this field.

I sincerely hope that I shall attend most of your deliberations but, if I am not able to come to your meetings as much as I would like to, you can understand that my administrative responsibilities are the only reason for any of my absences.

Annex VI

ROSTER OF EXPERTS AVAILABLE FOR AD HOC
ADVISORY SERVICES

1. The Work Programme 1962-63 of the Commission^{1/} mention under project 01-04, Advisory Services:

Description: Provision of advisory services to governments on the techniques and problems of development programming including its organizational aspects.

Comment: Regional advisers to be attached to the Secretariat of the Commission and to be made available to members and associate members at their request.

2. Shortage of staff has thus far considerably limited ECA activities in this field. While the Executive Secretary continues his efforts to recruit regional advisers, he is also engaged in establishing a roster of high level experts who will be available from time to time for short-term or ad hoc advisory services. In this connexion he has been able to secure the co-operation of the Central Planning Bureau of the Netherlands, one of the foremost institutes in the world in the field of research and planning and advice on economic policy.

3. The Director of the Central Planning Bureau of the Netherlands has agreed to make available, for short-term missions at the request of African governments directed to the Executive Secretary of ECA, either his own services or those of certain members of his staff. He regrets, however, that due to his own workload he is obliged to put certain limitations to his assistance: he asks that at no time more than one expert be engaged, that no single mission will be for more than three months, and that the total demands put on his Bureau will

^{1/} See document E/CN.14/162.

not surpass 24 man-weeks. The Executive Secretary feels, nevertheless, that this assistance will be valuable to members and associate members of the Commission, and will go a considerable way to meet their needs.

4. The names and functions of the persons entered in the roster are the following:

- (a) Professor P. de Wolff, Director.
- (b) Professor P. J. Verdoorn, Deputy Director.
- (c) Mr. J. Sandee, Deputy Director.
- (d) Mr. C. A. Van den Beld, Chief of the department for the overall plan.
- (e) Mr. R. Ruiter, Chief of section for cultural and educational matters.
- (f) Mr. W. C. F. Bussink, Chief of section for consumption and investments.

5. The persons listed below have also indicated that they may be available from time to time for short missions to African countries to advise on problems in development planning and/or policy. Therefore their names can be added to the roster mentioned above.

The experts in question are:

- (a) R. Olivier, Director of Studies of the "Société d'Economie Mathématique Appliquée", Paris
- (b) J.C. Perrin, Professor of Economics, University of Madagascar, University of Aix-Marseille, Director of Economic Studies, University of Madagascar.

- (c) W.F. Stolper, Professor of Economics,
University of Michigan,
Ann Arbor; Economic Adviser,
Federal Ministry of Economic Development
and Head of Planning Unit,
Lagos, Nigeria,

6. The Executive Secretary is exploring the possibilities of concluding similar arrangements with other institutions or individual experts and hopes to be able, in the near future, to add further names to the roster which he then will circulate to members and associate members of the Commission.

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