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INSTITUTIONAL AND ADMINISTRATIVE DEVELOPMENT
FOR PLANNING AND PLAN IMPLEMENTATION

AND

SOME NECESSARY STEPS FORWARD IN INSTITUTIONAL
AND ORGANIZATIONAL DEVELOPMENT

By
Carl Anonsen and Rex Wait

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INSTITUTIONAL AND ADMINISTRATIVE DEVELOPMENT
FOR PLANNING AND PLAN IMPLEMENTATION

By
Carl Anonsen

The establishment of a "Bureau of Economic Research" in 1957 was the first step toward systematic economic planning in Liberia. A growing demand upon this organization and an urgent need for broadly based planning efforts led in 1962 to the creation of the National Planning Agency. This agency consisted of two bodies:

- a) The National Planning Council. Members of the Council were, the President, as Chairman, and seven Cabinet Ministers. This was the decision-making body on all matters of economic policy and planning.
- b) The Office of National Planning. This body was the staff arm of the Agency, and the Director-General was the Executive Secretary to the Council. The National Planning Agency was empowered to prepare a national development plan, establish economic priorities and evaluate and coordinate proposals for foreign assistance and private investments, and to make economic studies.

The law that established the National Planning Agency also provided for a Program Planning Officer in each agency of the Government. With this exception however, the legislation said little about machinery, and gave few specific responsibilities to the new agency. From the

outset a wide range of alternatives and competing activities was open to the planning organization.

In a paper entitled "Defining a Strategy for Planning" presented at the Development Advisory Service Conference, Bellagio, Italy, 1966, Professor E. Berg and R. Pogson summarized the possible activities as follows:

- a) Write a plan.
- b) Act as general staff agency in the area of economic policy.
- c) Increase the number, improve the quality and speed the execution of development projects.
- d) Improve the amount and quality of economic data.
- e) Encourage resource-saving administrative reforms.
- f) Improve concession policy.
- g) Train planning personnel.
- h) Develop the planning process.

The Planning Agency moved in most of these directions at once, but ad hoc economic affairs received major attention. Nevertheless, substantial attention was also paid to the training of Program Planning Officers for the operating agencies. These officials were given two training courses in Monrovia and then sent to University of Pittsburg for a special course in the summer of 1964.

Procedures specifying Planning Agency evaluation of new aid projects and approval of concession agreements were spelt out in early meetings of the National Planning Council, and in 1965 an

Executive Order created a commission of four members to coordinate all technical assistance programmes with the Director of National Planning as member. Another Executive Order, the same year, laid down the procedure for concluding agreements on foreign financed projects. Beside the implementing department such agreements should be signed by the Secretary of the Treasury and the Executive Secretary of the National Planning Council.

An Executive Order setting out the procedure for the preparation and review of an annual development budget was also issued in 1965. This order provided that all departments responsible for development activities should participate in hearings jointly conducted by the Bureau of the Budget and the Office of National Planning. The development budget as an instrument for planning and plan implementation is given institutional coverage through an Executive Order of January 1969 which makes it a condition that the Bureau of the Budget should consult with the Department of Planning before any quarterly allotments for development expenditures are approved.

Since early 1966 nearly all the efforts of the National Planning Agency were directed towards the elaboration of a four-year plan for the period 1967-1970.

In August 1966 the National Planning Agency was redesignated as the Department of Planning and Economic Affairs.

In connection with the preparation of the Plan, eleven inter-departmental Policy and Planning Committees were established by

an Executive Order in April 1966. The Department of Planning was represented on all these committees.

The writing of the plan was a major achievement by the new department. It spells out a number of long-run policy guidelines, proposals for development and suggestions for improving the machinery for implementing development projects. Most of these recommendations continue to be relevant as a basic framework for Government policy in the coming decade.

The Plan of public sector capital was, however, first of all a development plan for the formation, maintenance and utilization. A large part of it therefore consisted of budget for public sector development expenditures by years.

The Plan was however never given any legal status or formal recognition.

In the early days of the National Planning Council it was decided that the Planning Agency should analyze all new concession agreements and take part in the negotiations, and that no agreement should be signed without the approval of the Agency. During 1967 and 1968 considerable efforts were made to strengthen the new Department for its dealings with concession agreements. An Executive Order in 1968 made the Department responsible for conducting negotiations on new concession agreements, while the administration of the approved agreements should be the responsibility of the Treasury.

It could not be expected that all the institutional, legal and administrative measures taken during the initial period of coordinated economic planning in Liberia should function as intended. In important fields however, it has functioned much better than one could have hoped only a few years ago. The most important achievements are probably that:

- a) The Department of Planning has in the short period of its existence developed a professional capacity which as a whole is impressive.

The short-comings are mostly due to difficulties common to the problem of up-grading and improving the Liberian civil service as a whole. Looking back at the efforts to create a planning machinery one might probably suggest that an excessive amount of the foreign experts' time and capacity has been used on solving ad hoc problems. Perhaps understandably, there is more evidence of the efforts of the foreign experts in many important and excellent studies which are nevertheless likely soon to be forgotten or outdated, than in a continued research and fact finding program.

Things might have looked different had the Four Year Plan obtained the intended status. As it turned out the Plan itself became a largely ad hoc undertaking, creating very little continuity.

On the other hand, several of the institutional and administrative initiatives that were taken to improve economic planning have not worked as intended or not at all.

- a) The Four Year Plan did not get the status it was intended to have. This has had implications on the implementation of the Plan as well as on the further development of planning activities in the executive agencies.
- b) After the completion of the Plan the role of the National Planning Council seems to have diminished. The Council does not seem to have played any important role in the implementation of the Plan or in encouraging planning and project preparation in the executive agencies.
- c) The even policy and planning committees which played an important role in the preparation of the plan ceased to operate soon after the Plan was written.

The Program Planning Officers who had been instituted in 1962 and who were made an important instrument in the Act creating the Department of Planning in 1966, never functioned as intended. According to the Act, each Government agency should have a programme officer appointed by the Agency in consultation with the Secretary of the Department of Planning. The responsibility of the Program Planning Officer should be to prepare programmes and project and report on progress made in a manner prescribed by the Secretary of Planning.

As previously mentioned, special training programmes were conducted for these officers and for a period USAID supplied with Opex personnel until Liberian staff could be trained.

The nearly complete failure of this programme, in spite of all the support and efforts was probably to some extent due to the mixture of authority under which the Program Planning Officers were supposed to work.

On behalf of United Nations Special Fund, Mr. G. Goundry of the Commonwealth Secretariat was in Liberia in July 1968 in Liberia to:

- a) Assess the progress made in developing the Department of Planning and Economic Affairs.
- b) Evaluate the capability of the several sectorial departments to perform their share of the comprehensive planning task.
- c) Indicate the extent to which gains made could be consolidated in the remaining period of United Nations Development Program Project for Institutional support to the planning machinery up to the end of 1970.

He concluded his report by saying "it is my opinion that the next planning task in the broad sense is to enlarge the resources available to the Government (due regard being paid to the effects of revenue and expenditure proposals on development) and using these resources via the development budget to apply pressure on the sectoral departments

to undertake better planning and better project preparation. The approach adopted during the first four years of the project education, persuasion, and writing a plan using policy and planning committees has not succeeded in introducing a planning point of view in the sectoral departments, although it has gone some way towards establishing the machinery and staff for central planning and producing a planning mentality in the Government as a whole. To consolidate these gains, it seems to me important to use the leverage of the development budget and the country's dependence on foreign aid."

SOME NECESSARY STEPS FORWARD IN INSTITUTIONAL AND ORGANIZATIONAL DEVELOPMENT

By
Rex Wait

Much important progress has already been made in Liberia in providing the necessary institutional framework for the preparation and implementation of a public sector development plan. There is much more still to be done, and the object of this paper is to consider a few of the main areas where changes are required to produce a governmental machine suited to the needs not merely of an underdeveloped country but rather of a developing one.

I shall discuss these requirements under the following headings:

- (1) Plan implementation;
- (2) Improvement of the public service;
- (3) Auditing, and
- (4) Public relations.

There is no doubt that one of the main reasons why progress has so far been comparatively slow in these fields has been the extreme budgetary stringency under which the Government has had to operate for some years past. There is a very real prospect that within the next few years new natural resources may be located which will enable the Government revenues, and consequently its ability to raise development finance, to be greatly increased. It would be a tragedy if the country were to move into such a new phase of economic

potential without having taken any steps to bring its governmental institutions into line with the altered requirements. Even if such revenues should fail to materialize, there is still much that can and should be done.

(1) Plan implementation

Two necessary steps for a country which wishes to prepare and implement a development plan are (a) to set up a Council at Cabinet level to take decisions on matters of development policy, and (b) to set up a planning agency. Both these steps have already been taken, and the work done by these bodies has been of great importance, particularly in the preparation and adoption of the Four-Year Plan for 1967-70.

After a plan has been prepared and adopted, however, it has to be turned into detailed programs for each economic and social sector, and these programs have to be crystallized into departmental projects with cost estimates and time schedules. Then these project estimates must be funded, many of them mainly with foreign aid, and the whole program phased in such a way that it represents a balanced year-by-year deployment of resources, including finance, construction capacity, skilled manpower and unskilled labour. This phasing requires a degree of departmental cooperation and centralized priority gauging which is unknown in a country whose development activities are rudimentary due to lack of finance or other deficiencies. Where the financial policy of the government consists merely in keeping expenditure down to certain levels, each department tends to try its luck each year with whatever program of

expansion or development it feels may have some chance of success, and hopes that it will be successful at the expense of the aspirations of the rest. If this is not possible, a policy of equal disappointment for all tends to be preferred to any centrally-operated system of priorities between sectors. Where a development plan has become the keystone of national policy and sufficient resources are in sight to see it through, governmental activities must be seen as national activities rather than the private preserves of the various departments, and they must be-co-ordinated in detail by means of administrative machinery which has the confidence of all departments.

The National Planning Council¹ already exists to consider matters of major development policy; but this is a council composed of Cabinet members, and as such is best suited to deal with questions which have already been analysed for it and for which the possible alternative answers have been clearly and succinctly set out. Any other method of working would be merely to waste the time of its already heavily-burdened members. The Department of Planning and Economic Affairs exists to carry out the technical functions implicit in its name, and also to be the secretariat of the National Planning Council, but it is a single department whose head is but one Cabinet member among many equals. In similar circumstances many other countries have found that there is need for some kind of central working committee to act under the authority of the National Planning Council and to handle the many subsidiary policy matters arising from-day to day within the framework of the general policies approved by

the Council. Such a committee would include the Secretary of the Treasury (or his representative), the Secretary for Public Works (or his representative), the Director of the Budget and possibly one or two others selected to sit in their personal capacities, all under the chairmanship of the Secretary for Planning. Certain advisers might also be required to be in attendance. None of the members would represent departmental interests; they would examine departmental programs for their feasibility and priority from a financial, economic and engineering point of view, and where necessary would be in a position to add to these the political point of view. It would be the working committee, acting in the name of the Council, which would require departments to submit phased programs and project estimates, would propose or endorse proposals for foreign aid, and would call for regular reports of progress on projects and arrange transfers of funds to meet varying speeds of implementation. The committee would keep the Plan constantly under review, and would ensure that any necessary departures from it were properly ratified by the National Planning Council so that achievement could at all times be reconciled with intention. For all these matters the Planning Department would act as the secretariat of the committee, and would thus find its hand greatly strengthened in dealing with the sectorial departments.

The National Planning Council and the central working committee would deal not only with capital development projects, but also with any proposals for the expansion of departments to take on new commitments. Thus the Budget Bureau would refuse to accept any except minor increases of a routine nature in recurrent expenditure budgets unless a paper had been submitted by the department to the working committee setting out the proposed expansion program, and the working committee had in turn received a decision from the Council that the program should be implemented subject to availability of funds. This would greatly assist the Budget Bureau in its task of making recommendations for the allocation of available current resources in the manner most advantageous to the national interest.

During the first half of the year, before the season of budget preparation commences, the working committee should have a session with each department to discuss the progress of the whole of the department's program, together with any new proposals. Visits might also be made to inspect some of the work in hand. The budget hearings both on development and recurrent account, when they took place later in the year, would then be held in a much better-informed atmosphere, and should prove more productive for both sides.

It has been found useful in some countries to set up an "operations room" in the Planning Department often in the room where the central working committee meets, containing charts, maps and pictures setting

out the various departments' programs and achievements in graphic form. The responsibility for keeping up these displays is placed upon the planning officers of the departments, under the guidance of the Planning Department. The room then becomes a useful centre for briefings on the progress of the Development Plan.

(2) Improvement of the Public Service

It is not difficult to appreciate that a country which is undertaking a program of development as the main item of its national policy needs a more efficient public service than one which is doing little more than maintain the status quo; indeed, no development plan can succeed unless it is supported by an effective public service.

Just as it is necessary for departments to think nationally rather than parochially about development aims, so public servants should regard themselves as servants of the Government as a whole instead of employees of one department. This requires that all public servants should be centrally recruited through a civil service commission or the equivalent, that there should uniform qualifications and salary scales for posts of the same type, and that there should be equal opportunities of promotion by merit, qualifications and seniority to any vacant post in the Government service for any officer, whatever department he may be serving in. In large countries it may be feasible for an officer to make his career entirely in one department, but in small developing countries it is rare that suitable career opportunities can be provided in this way except for a few. It should be the duty of a central establishment office

to ensure that, in the various professional services, there is a reasonable promotion pyramid for the different types of permanent officers so that stagnation does not set in.

If a well-qualified public service is to be maintained in the face of competition from the private sector, it is also necessary to set up regular schemes for superannuation benefits. These schemes should include provision for officers to be retired early on pension when for any reason their services have ceased to be useful to the Government. Pensions should be subject to forfeit only on dismissal for gross misconduct.

Salary and pension provisions such as these can of course only be implemented when sufficient revenue becomes available; when it does they should receive priority, as without them it is practically impossible to exercise the normal discipline which is essential to any efficient public service, such as is required for the successful implementation of a development plan.

Another important function of the central establishment office should be that of training. The forms of training required for any civil service may be divided into three categories:

- i) Pre-service training;
- ii) Recruit training;
- iii) In-service training.

i) Pre-service training means the educational training requisite for an applicant for a government post to be regarded as qualified for

selection. It may include not only general university or school education, but also technical education if required for a specific post. Thus, a technical course in accounting or in typewriting and clerical duties carrying a certificate of proficiency should be an essential qualification for selection to accounting and clerical posts respectively. The central establishment office should concern itself with the suitability of the courses which it accepts as providing adequate qualifications for its purposes. This will involve contact and discussion with the authorities responsible for the establishments which provide such courses. In order to ensure that the right numbers of applicants will be forthcoming from year to year to meet the requirements of the Government, the central establishment office should produce a man-power plan, showing the expected establishment of posts of various kinds during the next, say, 10 years on the basis of all available information as to government policy and the expected economic growth of the country. Such a man-power plan can never be completely accurate, and it will need to be reviewed every year. Nevertheless, it is far more valuable to produce the best plan one can than none at all. The plan should also show the expected vacancies which will occur due to retirements, transfers, dismissals, resignations and the like, on the basis of the average occurrence of such events over the last few years. With such a plan the central establishment office can state its requirements to the educational establishments, technical institutions etc., sufficiently accurately for them to establish the training facilities required or to make arrangements for some of them to be supplied by countries overseas.

ii) Recruit training: Qualifications alone are not sufficient to enable a new recruit, whatever his grade, to take his place in a department and play a useful part until he has learned the basic regulations and laws affecting his department, the general organization of the Government, an outline of the standard clerical and administrative methods and other things peculiar to his future work. Without this training it sometimes happens that new clerical recruits, for instance, are given very little to do for the reason that they do not know how to perform any useful work, and no one has the time or inclination to instruct them. In such circumstances one sees all incoming work being referred to more experienced personnel, who become overloaded and slow down the flow of business.

A Government needs to have a regular system of Induction Courses at which new officers are given an outline of the functions of the departments, and the relationship with the Executive Mansion and the Legislature. Teaching is also necessary on where to find the laws, regulations and administrative instructions affecting their work, and how to deal with various kinds of matters that come before them. Such courses are valuable also for cultivating esprit de corps and enthusiasm for giving proper service to the public and maintaining a reputation for efficiency and common sense in dealings involving other departments and the outside world. It is quite easy otherwise for junior officers to form the impression that one of the functions of their department is to obstruct the intentions of the public, or even of rival departments,

instead of giving them all possible assistance within the regulations. (C)

iii) In-service Training: During an officer's working life he will learn a great deal from the experience gained in carrying out his duties; but there is also a need for further training at different stages in his career to enable him to cope with new features in the development of the country and of government techniques. Many opportunities are available for such training on courses in overseas countries, but there is sometimes a tendency to regard such courses as being a kind of privilege or holiday instead of a necessary departmental requirement. Here again, forward planning is needed to work out what courses in different subjects will be required over the next few years to fit officers for various posts, and to ensure that the appropriate post is available for them on their return.

In addition to overseas courses, short in-service courses need to be established at home, such as those already being held by the Treasury in accounting and budgeting. Short general refresher courses where legislation or other new matters are explained (e.g. project budgeting) are also valuable. Officers may be grouped in syndicates and given the task of writing recommendations for the improvement of some aspect of government work. There are advantages in grouping all such local courses in a Public Administration Institute where the general administration is under the control of permanent training officers. Most of the instructors, however, would come from the departments concerned with the subjects of the lessons or seminars.

(3) Auditing

This subject may be considered under two headings:

- i) Financial audit;
- ii) Management audit.

i) Financial Audit: For an effective developing country the establishment of a regular annual audit of all the financial and property affairs of the government is just as essential as the setting-up of an efficient and reliable civil service. No amount of careful budgeting or expenditure control will avail unless there is a full check by an independent audit department to confirm that all receipts and payments and other transactions have been made in accordance with proper authority, and that inventories are properly maintained and property only replaced and written off after due certification. Without a reliable audit the statistics which form the basis of development planning cannot be obtained, and planning may therefore frequently proceed on false premises. An audit is the only way of preserving uniformity of practice in different departments, and in the treatment of the Government accounts from one year to another.

The current law of Liberia provides the Auditor-General with all the necessary powers and sets out his duties in the same way as is normal in most other countries. The President has recently instructed that the law should be brought fully into force, and that full annual audit reports should be prepared every year. Such reports are submitted to the President and to the Legislature. It is usual in other countries for the

Legislature to set up a Public Accounts Committee to examine the report and to interrogate the responsible officers of the departments on the matters noted in it. This procedure is of great value in ensuring that any irregularities brought to light are remedied, since the government normally gives effect to any recommendations made by the Committee.

One valuable function which may be performed by the Audit staff is to check that all departments have kept up to date their sets of laws, regulations and other instructions on which proper financial management depends.

ii) Management Audit: This kind of audit is usually carried out by a different authority from the financial audit; for instance, by a bureau such as the Special Commission On Government Operations. Its purpose is to examine whether the establishments, methods and equipment employed by the departments are those most appropriate to the task which they are required to carry out. When a country enters a phase of active development a major streamlining of its methods of operation is usually needed. In order to allow a greater work-load to be carried, old laborious procedures need to be simplified, vehicles and equipment standardized, and surplus manpower re-allocated to more useful tasks. There is a tendency for management surveys of this kind to be instituted from time to time with great enthusiasm and then later to die away; they should become as regular as the financial audit, and there are advantages in arranging for their reports to be examined also by the same committee of the Legislature.

(4) Public Relations

A development plan can seem to be layman like a dry-as-dust bundle of economics, or it can seem like the most exciting thing that has happened to his country for many years. If it is a good plan, designed to bring important economic and social benefits to the country, it deserves to be seen in the latter category, and this can only be achieved by good public relations.

Development lends itself easily to exploitation for the purposes of films, television and the press, and the initiation of agricultural projects, road-building schemes, rural schools and clinics should bring all the cameras out to the people and enable them to see their own locality catching a share of the limelight. It has also been found in some countries that on-the-spot briefing sessions in rural areas, complete with suitable visual aids and a sprinkling of V.I.Ps., can do a lot to catch the public imagination and make them understand where their taxes are going.

For the more sophisticated, much can be done with illustrated booklets, and even copies of public speeches on government policy can be made attractive if the pages are liberally interspersed with pictures of development schemes.

Publicity aimed at foreign businessmen, and, indirectly, at foreign donors can also be effective in changing a country's image for the better in a short time. Where sufficient local talent is lacking there are many consultants available to produce material of this kind.

But it is not only the general public and the outside world who need to be imbued with the new spirit of development. One of the most urgent needs is to arouse enthusiasm in the government officers themselves, for without their positive support the change of momentum necessary to get a successful development program under way can never take place. A briefing campaign within the departments, perhaps accompanied by visits to the type of 'operations room' mentioned at the end of the first section of this paper, can produce good results. Special film shows and arranged visits to the sites of large projects are also good for arousing enthusiasm. Everyone works better if he is interested in his work and understands the purpose of it, and it is not hard to explain to government officers, once development has become the over-riding policy of the Government, what their part is in the drive to achieve the targets set out in the Plan.