



COMMITTEE FOR DEVELOPMENT PLANNING

REPORT ON THE FIRST SESSION

(2-11 May 1966)

**ECONOMIC AND SOCIAL COUNCIL
OFFICIAL RECORDS : FORTY-FIRST SESSION
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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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COMMITTEE FOR DEVELOPMENT PLANNING

**Report to the Economic and Social Council on the first session of the Committee,
held at United Nations Headquarters (2-11 May 1966)**

Introduction

1. The Committee for Development Planning was established by the Economic and Social Council at its fortieth session in accordance with Economic and Social Council resolution 1079 (XXXIX) of 28 July 1965. The following eighteen persons were appointed to serve as members of the Committee for a period of three years: Roque Carranza, Technical Secretary, National Development Council, Argentina; Gamani Corea, Permanent Secretary, Ministry of Planning and Economic Affairs, Ceylon; Nazih A. Deif, Minister of Treasury, United Arab Republic; Mohamed Diawara, Minister of Planning, Ivory Coast; A.N. Efimov, Director, The Economic Research Institute of the Gosplan, Union of Soviet Socialist Republics; K.S. Krishnaswamy, Economic Adviser, Planning Commission, India; M.F. Millikan, Director, Center for International Studies, Massachusetts Institute of Technology, United States of America; P.N.C. Okigbo, Economic Adviser, Federal Government, Nigeria; Saburo Okita, Executive Director, Japan Economic Research Centre, Japan; Józef Pajestka, Director, Institute of Planning, Poland; M.L. Qureshi, Chief Economist, Planning Commission, Pakistan; W.B. Reddaway, Director, Department of Applied Economics, Cambridge University, United Kingdom; Jean Ripert, Deputy Commissioner General of Planning, France; Raúl Sáez, Executive Vice-President, Chilean Development Corporation, Chile; Germánico Salgado, Director, Department of Economic Affairs, Organization of American States; Jakov Sirotković, Professor Economics Faculty, University of Zagreb, Yugoslavia; Jan Tinbergen, Professor, Netherlands Institute of Economics, Netherlands; Zdeněk Vergner, Director, Research Institute of National Economic Planning, Czechoslovakia.

2. The Committee held its first session at United Nations Headquarters from 2 to 11 May 1966. It elected the following officers:

Chairman: Mr. J. Tinbergen
Vice-Chairman: Mr. M.L. Qureshi
Rapporteur: Mr. I. Pajestka

3. The Committee was established with the intention that its members would make their experience in development planning available to the United Nations for its activities in planning and projections. In preparing the report, the Committee had the benefit of the guidelines laid down in Economic and Social Council resolutions 1079 (XXXIX) and 1089 (XXXIX) as well as in General Assembly resolutions 2084 (XX) and 2096 (XX), concerning economic planning and projections, the United

Nations Development Decade and world food policy. It also benefited from preliminary information presented on the current activities of the United Nations and specialized agencies on these topics.

4. The first session of the Committee for Development Planning was largely devoted to a broad consideration of planning activities and problems of implementation throughout the world and to the consideration of the future tasks the Committee might most appropriately undertake to assist the Economic and Social Council and the United Nations in furtherance of their work on planning.

Functions of the Committee

5. The Committee for Development Planning, taking into account Economic and Social Council resolution 1079 (XXXIX) and General Assembly resolution 2084 (XX), adopted the following terms of reference:

(a) To consider and evaluate the programmes and activities of the organs of the United Nations and of the specialized agencies relating to development planning and projections and to propose measures for their improvement by the Council.

In this connexion, the Committee observed that it should give due attention to activities relating to development planning and projections carried out by various international agencies, including especially those covering industry, agriculture, international trade and finance, education and manpower, and health. The Committee felt that it should pay attention to having a proper balance between the activities of different agencies, that there should be a certain degree of homogeneity in the methods and assumptions underlying the projections work of these agencies and that the nature and importance of the assumptions should receive a proper discussion. The Committee also agreed to accept as its task the consideration of the relevant methods, statistics and other aspects of analytical projections for the world economy with a view to the eventual establishment of a coherent set of goals on economic and social matters.

(b) To consider and evaluate the progress made within the framework of the activities of the United Nations and the specialized agencies, in the transfer of knowledge to developing countries and in the training of personnel of those countries in development planning and projections.

In this respect, the Committee agreed to focus its attention on the continuation and intensification of methodological studies on development planning and projections at both the national and the international level, taking into account the recent valuable advances in planning and related technical matters, as well as on the organization of the exchange of experience on planning among all countries.

(c) To analyse, with the help of the organs of the United Nations and the specialized agencies, the major trends of planning and programming in the world, the principal problems and the solutions they are receiving and, in particular, the progress made in that connexion relevant to the development of the less developed regions.

Taking into account the request of the Economic and Social Council that the Committee consider its own terms of reference, the Committee noted that plan implementation merited the most urgent and serious attention. It decided therefore to concentrate its efforts on all those avenues that lead to efficient implementation of development plans.

(d) To study individual questions on development planning and programming referred to it by the Council, by the Secretary-General or by the heads of the secretariats of the specialized agencies.

The Committee agreed that it would willingly consider problems referred to it, within the limits of the available time and resources.

Evaluation of problems, progress and prospects

6. The importance of planning is now widely recognized, as is attested by the fact that it is used in countries with very different economic and social systems. Planning has a particularly important role to play when it is necessary to break the inertia and stagnation of the past in order to secure an acceleration of growth. Sufficient historical evidence is now available to show that a planning system can be of great assistance in solving the most critical problems, including the creation of structural prerequisites of speedier economic and social progress and the weaving together of the numerous activities of the various constituents of the economy - official, semi-official and private. It must be remembered, however, that in order to discharge these useful functions, a system of planning entails much more than the preparation of a set of projections or of an analytical framework; it also requires the selection and implementation of measures to expedite growth.

7. Evaluations presented to the Committee for Development Planning showed disappointing progress both in the implementation of developing countries' plans and in achieving the goals of the United Nations Development Decade. The Committee's concern over this second point is particularly acute because the objectives of the Decade are rather modest in relation to the needs of the peoples concerned. There is also a danger that the modesty of achievements of recent years will generate some doubt or pessimism in developing countries with regard to the efficiency of planning. The Committee feels that the crucial question is one of plan implementation and recommends that all those concerned with the well-being of developing countries should focus their attention on this issue. For its part, the Committee has decided to concentrate its own activities on promoting the efficient implementation of development plans.

8. The economic progress of developing countries has been retarded by a number of factors, both international and internal, and it would be impossible to give a detailed account of these here. On many points, members of the Committee have expressed strong views which are reflected in the summary records, but these have not been studied sufficiently to be dealt with in this report. Nevertheless, the Committee wishes to stress the great importance of two broad points:

(a) The shortage of foreign exchange has forced many developing countries to restrain both the establishment of new capacity and the import of raw materials, spare parts, fertilizers and other items needed to make proper use of productive facilities which already exist;

(b) In many developing countries, inadequate practical steps have been taken to translate their plans into actual operations. In some cases, the plan has been virtually left as a paper document without any action being taken to implement it.

9. On the first of these points, the Committee for Development Planning wishes to mention some important issues relating to the supply of resources through aid, and others which concern the ability of developing countries to earn foreign exchange through exports; in neither case can its treatment be exhaustive. On the basis of available information on aid, the Committee wishes to point out that since 1961 the total net outflow of capital resources to developing countries has not expanded. It is below the United Nations target of 1 per cent of the combined national incomes of the developed countries. It is also below the amount which the developing countries could effectively absorb. Moreover, a substantial part of the total is provided in the form of export credits at commercial rates of interest. Further, owing to restrictions on its use, developing countries are often prevented from using as much of the total for general imports - for example, raw materials and spare parts - as they consider desirable. As regards export earnings, little progress has been made to lessen the instability of the international markets for primary commodities and to reduce the trade barriers which impede the exports of both manufactures and primary commodities from the developing countries.

10. In view of the importance of the issues at stake, the Committee for Development Planning recommends that all countries and international agencies act urgently to implement the decisions taken by the General Assembly, the Economic and Social Council and the United Nations Conference on Trade and Development so as to increase the ability of development countries to secure the imports which are essential to their development, whether by means of trade or of aid. The international organizations might also help in many related ways, for example, by supplying information about the relative terms on which the various sorts of capital goods are available in different exporting countries or by assisting in the establishment of national and multi-national consultant services for project preparation, or by helping countries to make an over-all plan of their requirements for technical assistance.

11. As regards internal problems of implementing development plans, the most important need is for developing countries to promote a spirit of progress among their inhabitants leading towards a transformation of attitudes and institutions. Some specific measures which are necessary may be mentioned by way of example. Thus, new cadres of government employees need to be trained for development work in order to undertake tasks ranging from the administration of large businesses to the advising of cultivators at the village level. Manpower plans should be prepared which take account of the developing countries' shortage of capital and surplus of unskilled labour and which provide for suitable training programmes; educational planning in general requires careful attention. Where growth is impeded by institutional obstacles, such as a feudal or semi-feudal agrarian structure, or an outmoded legal and administrative framework, steps should be taken to remove them.

Projections at the international level

12. International co-operation is vital for meeting the planning and projections requirements of the world community. The prerequisites of such co-operation are expanding, and it is reasonable to expect that these will expand still further in the future. One of the primary functions of the Committee for Development Planning will, therefore, be to advise on the successive steps to be taken in order to develop a framework for world projections within the United Nations.

13. Noting the work on projections being carried out in the Centre for Development Planning, Projections and Policies at United Nations Headquarters, and in the secretariats of regional economic commissions, the United Nations Conference on Trade and Development and the specialized agencies, the Committee considers it necessary that such work on projections be continued and intensified. The Committee for Development Planning considers it desirable that appropriate projections for the world economy be worked out:

(a) In the form of forecasts based on different assumptions (indicating a certain range of relative optimism and pessimism) and taking into account the prospects indicated in national development plans and projections;

(b) In a manner which would allow for the formulation of a coherent set of economic and social goals and objectives.

Development of world-wide projections requires first of all detailed and careful scrutiny of methodological economic and statistical considerations. The Committee will help in working out the basic premises for such projections. Efforts should be so designed as to bring about a certain degree of consistency in the projections worked out by different agencies within the United Nations family. Projections for the world economy should be worked out in order to provide useful information for national planning and to serve as a frame of reference for the economic and social activities of the United Nations family. The preceding remarks concerning world-wide projections are equally valid, mutatis mutandis, for regional projections.

14. It is important that the compiling and analysing of data contained in the development plans and projections of various countries should be undertaken on a continuing basis. Such work would help to throw light on the consistency of plans with regard to international economic relations. An important aspect of the work would be to compare the achievements with the established goals.

15. In order to prepare world-wide and regional projections, it is necessary to enlarge and improve available statistical information as well as to carry out appropriate statistical and methodological research for converting national data into global and regional aggregates. The Committee notes with satisfaction that certain studies have already been made in this field - for example, on the use of purchasing power parity exchange ratios - for aggregating national incomes.

Assistance for planning at the national level

16. International exchange of experience on development planning and projections is an extremely important means of improving national planning techniques. The exchange of information on the economic and social measures or solutions put forth

in national plans is also of great help in improving the implementation of plans in many countries. The Committee for Development Planning believes that the exchange of information on various aspects of planning is of importance for all countries, irrespective of the planning system and the stage of economic development. There are several matters for which the exchange of experience on both methodological and practical aspects of development planning can be particularly valuable. These include, inter alia, ways and means of plan formulation and implementation which facilitate a meaningful and useful dialogue between planning experts and policy-makers; a system of plans and relationships between plans with different time horizons (as well as between development plans and annual budgets); application of "rolling" plans; methods of revising plans in process of implementation; degree of details indicated in plans; and location of a planning agency within a national administrative structure. In order to meet all such requirements, the Committee considers it very useful, indeed, even necessary that:

(a) Work be continued on the most important methodological and organizational aspects of development planning, involving the preparation of studies geared to the needs of developing countries;

(b) International seminars continue to be organized to serve as forums for the interchange of practical experience on planning among those engaged in the task of development planning;

(c) Work be continued on the training of national officials in development planning, notably through the regional development institutes;

(d) A United Nations journal be published to disseminate more widely the knowledge and experience on different elements of development planning.

17. The United Nations has an important role to play in aiding developing countries in the task of plan formulation and implementation. There is, however, substantial room for improvement in the assistance provided. In particular, the Development Planning Advisory Services of the Centre for Development Planning, Projections and Policies should help the national planning organizations through such measures as the canalizing of information on methods of planning and on technical coefficients. The research work of the Centre should, moreover, be linked to the tasks of planning organizations, both to assist them and to derive conclusions from their experience. It would also be helpful if the Centre could prepare an evaluation of the nature and impact of the work of the planning experts supplied from abroad, based on the experts' own reports and comments as well as on the appraisal of their activities by the Governments to which they were detailed. The Committee will return to an examination of this problem as soon as a report on such evaluation is presented to it by the secretariat.

Arrangements for future work

18. The Committee for Development Planning recommends that, in order to expedite fulfilment of its functions, the Centre for Development Planning, Projections and Policies, with the help of the specialized agencies, regional economic commissions and other units concerned, should undertake the following studies as soon as possible:

(a) A report on the major activities relating to development planning and projections currently under way within the United Nations. The report should describe the nature and content of these activities, their purpose, and the time schedule of their completion. It should also include a list of the most important studies on planning intended to be carried out within the United Nations family by 1970;

(b) Studies of methods of assessing the effectiveness of plan implementation and surveys of results conducted in accordance with these methods;

(c) Draft proposals concerning procedures and basic methodological premises for world-wide projections to be carried out within the framework of the United Nations;

(d) A progress report on work under way on the problems of the gap in external accounts of the developing countries;

(e) A progress report on the work under way regarding the problem of the inadequate expansion of food and agricultural output;

(f) A note examining the desirability and possibility of requesting Governments to present information on their projections and development plans according to standardized forms prepared by the United Nations for projection purposes;

(g) A report evaluating the work of United Nations technical assistance experts in planning with recommendations for strengthening the Development Planning Advisory Services Unit of the Centre.

The Committee hopes to consider items (a), (b), and (d) at the next session. It intends to deal with item (b) within the context of one particular developing region.

19. The Committee for Development Planning agrees that the Centre for Development Planning, Projections and Policies should act as its secretariat and that all activities relating to its programme of work should be organized by the Centre in co-operation with the other interested bodies of the United Nations family. The Committee hopes that the Centre will have sufficient resources placed at its disposal and will be able to call upon qualified personnel to serve as staff members and consultants to meet the growing requirements in planning and projections.

20. The Committee for Development Planning agrees to hold its next session some time in the early part of 1967. In view of its decision to study at that session the problem of plan implementation in one of the developing regions, the Committee hopes that it will be possible to convene the session in the region concerned. The Committee also agrees to form small sub-committees which would generally meet a few days before each session.

ANNEXES

Annex I

NOTE ON THE ORGANIZATION OF THE FIRST SESSION OF THE COMMITTEE

Opening and duration of the session

1. The Committee for Development Planning held its first session at United Nations Headquarters from 2 to 11 May 1966.
2. The session was opened by Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs.

Attendance

MEMBERS OF THE COMMITTEE

3. All members of the Committee attended the session except Mr. K.S. Krishnaswamy (India).

UNITED NATIONS SECRETARIAT

Department of Economic and Social Affairs

Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs
Mr. Jacob L. Mosak, Director, Centre for Development Planning, Projections and Policies
Mr. Milos Macura, Director, Population Division, Bureau of Social Affairs
Mr. Tse Chun Chang, Assistant Director in Charge, Planning and Projections Branch, Centre for Development Planning, Projections and Policies
Mr. Donald V. McGranahan, Assistant Director, Bureau of Social Affairs
Mr. Otto Lukacs, Assistant Director, Statistical Office
Mr. Ervin Salamon, Chief, Industrial Programming Section, Centre for Industrial Development
Mr. Emil J. Sady, Chief, Section for Local Government, Bureau of Technical Assistance Operations
Mr. Andrew G. Brown, Acting Chief, Economic Planning Section, Centre for Development Planning, Projections and Policies; Secretary of the Committee
Mr. Omprakash Talwar, Economic Planning Section, Centre for Development Planning, Projections and Policies

Economic Commission for Europe

Mr. Stein Rossen, Director, Research and Planning Division

Economic Commission for Latin America

Mr. Francisco Azorín, Deputy Chief, Latin American Economic Projections Centre

UNITED NATIONS BODIES

United Nations Conference on Trade and Development

Mr. Sidney Dell, Director of the New York Office

United Nations Institute for Training and Research

Mr. Paul Alpert, Chief, Training Programmes in Technical Assistance

REGIONAL DEVELOPMENT INSTITUTES

Latin American Institute for Economic and Social Planning

Mr. Norberto Gonzalez, Director, Economic Research Division

Asian Institute for Economic Development and Planning

Mr. P.B. Patnaik, Deputy Director a.i.

African Institute for Economic Development and Planning

Mr. Gamal E. Eleish, Lecturer, Input-Output Analysis, Chairman of the Research Committee

SPECIALIZED AGENCIES

International Labour Organisation

Mr. Philippe Blamont, Director, Liaison Office with the United Nations,
New York

Mr. N.N. Franklin, Economic Adviser

Food and Agriculture Organization

Mr. Joseph L. Orr, Director, Liaison Office with the United Nations,
New York

United Nations Educational, Scientific and Cultural Organization

Mr. A. Gagliotti, Director, Liaison Office with the United Nations,
New York

World Health Organization

Dr. L.F. Thomen, Medical Officer, Liaison Office with the United Nations,
New York

Mr. A.P. Ruderman, Economic Adviser, Regional Office for the Americas,
Washington

International Bank for Reconstruction and Development

Mr. E.K. Hawkins, Economics Department
Mr. Albert Waterston, Development Services Department

International Monetary Fund

Mr. Michael Dakolias, Exchange and Trade Relations Department

INTERNATIONAL ATOMIC ENERGY AGENCY

Mr. Robert Najar, Liaison Office with the United Nations, New York

Statement by the Under-Secretary for Economic and Social Affairs

4. The Under-Secretary for Economic and Social Affairs made a statement at the opening meeting (see E/AC.54/L.2).

Adoption of the agenda

5. At its opening meeting, the Committee adopted the following agenda consisting of the nine items listed in its provisional agenda (E/AC.54/1):

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. General statements by members of the Committee.
5. Consideration of the terms of reference:
 - (a) Evaluation of major development problems, progress and prospects of developing countries;
 - (b) Evaluation of planning activities and work programmes of the United Nations system;
 - (c) Advice on establishment of a coherent set of economic and social goals and objectives for the United Nations Development Decade and subsequent periods and on methods for systematic evaluation of progress and prospects;
 - (d) Study of any individual questions referred to the Committee by the Economic and Social Council, the Secretary-General or the Heads of the specialized agencies.
6. Arrangements for future work.
7. Provisional agenda for the next session.

8. Other business,
9. Adoption of the report of the Committee to the Economic and Social Council.

Meetings and documentation

6. The Committee held thirteen meetings, the summary records of which are to be found in documents E/AC.54/SR.1-13. At its thirteenth meeting, on 11 May 1966, the Committee adopted its first report to the Economic and Social Council.
7. The documentation before the Committee at its first session is listed in the appendix to this annex.

Annex II

STATEMENT OF FINANCIAL IMPLICATIONS SUBMITTED BY THE SECRETARY-GENERAL REGARDING THE COMMITTEE'S REPORT ON ITS FIRST SESSION

1. The Committee for Development Planning, comprising eighteen members, established by the Economic and Social Council at its fortieth session in accordance with resolution 1079 (XXXIX), held its first session at United Nations Headquarters, from 2 to 11 May 1966.
2. In its **first** report to the Economic and Social Council, the Committee for Development Planning agreed that the Centre for Development Planning, Projections and Policies should act as its secretariat, and that all activities relating to its programme of work should be organized by the Centre in co-operation with the other interested bodies in the United Nations family. The Committee hoped that the Centre would have sufficient resources placed at its disposal and would be able to call upon qualified personnel to serve as staff members and consultants to meet the growing requirements in planning and projections.
3. The report sets forth the Committee's proposals for a programme of activities, the fulfilment of which will require additional staff. For example, in paragraph 13 of the report, the Committee considers it desirable that the current work on projections at the international level should be continued and intensified. In paragraph 16, the Committee considers that activities in assistance for planning at the national level should be continued and amplified. In paragraph 18, a list of studies is given which the Committee recommends should be undertaken as soon as possible.
4. Finally, in paragraph 20 of the report, the Committee agreed to hold its next session some time in the early part of 1967, and hoped that it would be possible to convene the session in one of the developing regions. It also agreed that small sub-committees should be formed which would generally meet a few days before each session. In this connexion, the Secretary-General proposes that the next session of the Committee for Development Planning be held in Santiago, Chile in March-April 1967, and that all members of the Committee form three sub-committees to meet for four days prior to the session itself.
5. Should the Economic and Social Council accept the report of the Committee for Development Planning, the proposals contained therein would give rise to the following financial implications, in respect of which additional funds would be required in 1967, which would be reflected in the revised estimates arising from actions of the Council to be submitted to the General Assembly at its twenty-first session.

Additional staffing requirements

6. It is estimated that the following personnel will be required to augment the existing staff of the Centre: one senior officer (P-5), two first officers (P-4), two second officers (P-3); two general service staff, at a cost which would amount to \$122,000 in 1967. Moreover, consultants' services will be required to the estimated extent of 24 man-months at a cost of \$50,000.

Costs of the second session of the Committee, March-April 1967
(Santiago, Chile)

	\$US
Travel and subsistence of members:	
Travel to Santiago (17 members, one is Chilean)	18,500
Subsistence at \$23 per day - 17 members x 17 days (4 days of sub-committee meetings) (12 days of plenary committee meetings)	6,650
Travel of 6 substantive staff from Headquarters	5,400
Subsistence for 17 days at \$15	1,530
Interpretation (English, French, Russian, Spanish) (8 interpreters at \$60 per day, plus travel for 6)	8,160
8 x 17 x 60	3,600
Travel, 6 x 60	
Summary Records (English, French, Spanish) and in-session documentation (60 pages) (for plenary Committee only)	50,250
Total:	<u>94,090</u>

7. The Secretary-General would advise the Economic and Social Council that the above requirements have been arrived at by taking into account the provision requested in the 1967 estimates for this activity, as well as the resources available as a result of voluntary contributions made to the Organization to assist it in its work on economic projections.

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