

Distr.
LIMITED

ST/SG/AC.6/1993/L.8
11 October 1993

Original: ENGLISH

Eleventh Meeting of Experts on the
United Nations Programme in
Public Administration and Finance
Geneva, 6-14 October 1993

REPORT OF THE INFORMAL INTER-AGENCY WORKING GROUP

5 OCTOBER 1993

1. The Eleventh Meeting of Experts on the United Nations Programme in Public Administration and Finance was preceded by a meeting of the Informal Inter-Agency Working Group convened by the United Nations Department for Development Support and Management Services. It was attended by representatives of the Department for Development Support and Management Services, Economic Commission for Africa (ECA), the International Labour Organisation (ILO), the United Nations Conference on Trade and Development (UNCTAD) and the World Health Organization (WHO). Although the representative of the United Nations Development Programme was not able to attend this session, a statement prepared by the representative was circulated to the meeting. The Working Group met on 5 October 1993. Its main objectives were to review the activities of the agencies in their respective public administration and finance programmes and to consider common issues that the Group as a whole could recommend to the Meeting of Experts for priority consideration.

2. The Department for Development Support and Management Services (DDSMS), the specialized agencies, the regional commissions and other organizations are all involved in different dimensions of public management. The specialized bodies and agencies concentrate on public administration and financial management requirements in specific sectors. The regional commissions cover a wider range of issues but focus more on problems of concern in the different geographical regions. The Department for Development Support and Management Services at the United Nations Headquarters, on the other hand, deals primarily with public administration and finance geared to the goals and objectives of development in developing countries. The participants agreed that their activities were complementary and did not overlap.

3. It was agreed that each agency should prepare a short statement indicating its current major activities. The statements prepared by them are given below to provide a basis for discussion. The main activities of the United Nations Programme in public administration and finance are already included in the document ST/SG/AC.6/1993/L.7.

ECONOMIC COMMISSION FOR AFRICA

4. The United Nations Economic Commission for Africa attaches special importance to activities designed to enhance the capacities of its member States in the area of public administration, management and finance. These span technical publication, preparation of policy guidelines, training workshops, senior policy workshops and advisory services which are funded from regular budget and extra-budgetary resources.

5. The 1992-1993 work programme focused on activities related to the improvement of the performance of public services and financial management systems, formulation of fiscal policies, resource mobilization and allocation and strengthening of the capabilities of national and sub-regional training and research institutions. Examples of the technical publication and policy guidelines are: public administration and management innovations to enhance popular participation in the design and implementation of national development programmes; measures to improve management capacity, motivation and productivity in public enterprises; restructuring of taxation systems in Africa for adequate mobilization of domestic resources; fiscal policies for the agricultural sectors: overview of issues and policy options for increased food self-sufficiency in selected African countries; public expenditure patterns in selected African countries: impact on health and educational services; automation of public administration and management system and processes for improved efficiency and productivity in the African public services; and measures for the stimulation, development and promotion of indigenous entrepreneurial capability.

6. The training courses, seminars and workshops covered areas such as: strengthening the managerial and administrative capacity of the public sector; improvement of public financial management; improvement of tax administration systems; and reforming taxation systems and policies.

7. The ECA has also launched a Special Programme of Action in Public Administration and Management in Africa Regional Projects (SAPAM), funded by UNDP. It should be recalled in this regard that SAPAM was launched as a result of the recommendation of the Seventh Meeting of Experts of the United Nations Programme in Public Administration and Management. SAPAM has managed to enhance ECA's outreach and ability to make useful interventions in the field of development management. SAPAM focuses, in particular, on measures to enhance national capacity for policy analysis; ethics and accountability in the public services; improving the performance of public enterprises; improving the productivity of the African public services; and enhancing the financial capacity of African universities.

8. Advisory services were rendered on request to African Governments (particularly in administrative reform, policy formulation); sub-regional institutions (revitalization of administrative structures); and sub-regional, regional and national training institutions orientation of mission programmes and activities.

9. The ECA organized a regional conference on development management in Africa, in March 1993, to assess the experience of thirty years of development management in Africa in the light of emerging global and regional and national development challenges, as well as set the priorities for action in the years to come. The Conference, which was attended by over 100 policy-makers, African and non-African experts and NGOs and organizations of the United Nations system, adopted a "Strategic Agenda for Development Management in Africa in the 1990s". The Agenda was adopted by ECA's Conference of Ministers, which recommended - in resolution 747 (XXVIII) - "that African Governments as well as regional and international organizations and associations use the Strategic Agenda as a guide for action in their efforts to improve development-management capacities in Africa in the 1990s". The priority areas for action, as emphasized by the Strategic Agenda, are:

- improving the public policy-making process;
- enhancing the efficiency and quality of the African civil service;
- promoting ethics and strengthening the mechanisms for accountability in the civil services;
- public enterprise sector reform;
- strengthening the resource mobilization and financial management capacity in African countries;
- enhancing entrepreneurial capacity and promoting private sector development;
- ensuring effective popular participation in development and governance;
- decentralization for sustained development;
- optimizing the use of information technology in African public administration.

10. Future activities of ECA will be guided by the priorities of the Strategic Agenda. In this regard, the 1994-95 Work Programme will place emphasis on assisting member States in formulating plans and policies for improving public sector management systems; formulation of policies which eliminate constraints on and foster the development of entrepreneurship and the private sector; fostering ethics and accountability in the public services; strengthening the capacity for public financial management and

accountability; removing the regulatory constraints to private sector development; formulation of appropriate fiscal policies for the promotion of the informal sector; and strengthening the management capacity of African NGOs.

11. Activities of the ECA are not only directed to the public entities and African governments. Recognizing that the involvement of all institutions of society is crucial for effective development management, these activities are also directed to universities; research and training institutions; national, sub-regional and regional professional associations; NGOs; entrepreneurs; the private sector; and the informal sector.

INTERNATIONAL LABOUR ORGANISATION (ILO)

12. The ILO deals on a continuing basis with all problems related to labour and employment policy and practice. In this work it covers also staff employed in the public administration, and, more generally, staff employed under civil service regulations or in similar conditions, and public employees in other sectors of activity, such as education, health, postal and telecommunications services, water-gas-electricity, information and audio-visual media. The main objective of the ILO's programme in the area of public administration and public services is to improve working and employment conditions and to promote dialogue between workers and employers in this sector. Its field of action encompasses standard setting activities, research, studies, dissemination of information, technical advisory services, meetings and technical co-operation activities.

Standard-setting activities

13. The predominant labour standard for the public administration is the Convention on the Right to Organise and Procedures for Determining Conditions of Employment in the Public Service adopted in 1978 (Convention No. 151), supplemented by a Recommendation (No. 159).

14. Other labour standards in the area for the public service are the Nursing Personnel Convention (No. 149) adopted in 1977, and the corresponding Recommendation (No. 157), which concern employment conditions of nursing personnel, and the Joint ILO/UNESCO Recommendation concerning the Status of Teachers adopted 1966 which concerns the status and the working conditions of teachers.

15. Besides these standards targeted solely or primarily to the public service, most Conventions and Recommendations adopted by the ILO include the public sector.

16. Among its ongoing activities the ILO provides advisory services and carries out seminars regarding these instruments so as to promote better knowledge and application of labour standards in the member States.

Meetings, studies, reports

17. In its programme of sectoral activities, the ILO has now four standing committees dealing with public service matters, namely the Joint Committee on

the Public Service, the Joint Committee for Postal and Telecommunications Services (last meeting in 1991), the Standing Technical Committee for Health Services (first meeting in 1992) and the Standing Technical Committee for Educational Personnel (first meeting planned for 1995). These Committees meet periodically every five or six years and adopt recommendations (conclusions and resolutions) that provide guidelines for national policy as to promote better working and employment conditions, and offer indications for future action of the ILO in this area. Moreover there are a number of ad-hoc joint meetings convened on an irregular basis for specific categories of public employees, such as firefighting personnel (1990) and employees in public utilities (1987) as well as on specific topics, such as the impact on structural adjustment in public services (efficiency, quality improvement and working conditions). In addition there are several other permanent bodies that are serviced jointly by the ILO and other United Nations agencies, among them the Joint ILO/UNESCO Committee of Experts on the Application of the Recommendation concerning the Status of Teachers (CEART).

18. The Fifth Session of the Joint Committee on the Public Service will take place in January 1994. The Committee will examine two reports, a general report containing information on the effect given by member States to conclusions and resolutions adopted at its previous sessions, as well as a review of general developments in the public service, including the trends in employment, remuneration and in trade union rights of public employees, and a technical report. The technical item on the agenda of the Fifth Session concerns part-time and temporary employment in the public service.

19. Recent, current and planned studies and publications on the public service concern:

- remuneration of nursing personnel in various countries, including Egypt, Ghana, Philippines, United Kingdom, the United States and Venezuela;
- ways and means to improve public service productivity;
- negotiating structural and technological changes in the telecommunications services in selected industrialized countries;
- crisis and reorganization of public enterprises in sub-Saharan Africa;
- privatisation of public services and public utilities;
- public sector reform in Central and Eastern Europe.

Technical co-operation

20. In response to growing demands from member States, the ILO has increased its technical and advisory services in the public service in such areas as employment; labour administration; human resources development, in particular vocational training and rehabilitation; personnel management; review and reform of labour relations systems; wage policies and wage determination.

Most of these activities are carried out in the framework of structural adjustment programmes.

21. Their predominant objectives are:

- to improve the performance of the public service and thus to provide the administrative and regulatory environment for the envisaged economic development;
- to create employment and provide necessary vocational training for former public employees who have lost employment due to structural adjustment measures;
- to improve performance and thus productivity in the public sector, namely in public enterprises.

22. Recent examples of such ILO activities and projects are:

- in 1992 an inter-departmental project on structural adjustment was launched. The work items covered by this project were designed as to identify new employment possibilities in the private sector and to examine the reforms that are needed in the public sector. In relation to the public sector, emphasis is given to employment policies in the context of privatization efforts and complementary measures, in particular human resources management issues, that are necessary to smooth the transition while maintaining the capacity of public employees to function efficiently and, at the same time, protecting their interests. The project which will be finalized within the next three month gives concrete expression to the concerted efforts made by the various major programmes throughout the ILO and, as such, will make it possible, on the basis of the findings, to use combined expertise to provide more integrated technical advisory services to governments, as well as to employers' and workers' organizations in developing their expertise regarding labour market policies in periods of transition;
- an action-oriented seminar programme to promote human resources management in the public service. This project is a joint effort of the ILO (especially the Turin Centre), the World Bank, UNDDSMS, UNDP and the French, the Portuguese and the Italian cooperation. Three seminars have been carried out for French-speaking African countries; in October the first seminar for Portuguese speaking African countries will start; moreover it is envisaged to adapt the training kit to English-speaking developing countries. However, as well Central and Eastern European countries have showed interest in the training materials. After a six weeks training seminar in a second phase the trained country representatives are to design and monitor national seminars according to the respective training needs, supported by the above-mentioned institutions. An evaluation phase is to follow. The design of the project initiates and supports national execution as well as co-operation between developing countries;

- in the field of labour administration the ILO continues its efforts to strengthen and upgrade national labour administrations, in particular by providing advisory services and training for labour administration officials to improve labour inspection systems, employment services, social security services, labour and wage statistics and vocational training services;
- a number of country projects are envisaged or underway to improve management skills in the public sector and to assist redundant public sector employees to find new employment or self-employment opportunities, in particular through retaining or creating of medium and small enterprises.

23. At the request of Central and Eastern European countries, the ILO has continued its cooperation and advisory services aimed at the assisting in the restructuring of the public administration in this region. These projects include inter alia advisory services in labour legislation and social security issues, technical assistance in setting up a labour administration including placement services and labour inspection, and in promoting human resources management, as well as supporting governments, employers and workers organizations in the creation and strengthening of tripartite institutions crucial for the functioning of a market economy.

24. Due to the radical economic changes the public administrations in this region are undergoing major reforms in order to fulfil their new role as an efficient facilitator for economic development and as a provider of services to the public, in particular being responsive as well as accountable to the citizenry.

25. A close cooperation of all United Nations agencies dealing with public administration and development is crucial to promote the democratic and economic development and to improve the impact and sustainability of the various projects under way.

THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

26. The UNCTAD activities do not include a specific programme on public administration and finance. However, various activities related to trade, finance and macroeconomic policies contain a public administration and finance element. Such activities are being carried out at different levels: the intergovernmental machinery, technical assistance and the analytical work of the secretariat.

1. Intergovernmental machinery

27. As a result of UNCTAD VIII in February 1992 an ad hoc working group on Privatization has been set up. It provides a forum for government officials and practitioners from all member countries for exchanging views and sharing experiences with privatization. The ad hoc working group has been established for an initial period of two years, but may be extended thereafter. Around 70 countries are participating in the deliberations of this working group,

which has so far met twice. Both meetings have received a very favourable response from governments. A third meeting is scheduled for late November/early December this year.

2. Technical assistance

28. UNCTAD's technical cooperation activities with a bearing on public administration and finance are the following:

(a) In the area of trade:

- the UNCTAD secretariat has developed an "Automation System for Customs Data" (ASYCUDA) to help developing country administrations increasing customs efficiency by using advanced data processing tools in the management of customs declarations, customs accounting, inventory management, and import and export licensing; the system also makes external trade statistics more readily available;
- with a view to strengthen administrative capacities in developing countries in the field of international trade, UNCTAD has established the "Trainfortrade" programme, which features human resource development workshops, training for both public administrators and private agents in the areas of commodity trade as well as courses on national trade and competition policies;
- the secretariat is also providing assistance to government negotiators in the context of the Uruguay Round.

(b) In the area of finance:

- the UNCTAD secretariat has been providing for many years assistance to governments of debtor developing countries in their negotiations with the Paris Club on the rescheduling of bilateral official debt;
- it also has continued and enlarged its technical assistance to debtor developing countries in external public debt management, centred around a computerized information system, the "Debt Management and Financial Analysis System" (DMFAS), which is currently being used by 20 developing countries. The system enables countries to improve overall economic management and to avoid unnecessary costs in servicing their external debt. In this context, a joint programme between UNCTAD and the World Bank is in an advanced stage of preparation for the development of a new, more sophisticated and user-friendly debt management system which will be available in September 1994.

3. Analytical work

29. In the context of macroeconomic analysis on domestic policies and interdependence, increasing importance has recently been given to problems of public finance.

30. The Trade and Development Report, 1992 included a chapter on Reform of Public Enterprises in Developing Countries. Since privatization is not always feasible and desirable, improving the performance of public enterprises which are there to stay is an important element in fiscal and economic reform. The UNCTAD secretariat has thus studied in-depth the need for and approaches possibilities to public enterprise reform in both developing countries and economies in transition.

31. The Trade and Development Report, 1993 discusses the problems arising in economies in transition from the pronounced tendency to dismantling the State without putting in place workable new structures of public administration and government intervention. It also provides an assessment of Structural Adjustment Programmes in sub-Saharan Africa and the problems arising for the operations of the public sector from under-funding of such programmes. The TDR 1993 also contains an economic analysis of the consequences of the targets contained in the Maastricht Treaty for public sector deficits and debt in European countries as eligibility criteria for membership in the European Monetary Union.

32. The UNCTAD secretariat has also prepared a number of studies on the role of the public sector in mobilizing domestic resources in the least developed countries and on the importance of well-targeted, selective, and appropriately phased government intervention in the process of structural adjustment in developing countries.

UNITED NATIONS DEVELOPMENT PROGRAMME

33. The Management Development Programme (MDP) was established in 1988 under the United Nations Development Programme (UNDP) with the main objective of assisting developing countries in improving their public sectors by enhancing the management capabilities of their governments. MDP aims at achieving this objective by designing innovative and strategic approaches towards efficient and effective public sector management improvement, predominantly in three thematic areas: (i) socio-economic and financial management, (ii) resource management, and (iii) governance and de-centralization.

34. The operational activities of MDP began towards the end of 1988. By 31 December 1992, project activities for management improvement, fully or partially financed from MDP funds, had been approved in 51 countries. UNDP has so far used \$50.2 million (\$43.7 million in the fourth cycle and \$6.5 million in the fifth cycle) of MDP funds for programming and its contributions to projects, and \$26.2 million of IPF-funds for projects planned under MDP. \$10 million has been contributed from non-UNDP sources to UNDP-projects developed within the framework of MDP. In addition, MDP seed money has been the critical factor in launching the implementation of programmes and in attracting cost-sharing and parallel financing from other bilateral and multilateral funding agencies.

35. In four years of operation, MDP has accumulated a large and significant experience in administrative reform. An evaluation of MDP will be conducted in the course of this year to report on the results and achievements gained from the first four years of MDP activities. Starting in 1992, MDP began to systematically analyze and disseminate lessons and country experiences in

public sector management development. During 1992 MDP sponsored an international colloquium on transitional economies, and regional workshops for Africa and Latin America on management development and innovation, all co-financed by non-SPR funds. Discussion papers and a quarterly newsletter on management development issues were also launched in 1992. The systematic publication and dissemination of experiences and innovations will significantly increase during the fifth cycle.

36. Integral to MDP's methods is the use of participatory approaches to programming (sometimes referred to as "process consulting") reflecting MDP's experience that systemic change requires forms of cooperation that offer more than prescriptive advice and individual skills training.

37. The use of a programme approach, combined with process consulting methodologies, helps to ensure a coherent and integrated government policy in which actions taken to improve the performance of the public sector are guided by consistent principles, objectives and concerns. The programme approach also serves to provide governments with a framework under which MDP can assist it to identify projects and mobilize the necessary funding from donor agencies who wish to play a supportive role to the policies and priorities established by governments. In this context, MDP funds can play a catalytic role in helping governments to design management improvement programmes, launch their implementation, and mobilize additional resources.

38. The focus of MDP programmes depends on the policies and priorities established by government to improve the management capabilities of the public sector. While the Programme is open to all countries wishing to participate, most of its resources will be provided to poor countries, with priority given to those classified as least developed. Fifty per cent of the resources will likely be spent in sub-Saharan Africa.

39. The following are examples of MDP-supported projects in the three main thematic areas referenced above, from three different regions:

1. Strengthening of Socio-Economic Management:
The Case of Viet Nam

40. The thrust of MDP assistance is to help governments build the capacity of public sector institutions to carry out social and economic reforms. Emphasis is placed on comprehensive overviews as the basis for strategic programmes for management improvement with long-term sustainability.

41. The required macro-economic stability for structural reforms in several fields and the management of complex policies demands from all countries increased competence, accumulative organizational knowledge, and increased implementation of principles of accountability, in combination with political commitment to the process of reform. The role of MDP in this context will be to help governments to build the institutional and organizational capacity to manage the implementation of economic and financial reform process, using the process already described and through an approach more concerned with the overall system of economic and financial management rather than individual institutions or ministries.

42. UNDP has had a crucial role in helping the Government of Viet Nam implement its macroeconomic stabilization programme. The strategy of MDP Project VIE/88/543 (Strengthening Economic Management) was to help Viet Nam's economic managers to learn from the reform experiences of other countries, to strengthen their understanding of the nature and use of macroeconomic policy instruments in an open and market-based economy.

43. To this end, the project supported 4 high-level study tours for 59 senior officials from the Office of the Council of Ministers and from the main economic ministries, as well as 4 in-country training courses of 5-7 weeks each for nearly another 300 officials. A fifth in-country course was mounted for 60 economic trainers. The Economic Development Institute of the World Bank helped to produce training materials. Thirty five long-term fellowships in development economics have been provided. A 2-week Senior Policy Seminar on the Economy of Viet Nam involved 10 ministers, 30 vice-ministers or similar ranking officials, and 20 department directors. Trained officials have returned to their positions in the Government, and according to the projects final TPR, they are more effective economic managers in policy formulation and in leading Viet Nam's transition to an open, market economy. A follow-on project is now under formulation to address the need for improved productivity across the civil service.

2. Human Resources Development: The Case of Sao Tome

44. The approach adopted by MDP emphasizes capacity building in the service of long-term institutional change. Integral to this perspective is a focus on individual and institutional incentives, and the systems needed to maintain appropriate incentives over time.

45. MDP programmes of assistance will reflect the priorities of countries towards the modernization of the state - that is, areas of administrative reform, including issues of civil service reform and organizational development, areas in which MDP has gained a considerable experience and knowledge. In a second phase, projects intend to add a new dimension to the human-resources-management component by including consensus on how to attract, motivate and retain qualified cadres in the public administration.

46. A good example of MDP's assistance programmes in Africa is Sao Tome and Principe (STP). The first phase MDP project in STP is assisting the Government to conduct a comprehensive functional analysis of the civil service. The aim is to define a more streamlined civil service structure that will correspond more to the functions and the new structures of the State than to the cutback demands of the country's structural adjustment programme. In addition to proposing corrections to structural deficiencies, the results of the functional analysis will serve to develop affordable options for better civil service pay incentives and more effective system of personnel management and human resources development. In essence, the Government's strategy is to first conduct a global diagnosis of the civil service upon which to establish appropriate management systems, and then proceed to build the management capacity and skills to its civil service.

47. The second phase of the project entails the preparation of a proposal for the rationalization, renumeration and retention of national staff in externally financed projects that the Government may wish to submit for the consideration of the donor community. The proposal aims at addressing the current system of the topping up of the salaries of selected cadres of the civil service by members of the donor community, which is very detrimental to the capacity-building process, by creating a unified incentive system and an open and competitive recruitment pool.

3. Governance and Decentralization: The Case of Honduras

48. Countries across the world are undergoing profound structural changes in their economic and political systems which demand systemic change, and a redefinition of the relationships between different parts of the government administration and the public. When the roles of the public sector are changing due to the adoption of new principles of governance, a systemic approach is essential to improve the effectiveness and efficiency of the public sector. Systemic change is a continual and ongoing process, the ultimate goal of which is to renew the capacity of public administration to facilitate national development in close association with the private sector and community based organizations (CBOs).

49. The democratic process and the search for new systems for better participation of people in both political and economic processes have raised the demand for MDP assistance to the process of decentralization. The shift towards market-oriented economies, the quest for equitable access to resources, the need to bring the public administration closer to people and involvement of private sector, NGOs and CBOs as producers of public and community services requires a new share of power between the different levels of government and society. Process consulting has proven to be very effective to build awareness of the political, administrative, economic and financial dimensions involved in decentralization.

50. In Honduras, MDP supported an Umbrella Project for Support for the Coordination of the State Management Improvement Programme. The main objectives of the programme are to design a framework for modernization of the State, to build good governance, and to launch mechanisms to strengthen management capacity of the public sector in all areas of public policy. The Umbrella Project started in June 1990, and will end in April 1994.

51. The MDP Umbrella project in Honduras demonstrates MDP's ability to provide strategic technical and financial support to the state modernization and reform process by providing seed money and focused technical assistance for the design of projects and programmes to be presented to the international donor community in the areas of justice and human rights, socio-economic and financial development, and de-centralization.

52. Central in the process stands the Presidential State commission, presided by the President of the Republic. The responsibilities of the Presidential Commission include: (i) to implement the Global State Modernization Programme, (ii) to formulate and coordinate national reform programmes and projects, (iii) to offer a public forum for consensus building, (iv) to be an

overall political counsel on state modernization issues, including de-centralization, and (v) to advise the President on matters of State Reform and Modernization.

53. The forum for public debate on state modernization issues offered by the Presidential Commission provides a good model for consensus building to all forces in society on sensitive issues such as de-centralization, reform of the legal system, and human rights at both the political, legal and administrative levels. An important effect of the consensus building activities of the Presidential State Commission was that the State reform programme became perceived by the Hondurans as a national programme which deserves the support of members from all political parties. This is an important achievement, taken into consideration that Honduran nationals were not aware of the need for state modernization when the State reform process was initiated in 1990.

54. Furthermore, the MDP Umbrella project has been successful in creating the technical and political conditions necessary for the adoption of a National De-centralization Policy and Programme on the basis of consensus with the various State institutions and social groups involved.

55. However, the project also demonstrates the need for strong support and coordination at the central level and capacity building and public awareness programmes and projects at the central and local levels as a pre-requisite for the de-centralization of municipal services in an otherwise "top-down" led process.

WORLD HEALTH ORGANIZATION

56. A priority policy of the World Health Organization is the response to country specific health development needs. Most countries are currently focusing to reform their social and health sectors in order to respond to greater and more complex demands with smaller public resources. In this respect most health sector reforms are being included within broader public sector and civil services restructuring efforts. In this context, WHO technical role in support to countries is being increasingly linked and integrated to public administration reforms involving all sectors, both at national and local/district levels.

57. These pose new challenges not only to WHO but to the whole United Nations system, particularly in terms of the institutional reform that the United Nations should undergo in order to offer a more coherent support to the countries needs across all sectors.

58. Therefore, although WHO does not focus on the area of public administration and finance as an independent entity, it does address these issues in its work with countries in strengthening national capacity for health policy development and implementation, in the reform and restructuring of the health sector and in strengthening the management of health systems both at the district and central levels. WHO is aware that the health sector cannot exist or develop in isolation. WHO hopes that the following will be treated during the deliberation of the Meeting of Experts.

1. Implementation

59. The importance of addressing implementation issues, as well as the development of tools and methodologies is one of the issues that should be discussed. Too often, especially in the poorest countries, we see tools and methodologies at the global level, with little attention to the country-specific context in which they are going to be used. Scarce human resources in these countries are diverted to service these tools which may not be relevant for the organizational structure or policy environment of the country at that specific time. Support to countries in these crucial cross-cutting areas of public administration and finance, should stress building and strengthening country capacity according to their priorities and their capacity of absorption, with attention to the country's organizational structure and system of incentives for their civil servants.

2. Linkages among Ministries

60. The second area of discussion could focus on the promotion of the linkage between central ministries, where most of the support to public administration and finance is given, and line ministries.

61. Initiatives to strengthen linkages should come from both the line ministries and central ministries. For example, in the organization and reform of the health system, especially in decentralization, the full involvement of appropriate central ministries should be sought by the Ministry of Health. In the development of sector plans and in the request for both domestic and external resources, the national macro-economic environment, as well as the existing political and policy environment, should be taken into account by the line ministry.

62. It is equally important, on the other hand, that central ministries involve the line ministries in setting priorities for development, and for the allocation of domestic and external resources, and in plans to reform public administration and finance.

3. Linkages among United Nations Agencies

63. The third issue for discussion could address the cooperation among United Nations agencies in the area of public administration and finance. WHO sees its role to support and strengthen the capacity of the Ministry of Health in their administration and management of domestic and external resources, both at the central level and the periphery. In this area, just as it is important for health ministries to link with central ministries, it is also essential for WHO to link with UNDP and other involved agencies. WHO is providing support to countries in strengthening their capacity to develop and manage external aid for health development. An improvement in aid management at the sector level should support effort of the central ministries in negotiating with external donors.

64. To maximize the impact of this work, it is essential that WHO work with UNDP and the World Bank who are, at the same time, often providing support to the central ministries in the management and coordination of external aid.

4. Looking at our own work

65. Finally, we see the Meeting of Experts as an occasion for WHO to critically examine its own work in the area of public administration and finance. As an organization, WHO need to implement methodologies or capacity strengthening initiatives in and across countries with due regard to the structures and administrative context of the specific countries themselves. The following examples illustrate the problems which can arise if this is not taken into account.

66. WHO built some capacity in one least-developed country at the district level for planning, including budgeting and accounting for health activities. At that time, the Ministry of Finance, in its allocation of resources, was constrained to give funds to the "central" Ministry of Health rather than delegate this to lower levels. Districts which could be autonomous in their management were thus still dependant on the centre for their resources. This lack of autonomy in terms of the control of their resources, dampened the districts' enthusiasm for management activities, and in the end, efforts to strengthen district management were not sustainable. Today, fortunately, in this same country, resources flow directly to the district from the Ministry of Finance. District management has become more relevant to the end users and decentralization is beginning to be a reality.

67. In another country, WHO placed a lot of effort into technical training for supervision, especially for disease control and health care activities at the periphery. Nationals in this country receive a per diem for travel and supervision that does not even cover the costs of meals outside the capital. Naturally, as a result, with this disincentive, few supervision visits took place. As a result the impact of WHO's technical support is minimized.

68. Both these examples illustrate the importance for WHO and the Ministry of Health to be aware of, and involved in, overall public sector administration and finance-related issues.

II. COMMON ISSUES

69. While the Working Group noted the high priority assigned to problems of management in the process of development by developing countries and increased support and assistance provided by development agencies to this subject, it felt that a somewhat different approach should be adopted by the Meeting of Experts in order to break the vicious circle that most developing countries and especially African Governments find themselves in when it comes to improving the public sector as a whole. The Working Group reviewed the approaches and programmes of various United Nations agencies in the area of public management and concluded that a pragmatic and differentiated approach to deal with the issues and problems of public sector management would be appropriate for most developing countries in general and Africa in particular.

70. Hence, the Group recommended that the Meeting of Experts should allocate a special session to discuss the situation in Africa in line with the "Strategic Agenda for Development Management in Africa in the 1990s", adopted by the Regional Conference on Development Management held in Addis Ababa, 8-12 March 1993 and the 1993 session of ECA's Conference of Ministers.

71. The Group also recommended that the contents of this "Strategic Agenda for Development Management in Africa in the 1990s" be looked at by the Experts in order to find ways and means of enhancing support of the international community in implementing the Agenda.

72. Another issue the Group recommended to be discussed by the Meeting of Experts is the public management issues in transitional economies.

73. The Group noted that the Experts during their deliberations, should identify "best practices" and the conditions within which these best managerial practices have developed and flourished. Also, they should identify the underlying incentive systems which are facilitating the emergence and strengthening the best managerial practices.

74. The Group also noted the importance of emphasizing strategies for managing change processes. In particular, the Experts should consider the experiences and opportunities for linking central reform processes and the reform processes in specific sectors and line ministries. Coordination of change strategies in central and sectoral areas could reinforce each other and lead to enhancement of overall reform strategies. Experts should focus attention on country-level examples of successful multi-sectoral, multi-level and central-sectoral coordination of management of change. The Working Group recommends that the Experts examine ways in which the international community can stimulate and support national-level efforts to coordinate management of change processes.

75. The Group noted that various developmental policies and programmes adopted at both national and international levels are not being implemented effectively. It recommends to the Meeting of Experts a critical review of this implementation gap with a view to analysing and recommending appropriate measures for operationalizing policies and action programmes at the national level. It also suggests the focus for effective coordination of relevant development policies and programmes should rest not only at the national level, but also at the global level for international development agencies. To achieve this goal, the Group recommends that the Meeting of Experts may orient its discussion beyond generalities to more specific issues of policies and their implementation.

76. Finally the Group acknowledged that the programmes of the agencies in the area of public management did not overlap. But they suggested that informally closer collaboration on specific programmes and projects (e.g. research and seminars) could be developed among various agencies to achieve maximum benefit for developing countries. They also suggested that agencies could explore their cooperation in participating in regional and sub-regional programmes for strengthening institution-building and promoting human resource development.
