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TO - AID/W TOAID A-276

FROM - USAID/Rawalpindi

SUBJECT - Noncapital Project Paper (PROP)

REFERENCE - Revision No. 2

Country: Pakistan Project No. 391-11-760-299

Submission Date: ~~Aug. 28, 1967~~ original, May 18, 1970 Revision No. 2

Project Title: Government Administrative Staff Improvement

U.S. Obligation Span: FY 1971 thru FY 1975

Physical Implementation Span: FY 1971 thru 1977

Gross life-of-project financial requirements:

(in \$thousands)

U.S. dollars 1,143

U.S.- owned local currency

Cooperating country cash contribution

Total: \$ 1,143

SOBER

Attachment: Table I Funding obligations

PAGE 1 OF 1 PAGES

| | | | | |
|---------------------------|---------------|-----------|-----------------|---|
| DRAFTED BY: RParvez:FE | OFFICE PAD | PHONE NO. | DATE 5/14/70 | APPROVED BY: VWBrown - Deputy Director |
|---------------------------|---------------|-----------|-----------------|---|

AID AND OTHER CLEARANCES

ESMarble: TNG/L (in draft) Mward: DP/P (in draft) EGriffel: PD/D
 MSCruit: PM/L (in draft) RYGrant: SA/R (in draft) RBClary: PAD/D
 PMSligh: PD/L (in draft) WCFurst: AD/DP-R (in draft) (in draft)
 CHBailey: C/B&A (in draft)

A. SUMMARY DESCRIPTION1. Introduction

The original PRDP of this project was submitted on August 28, 1967 (TOAID A-337) under the title of Economic Decision making Superior Services. Later, the project title was changed to Government Administrative Staff Improvement. A revised PRDP covering the changed conditions in the country, was sent on October 1, 1969 (TOAID A-772). Now as a result of further review of Pakistan government operations and interest in the project and because of the many uncertainties attending Pakistan governments, it is proposed that this project be revised and restructured to serve better the future needs of PCP and USAID.

2. Problem

The primary objective of this project was - and still is - to strengthen the technical management skills and decisionmaking capabilities of a select number of persons in the central and provincial services and training institutions who staff, or will eventually staff, key positions in Pakistan's planned development programs. Included in the original project was the development of personnel management systems and programs which will provide for the selected development,

Goal

as well as judicious utilization, of managerial manpower. Main agencies to be focussed on were the Establishment Division and the Central Public Service Commission.

The whole fabric of governmental organization and administration in Pakistan is currently in the process of change, ordered and directed by the interim Martial Law government. Among the main streams of change are the following:

- (a) The shift from a military law regime to a popularly elected government under a constitution to be drawn up by an Assembly to be elected October 5, 1970. The Assembly will have 120 days in which to agree upon and adopt a constitution acceptable to the present Martial Law government. If it does not succeed in doing this within the allotted 120 days, it will be automatically dissolved and a new election held to elect another Assembly. Assuming the first Assembly succeeds, it will be well into 1971 before the new government will be operative.
- (b) The whole scope of Pakistan's personnel system has been under review by a Services Reorganization Committee since last fall. Originally the Committee was expected to report by March 5, 1970, it is now believed that it will do so by June. It will be some months, before the government takes action upon the report.
- (c) The "one-unit", operating in West Pakistan since 1956, is to be broken into four provinces: the Panjab, including Bahawalpur State; the Sind, including Karachi; Baluchistan, and the North West Frontier, including some of the tribal areas. The central government will retain the administration of Islamabad and certain large tribal agencies. The situation is further complicated by the fact that, for the time being, at least, control and administration of a number of region-wide agencies, like WP-WAPDA, WPIDC, and Pakistan Western Railways, will move to the central government. The new provinces will be operative in July 1970, if everything goes well.

In addition there is the need to provide for continued development of the Faculty and Staff of Pakistani Educational and Training Institutions who train government administrators. Many of these institutions have been developed with USAID assistance which has been discontinued. It is important to provide the opportunity for continued professional development in modern administration for the staffs of these training institutions in Pakistan.

It is, therefore, desirable that this project be restructured in such a way that it enables the Mission to respond quickly to requests to train key administrators and managers when the need is clearly established. The project will be used to provide training in administration to carefully selected officials in the center or provincial governments including planning and development departments of the new provinces, public service commissions and other personnel agencies, family planning, agriculture, public health, finance and taxation units where there is a demonstrated need to strengthen and improve administrative organization and operations as a means of furthering program objectives. It is intended that USAID will have an active role in the selection and training of the participants so that the program will have a real impact in improving the efficiency of Pakistan's administrative machinery.

3. Planned Target and Goals

The primary goal of the project is to strengthen and improve the decisionmaking and management capabilities of officials in the central, provincial and local governments and other developmental agencies. It is planned that the participants will be trained in modern administration techniques for one to twelve months in the USA and/or third countries. The fields of training will include planning, personnel, finance, taxation, organization and methods, budgeting and economic development. In certain limited instances, dictated by the needs of the organization (such as administrative, educational and training institutions), it may be desirable that a participant be sent for degree training in one of the social sciences.

A second goal is the continued development of Pakistani educational and training institutions, which train GOP administrators, through (1) further training of selected faculty and staff in modern administration; and (2) maintenance of professional contacts abroad.

4. Inputs

It is planned that subject to resource availability, up to 30 participants will be sent to USA each year under this project with a majority of them going for a duration of six to twelve months.

Additional regionally funded training will be provided at AUB if suitable programs can be arranged within AUB quotas.

A modest demonstrational commodity input is planned to provide for procurement of small office machines and professional publications etc.

The project will continue as such for five years and a planned yearly obligation table is attached.

See funding Table 1 attached.

B. PROJECT SETTING

1. Civil Service Reforms

The highly complex and compartmentalized Pakistan bureaucracy has long been hard put to meet the increasing demands being placed upon the government by its large developmental plans. Organizing, managing and controlling large scale operations designed for social and economic development require well trained, modern, motivated management and leadership. Pakistan's bureaucracy, with its heavy reliance upon generalists and an excessive number of separate "superior services" has been criticized by Pakistani groups on grounds that it does not meet the necessary pre-requisites.

Pakistan's civil service system was designed by the British, more than a century ago, in order to serve a different set of purposes and in an altogether different environment. The system, which remained basically unchanged up to the 1960s, started showing some strong signs of change in the late 1960s. Since the creation of Pakistan in 1947, there have been many studies, by Pakistanis and foreigners, on how to modernize and improve this civil service system. The last and most complete study was made by the Pay and Services Commission in 1958-62. A few, minor changes were accepted and made but the report of the Commission was not issued to the public until 1969. During the political agitation in late 1968 and early 1969, civil service reforms were emphatically demanded by political leaders, labor unions, professional associations and large numbers of government officers and employees.

As part of its efforts to resolve the problems that created the unrest, the martial law regime undertook to improve the civil service bureaucracy. The problem was initially analyzed in parts by various study groups and then a widely representative body, the Services Reorganization Committee, was appointed in November 1969. The Chairman of this Committee, Justice A.R. Cornelius, was also the chairman of the Pay and Services Commission (1959-62), and is currently Law Minister in the central government. The report of this Committee was due in March 1970, but apparently the Committee has not been able to finish its task in the allotted three months. It is now expected that the report will be submitted to the government by June and that it will then be some months before its full impact is known.

is only?

Meanwhile no government agency or department is ready to take any overt step towards improving or changing the existing personnel management system until the report of the Committee is made public and the government's reaction to it is known. At this stage, no one can say what will be the policy of the government, at the end of this year, in the recruitment, selection and training of its officers, promotion and transfer decisions, salaries and grades, lateral entry or exit.

2. Elected Government:

The 18-month old political turbulence has forced one government, originally based on martial law, to quit and the successor martial law regime to be more realistic and appreciative of the country's problems. A definitive plan to transfer power to the elected government has been announced and its implementation started. If every thing goes well, a central legislative assembly will be elected on October 5, and required to develop a Constitution within four months. If unable to draft a Constitution in 120 days, the Assembly will stand dissolved and another one will be elected to make a new attempt. In case a constitution is agreed to within the prescribed period, an elected government is expected to be in power by the middle of 1971.

3. One-Unit Break-Up:

In 1956, the different provinces and princely states comprising the western wing of the country were combined into one provincial government. A variety of activities concerning individual wings of the country were transferred by the center to the two provincial governments. The one unit in the west wing has now been broken down again into four provinces, some tribal agencies and the federal capital area. Provincial governors, chief secretaries, and few other key officials have been identified, separate provincial budgets are being prepared for FY 1971,

assets and personnel are being distributed and the new provinces are proposed to start work effective July 1, 1970. Elected provincial governments will also be voted to power in October 1970. The specific problems and policies of the provincial departments and agencies will be identified after they start functioning.

4. USAID/PAP Activities:

5-21-70 project

The USAID Public Administration Division is currently in the process of switching over from long-term, loosely-administered project type assistance to more sharply focused, closely-supervised, short-range programs where definite results can be achieved with a minimum of US input. Past experience suggests that many long term projects have not been able to achieve their avowed targets. Long term projects tend to lose zeal and fervor. With the passage of time, and the transfer of key GOP personnel, foreign assistance becomes a matter of routine and indifference. It is, therefore, intended to look for opportunities where well-designed individual training programs will bring about specific changes in the ideas and management of particular organizations. A necessary pre-requisite of such undertakings will be solid evidence of a firm commitment by GOP to effect changes. In addition, USAID Public Administration staff is addressing itself more towards contributing to the solution of administrative problems in Mission priority areas, such as family planning, agricultural development, and industry.

Mission priority areas

admin

In view of all these uncertainties prevailing in governmental administration and a switch over in PAD emphasis, it is proposed that this project be redesigned to provide special training in administration and management to key government personnel working in any department and agency. The project will be used as a tool by the Mission to improve administrative effectiveness whenever and wherever the opportunity arises in key areas of USAID priorities.

C. STRATEGY

The complexity of Pakistan's bureaucracy has already been described in the original and revised PROPs for this project. The important changes and patterns that are emerging from the actions of the present government have been treated in the earlier pages. Pakistan has a variety of institutions to train its government serv... at various stages - from pre-service to senior level officers of highest ranks. Their large numbers in both wings of the country suggests that the scarce training resources have been so thinly spread that many of the training institutions as yet cannot be regarded as really effective and constructive change agents. Some of them lack highly-trained,

motivated faculty, sophisticated training and teaching aids and well organized up-to-date libraries.

A few faculty members trained under USAID or other foreign aid programs have left the institutes to find more rewarding jobs elsewhere. USAID and other donors have large investments at stake in the training institutions established in both the wings of the country. Among the best are the three National Institutes of Public Administration (Dacca, Karachi and Lahore); Department of Administrative Sciences, University of the Panjab; the Institute of Business Administration, University of Karachi; the Pakistan Academies for Rural Development at Peshawar and Comilla; and the Pakistan Administrative Staff College. With the termination of foreign aid and attrition of some trained faculty some of these institutions have lost part of their drive and zeal. Foreign training of one or two of faculty members each year will help to revive high spirits in these institutions and will help them to sustain their growth. It is anticipated that as a prerequisite to USAID providing such training the GOP will recognize and act upon the need for creating better promotion opportunities for staff members in order that trained faculties will be content to stay with their institutes for longer periods.

USAID, and other donors, have invested considerable amounts in the development projects of the country, such as WAPIAs, PIDCs, ADCs, Planning Institutions, Railways, and many others. It will be wasteful if these economically valuable projects lose their effectiveness because of the lack of dynamic leadership. Selected training and observational trips for a few key administrators of these organizations will help secure the investments and keep the organizations viable.

New personnel and civil service policies are expected to be adopted as a result of the Services Reorganization Committee report. Implementation of these policies will definitely need some expertise and professional training not presently available in the country. Similarly, the break up of one West Pakistan provincial government into four units will place a heavy burden on the individual provincial governments, and unless they get some timely support and help there will be great difficulty attaining a viable operation.

The Office of International Training in AID/Washington frequently offers highly valuable and appropriate training programs in the U.S. Seldom, however, is it possible to make good use of these programs because of lack of a project and funding identity in these areas. This revised project will be used on occasion to pick up qualified candidates

from government agencies within the short time allowed in the training offers and getting them abroad for training.

The USAID Provincial Office in Dacca has been trying for the last two years to start a 'Leadership Training' project for training suitable officials in different departments of the East Pakistan provincial government. This project will also be directed at the particular needs and conditions in East Pakistan.

D. PLANNED TARGETS, RESULTS AND OUTPUTS

Just as it is necessary that technical people update their education through schooling, reading, seminar training and other means of keeping up with the modern techniques of their trades, so it is necessary for administrators to keep abreast of the new techniques developed in the field of administration and management. Within the GOP reforms now under way, the general goal of this project is to strengthen the technical management skills and decision-making capabilities of a select number of persons in the central government, provincial governments, and other development agencies of the country. Specific targets of the project are:

1. To assist the governments of Pakistan in bringing about appropriate change in the overall personnel policies of the government. Areas expected to be changed include selection and testing of the officers in the initial stage, pre-service training, civil service structure that currently includes over 40 central and provincial services and four classes of officers, transfer and promotion policies, and retirement and other benefits plans. Specific training will be provided to selected officers responsible to implement these policies where it is clearly felt that some training is necessary.
2. To train selected administrators, executives, planners and financial officers who staff or will eventually staff key positions in Pakistan's development programs and administrative organizations.
3. To train a minimum number of faculty members and administrators of Pakistan's administrative training institutions by enabling them to carry out their programs on firm lines strictly in accordance with the priority needs of the country.

4. To train appropriate officials who can change, revise or improve the country's tax structure, finance and accounting, budget administration, statistics, planning and other similar areas of administration so important to the smooth development of the country.

E. COURSE OF ACTION

This project is intended to be used as a tool to improve the administration of government departments and agencies by providing U.S. or other country training to key officials of the government. The training fields will include personnel management, selection and testing of executives, classification and pay systems, government organization and management, finance administration, accounting and budgeting, tax administration, management training, local government, economic planning, supply management, and other fields of administration.

While selecting candidates for training under this project the following criteria will be kept in mind:

- (1) They are working or propose to work in the administrative field of a key government organization.
- (2) They need and will use the training to increase their on-the-job capacity to work more effectively.
- (3) Their own work and/or their organization directly or indirectly contributes towards the priorities fixed by the Mission and GOP.
- (4) They have exhausted all training possibilities available within the country.
- (5) The proposed type of training does not exist in other current projects of USAID or other donors.

Up to 30 participants will be trained each year in the U.S.A. and a similar number at AUB under this project for five years. A rough break down of projected training needs follows: /annual

Illustrative Annual Training Program

| <u>Fields</u> | <u>No. of Participants</u> | <u>Duration</u> | <u>Dollar Cost</u> |
|---|----------------------------|-----------------|--------------------|
| 1. <u>PROGRAMS IN USA</u> | | | |
| (a) Administrators, managers and other high officials for study/observation | 5 | 3 months | 15,000 |
| (b) Budget and finance officers, data processing managers, tax administration, personnel management, O&M etc. | 15 | 6-9 months | 83,050 |
| (c) M.A. degree in economic development or development administration at Harvard/Williams or other universities. | 6 | 12 months | 48,000 |
| (d) Regular M.A. or Ph.D. degree programs for faculty members of the training and educational institution in public or business administration. | 4 | 24 months | 28,600 |
| Total U.S.A. Participants 30 | | | \$174,650 |
| 2. <u>PROGRAMS AT AUB OR OTHER THIRD COUNTRY (SUBJECT AVAILABILITY OF QUOTAS)</u> | | | |
| (a) Career development, accounting or other non-degree programs at AUB or other third country training institutions. | 20 | 9 months | Regional Funding |
| (b) M.A. degree training in accounting, public or business administration and other areas at AUB and other third country institutions. | 6 | 24 months | Regional Funding |
| (c) Scholar in Residence program for senior instructors or faculty members of the educational or training institutes. | 2 | 4 months | Regional Funding |
| Total AUB or other third country 28 | | | |

ATTACHEMENT

TABLE - 1

NONCAPITAL PROJECT FUNDING (OBLIGATION IN \$000)

Country: Pakistan

Project Title: Government Administrative Staff Improvement

PROP Date: May 4, 1970

Revision No. 2

Project No. 381-11-700-200

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| Fiscal Years | Ap. | L/G | Total | (1) CONT | Personnel Services | | | Parti- cipant | | Commodities | | Other Costs | |
|---------------------------------------|-----|-----|--------------|-------------|--------------------|----------|----------|-----------------------|----------|------------------------------|----------|------------------------------|----------|
| | | | | | AID | PASA | CONT | U.S. Agen- cies | CONT | Direct & US Agen- cies | CONT | Direct & US Agen- cies | CONT |
| Prior through Actual FY 70 | - | G | 87 | - | - | - | - | 87 | - | - | - | - | - |
| Operational FY 1971 | - | G | 155 | - | - | - | - | 175 | - | 10 | - | - | - |
| Budget FY 72 | - | G | 213 | - | - | - | - | 203 | - | 10 | - | - | - |
| FY 1973 | - | G | 213 | - | - | - | - | 203 | - | 10 | - | - | - |
| FY 1974 | - | G | 213 | - | - | - | - | 203 | - | 10 | - | - | - |
| FY 1975 and subsequent years. | - | G | 232 | - | - | - | - | 232 | - | - | - | - | - |
| Total life for the project | | | 1,143 | - | - | - | - | 1,103 | - | 40 | - | - | - |

(1) Memorandum (non add) column

Note: See Inputs, page 4