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1. Introduction

Integrated development is of critical concern to the Government of the British Virgin Islands (GBVI). As recent economic developments and demographic trends have placed increasingly heavy demands on the physical and social infrastructure, these have resulted in concerns about those aspects of development, as well as the consequential environmental degradation. In addition, three other pillars underpin the process of integrated development in the territory – human resource development, technology, and good governance. These circumstances, together with the inherent vulnerability of Small Island Developing States (SIDS), require the Government to adopt a systematic and integrated approach to decision-making in, and the management of, the economy and society. This approach is based on the principles of strategic planning that has emerged as a crucial management tool for modern organizations, industries, and governments.

To address these concerns, therefore, the Government has decided to elaborate a National Integrated Development Strategy (NIDS), which will enable the territory to assess:

- Where it is,
- Where it wants to go,
- How it will get there, and
- What are the implications of reaching its goal.

The major output of the NIDS is the National Integrated Development Plan (NIDP), which will have regard to national policies in respect of economic, environmental, physical, and social considerations. This integrated approach to development planning is a departure from the traditional planning systems that are based on separate economic and physical planning systems. These planning systems are deficient to the extent that they do not necessarily promote sustainable development. The integrated approach represents an alternative approach that is more comprehensive and reflects all concerns – economic, environmental, physical/spatial, and social. In addition, it is a highly participative process in which the views of all stakeholders are sought and taken into account.

In the pursuit of planning, however, it is important to recognize it is not a panacea. There is no universally accepted planning model or unique planning style. Each circumstance requires its own planning system, based on the situation and management philosophy, to come up with its appropriate strategic plan.

It must be appreciated, however, that because neither planner nor plan can accurately predict the future, **the goal of the plan is to build a framework that makes current decisions consistent with long-range objectives. Planning, even strategic planning, is *not* concerned with making future decisions now.**

2. Strategic Analysis

Strategy refers to a long-term game plan. This is developed through strategic analysis, which is the basis of strategic planning. Broadly, strategic analysis defines the pattern of major objectives or goals, and essential policies and plans for achieving them. It provides the guidelines for decisions, without necessarily defining the decisions themselves. The latter depends on the actual and foreseeable circumstances at the time of decision-making.

Strategic analysis also examines the costs and benefits of alternative courses of action after a review of the strengths, weaknesses, opportunities, and threats that are relevant to the specific action. In so doing, it allows the decision-maker to choose the best option on the basis of information available at the time of making the decision.

The test of strategy, according to Drucker, is the classic, “doing the right things” versus “doing things right.”¹ The NIDS, therefore, is founded on doing “right things.” Essentially, this involves critical activity of tradeoffs among people who may be doing “things right,” or think that things are right while those very things may be the “wrong things.” Making these tradeoffs is the job of management, which first must ensure that there exists the appropriate information system and relevant information to take the right decisions. In making the tradeoffs, management must also be objective, and resist the temptation to have a vested interest in the particular course of action or outcome, or to prejudge the issue. This is particularly important in national development planning, where there are often as many options as there are vested interests, including the political. The management of the public service, as part custodian of the national interest, has a responsibility to ensure that the “right things” are recommended and implemented.

3. Strategic Management

Strategic management, the process by which strategy is developed, can be divided into six main tasks, commonly referred to as phases. (In practice these activities will overlap or may be iterative, and the list does not represent a sequence of isolated steps but a conceptual synopsis of the strategy-making process). These tasks are:

- *Mission and Goals: establish purpose and articulate vision;*
- *Analysis: ¹examine the internal and external situations as well as alternative scenarios;*
- *Formulation: develop strategy, policies, and actions to achieve vision;*
- *Implementation: execute chosen strategy in an efficient and effective manner;*
- *Monitoring and Evaluation: check and report progress in attaining targets, evaluate impact;² and*
- *Review: make adjustments in the light of experiences and changing conditions.*

¹ Drucker, Peter F. Management: Tasks, Responsibilities, Practices. New York: Harper and Row, 1974.

4. Types of Strategic Planning

There are three fundamentally different approaches to strategic planning. In the first, the “top-down approach,” objectives and philosophies flow downward in the organization from top management. In the second, the “bottom-up approach,” plans are conceived for different divisions or sectors at a lower level, and are then aggregated to create an overall plan. The third is a “combination approach,” where top management sets the broad direction and objectives, and the strategies and policies are proposed at the sectoral level. While theoretically the “top-down” method may be best in terms of producing a plan, it is not necessarily the most effective, since the implementation of a plan requires the support of all the stakeholders. This support is garnered best in the developmental stage through their participation and input. The “combination” approach, on the other hand, poses the greatest challenges, especially in terms of coordination, integration, conciseness, and timeliness of delivery.

5. Planning Responsibilities

Planning, in general, involves many tasks. No one way to assign these responsibilities exists, because different circumstances require different approaches. Generally though, tasks should be assigned in accordance with special needs and capabilities. Tasks should also be assigned to *individuals* to ensure accountability and timely delivery. It is sometimes difficult to achieve these objectives through committees. Whatever method is agreed upon, the organization and assignment of responsibilities and time frames within the planning process are early and critical steps, which require considerable thought and are vital for the success of the planning effort. Failure to address this properly and at the right time is a major source of risk.

In the planning process, there are certain key roles that must be recognized and assigned. First, and most important, is that of the head of the organization. Without the active involvement and support of that individual, planning is unlikely to be effective, and the plan is unlikely to be accepted. In this instance, that individual is the **Chief Minister**. For practical reasons, that involvement and support should be provided indirectly, through personal representatives in the form of the **Strategic Change Team**, led by the incumbent in the position of the Permanent Secretary to the Chief Minister. At the operational level, it is important to designate an individual with the capability, time, and resources to coordinate the project. This will be achieved through the **Head of the Development Planning Unit**, the *de facto* project coordinator. He or she will lead a small and effective planning committee, task force, or team that must be assembled to provide **technical guidance** to the planning effort. This is the **Project Management Team**. Technical support and inputs are also provided by professionals and experts drawn from different levels in the support agencies, as well as from the private sector and non-governmental organizations. These can contribute through committees or working groups. These mechanisms ensure the participation of key stakeholders.

Strategic planning is a continuous process, rather than a periodic exercise. Therefore, appropriate institutional frameworks that are a necessary condition for effective planning, and plan implementation must support the discharge of planning responsibilities. These frameworks consist of adequate planning capability in the form of appropriately staffed planning units, and a

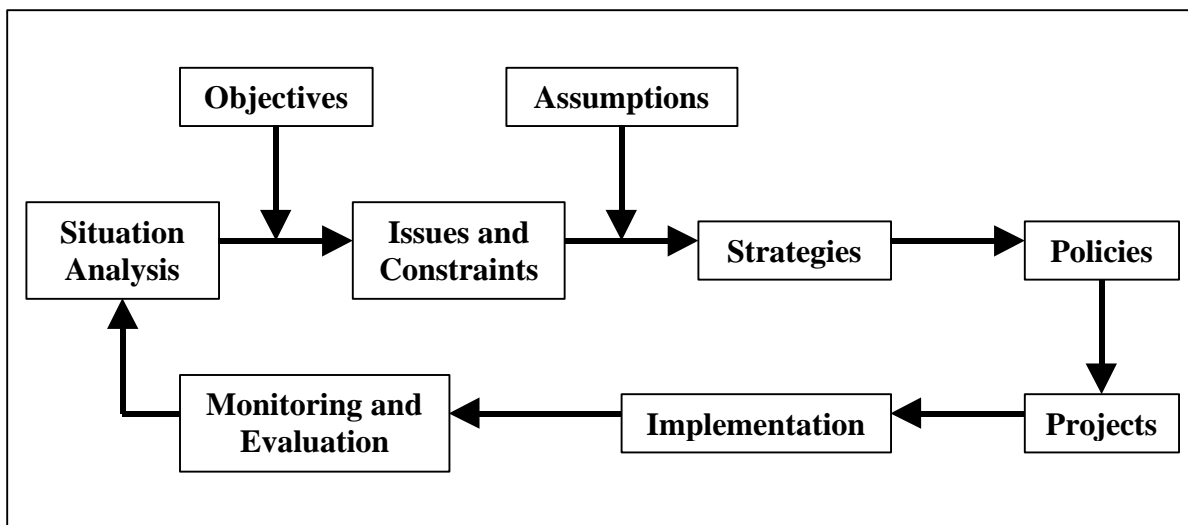
functional planning system throughout the public service. The absence of these represents another source of risk to the planning effort, no matter how well conceived.

6. The Planning Process

Crafting strategy is an analysis-driven exercise. Judgments/choices about what strategy to pursue should ideally be grounded in a detailed assessment of the external environment and internal situation. The strategy must match the full range of external and internal situation considerations. Failing this, the strategy is not likely to be adequate.

The critical path, therefore, begins with the situation analysis and moves on to strategic choices (or alternative strategies). Such analysis is the starting point of the exercise. It facilitates the understanding of the situation in each area/sector of analysis, identification of main issues/driving forces/critical factors, evaluation of strategic options, and definition of a chosen strategy.

The basic strategic planning process may be presented graphically as follows:



7. The Project

The formulation of a **National Integrated Development Strategy (NIDS)** has its genesis in the concern of the Government for improving the quality of life of BV islanders, and maximizing their development and welfare. It is in support of the overall goal of sustainable development. The NIDS comprises a territory-wide strategy for development that touches on all aspects of life in the BVI. It is the most powerful influence on the economic and social life in the BVI. The strategy clearly recognizes this fact, and deals with it in an honest and straightforward way. The project was developed by the Government in collaboration with the **United Nations Development Programme (UNDP)/United Nations Center for Human Settlements (UNCHS)**.

The main objectives of the project are to ensure:

- Guidelines are established within which the economic, environmental, physical, and social elements of development planning are coordinated;
- There is coordination among all agencies and institutions involved in development planning;
- There is the widest possible participation in the development process;
- The process of integrated development planning is institutionalized in the BVI;
- A capacity for integrated development planning is established; and
- A National Integrated Development Plan (NIDP) is produced.

The process for the development of the NIDS was initiated by the political directorate through the **Chief Minister** in the April 1992 **Budget Address**, which alluded to the absence of a national development plan. This was followed by a **Symposium on Planning Priorities**, 1993-1997, in November 1992. In the meantime, work proceeded on data collection and sectoral plans, with the assistance of a number of international development agencies and consultants. These plans, though not integrated, ensured continuity in the government activity. Technical assistance was also sought from multilateral agencies to assist in the elaboration of the NIDS. An initial **Concept Paper** on the National Integrated Development Plan (NIDP), 1994-1998, was presented in July 1993. This paper set out the preliminary objectives and scope of the proposed plan, and the intended approach for its elaboration. It also defined the major elements of the Vision, and set out a schedule of activities leading to the finalization of a Plan by December 1993.

8. Institutional Framework/Capability

The **institutional framework** for planning in the BVI comprises *formal and informal systems*. Within the *formal system*, the overall responsibility for development planning, as well as economic and physical planning, lies with the Office of the Chief Minister through two (2) departments – the **Development Planning Unit (DPU)**, and the **Town and Country Planning Department (TCPD)**. The core staff of the DPU comprises the Head of the Unit, two economists with professional experience of approximately four years each, another two with one-year professional experience each, and a social statistician with seven years professional experience. The Unit has general responsibility for development planning and the coordination thereof, and primary responsibility for economic planning and the preparation of the **Public Sector Investment Program (PSIP)**. The TCPD, with a professional staff of five, has primary responsibility for the activities associated with physical planning. In addition, there is the **Conservation and Fisheries Department (CFD)** of the Ministry of Natural Resources, which is responsible for environmental planning, among its other functions. Social planning is undertaken by the **Department of Social Development** within the Ministry of Health and Welfare. Plans are also developed by other sectoral agencies. These are submitted to the DPU for incorporation in its planning framework. In the main, the outputs of these agencies are the results of disparate desk exercises that lead to issue-driven projects.

The *informal system* consists of the **Planning and Projects Review Advisory Committee (PPRAC)** and the **Capital Projects Monitoring Committee (CPMC)**. These *ad hoc*

committees provide direction and oversight to the project planning and implementation processes. The membership of the **PPRAC** comprises all Ministers of Government, all Permanent Secretaries, the Head of the DPU, the Head of the TCPD, and the Director of Public Works. Its original responsibilities were to (a) review project development, and (b) coordinate and develop external financing of projects. Initially, it concentrated on the development and review of large capital projects that form the core of the PSIP, as well as those projects requiring external financing. In reality, although still reviewing projects to be developed, it has been focusing on the monitoring of projects under implementation, looking for solutions to resolve bottlenecks in project implementation. The committee is also mandated to “provide the strategic vision with regard to the nature and dimensions of integrated development,” and “review existing policies, strategies, and programmes to ascertain their consistency with the strategic vision for the country’s development.” The membership of the **CPMC** comprises a subset of the PPRAC, and provides direction and oversight to the major capital projects.

In 1997, a Sustainable Development Council was established. This is an initiative of the United Nations (UN) to inform and strengthen the process of holistic planning and implementation at the national level. The work of these entities is complemented by technical assistance from a number of multilateral agencies, including UNDP/UNCHS and the **Commonwealth Fund for Technical Cooperation (CFTC)**. Over the last five years assistance was provided in many areas, including physical planning, economic development planning, project management, statistics, environmental planning and management, housing and population.

9. Integrated Development

An integrated development strategy is one approach to development planning that is based on the notion of strategic management. It is perceived as more appropriate than the traditional “top-down” planning methodologies to cope with the challenges posed by the more prevalent dynamic and turbulent environments characterized by a high degree of uncertainty. It is consistent with the overall Sustainable Development Strategy (SDS). The elaboration of the integrated development strategy requires a number of elements, including:

- A long-term strategic view;
- An interdisciplinary and multi-sectoral approach;
- Strong overt political commitment;
- Institutional strengthening and/or administrative reforms;
- Wide stakeholder participation; and
- The establishment of practical mechanisms to facilitate continuing and meaningful interaction among the stakeholders.

The strategy is borne out of a recognition that economic growth is no longer the dominant or exclusive concern and goal of planning. Development is now rightly seen as a global, multidimensional process involving all sectors of human activity, and on all factors that impact on the quality of life of the society – economic, environmental, physical/spatial, and social. The integration of all these facets of development is a necessary element of a successful development strategy today. This approach ensures the balance between growing economic activities that may

tend to be dominant and relatively limited space, and other more fragile natural, social, and cultural factors that are not easily reproduced.

10. The National Integrated Development Plan

The NIDP is the main tangible output of the NIDS. It is a blueprint for the future of the BVI. It articulates a vision, sets the goals, identifies the strategies and tactics, and details the actions needed to attain the vision. The phases of strategic management (mentioned above) facilitate the development of an NIDP, with the following key sections:

- Vision;
- Situation Analysis;
- Challenges/Issues/ Constraints;
- Policies/Strategies;
- Specific measures/actions (including PSIP);
- Implementation;
- Monitoring and Evaluation; and
- Review.

The foundation for the development of these components is the Integrated (Country) Situation Report, which is the pillar and fundamental building block of the NIDP. This report represents the integration of the background work that commences with the sector/issue papers and evolves into the “component” papers – economic, social, physical, and environmental, as well as those dealing with the critical demographic and international dimensions. The preparation of the situation report leads to the identification and prioritization of the main challenges, and the subsequent formulation of alternative policies/strategies/actions to address those critical issues and areas of concern.

11. Operating Framework

The operating framework for the preparation of the NIDS consists of two interrelated components:

- The methodological framework, which outlines the approach and processes or set of activities leading to the development of the strategy – the plan development process; and
- The institutional framework, which outlines the network of human resources necessary for the elaboration of an integrated strategy and resulting plan – the management process.

The *Methodological Framework* combines two sets of activities – “operational” and “process” activities. The former is based on well-defined and largely sequential phases. The latter outlines the combination of approaches utilized to undertake the “operational” activities in each phase. For the elaboration of the NIDS, seven broad phases are identified. These are represented in a grouping of the major activities and tasks as follows:

- Conceptualization/Planning;
- Analysis;
- Strategy Formulation;
- Approval;
- Implementation;
- Monitoring and Evaluation; and
- Review.

In the first phase, conceptualization/planning is the major activity. During this phase, a vision and broad national goals are identified, the project scope is clarified, a draft conceptual framework and methodology are developed, and outline work plan is prepared. This is followed by the analysis phase, during which basic research precedes the situation and diagnostic analyses. The result is an integrated situation report, which highlights the major challenges, sets the development agenda, and facilitates the assessment of alternative solutions – strategies, policies and actions, based on different scenarios. It is important that the situation report should integrate the four major elements – economic, environmental, physical, and social - and be complemented by analyses of the demographic situation and the relevant international developments. This leads into the stage where strategy is formulated, and broad feasible policies and actions are identified. The Public Sector Investment Plan (PSIP), as well as effective implementation and monitoring and evaluation mechanisms, are designed. The fourth important phase in the process is its approval by the Executive Council. Next is the implementation phase, the success of which depends on the effective institutionalization of the process, and adequate institutional capacity in terms of organization and human resources. The sixth phase ensures the success of the project through effective monitoring and evaluation. The seventh phase comprises continuous review in the light of experience and changing circumstances.

The process of the development of the NIDS is based on three main premises:

- It is participatory;
- It combines the top-down/bottom-up approach to planning; and
- It integrates.

The resulting “process” activities are as important for the development of the strategy as the “operational” activities. They are based on a networking model characterized by continuing integration and interaction. This facilitates the combination of the more holistic and participatory “top-down/bottom-up” approach, instead of the traditional centralized and compartmentalized “top-down” directive planning. This “combination” approach is typified by the involvement of the political directorate and senior officials, as well as professionals and key stakeholders, in an iterative process of recommendation and feedback.

The participatory process involves the key stakeholders, or agents of social and economic change. This includes representatives from the public and private sectors, non-government and community-based organizations, and individuals. The involvement of these stakeholders guarantees the development of a shared national vision that will capture the aspirations of the people. It will also provide a clear picture of the future with which all the key actors in the

development process can identify. This approach makes the NIDS an effective instrument of social dialogue.

In the development of the NIDS, integration is effected in the following three forms:

- The main elements of development planning – economic, environmental, physical, and social;
- The efforts of the local agencies involved in the development planning process; and
- The efforts of international agencies assisting with or facilitating the process.

The *Institutional Framework* defines the groups of main actors involved in the participatory mechanisms, and the institutional mechanisms that they utilize in the development of the NIDS. The groups of the main actors are:

- The Public;
- Public Service Professionals;
- Public Service Managers;
- Private Sector and other Non-Government Representatives;
- International Organizations; and
- Political Directorate.

The mechanisms through which they act and interact are:

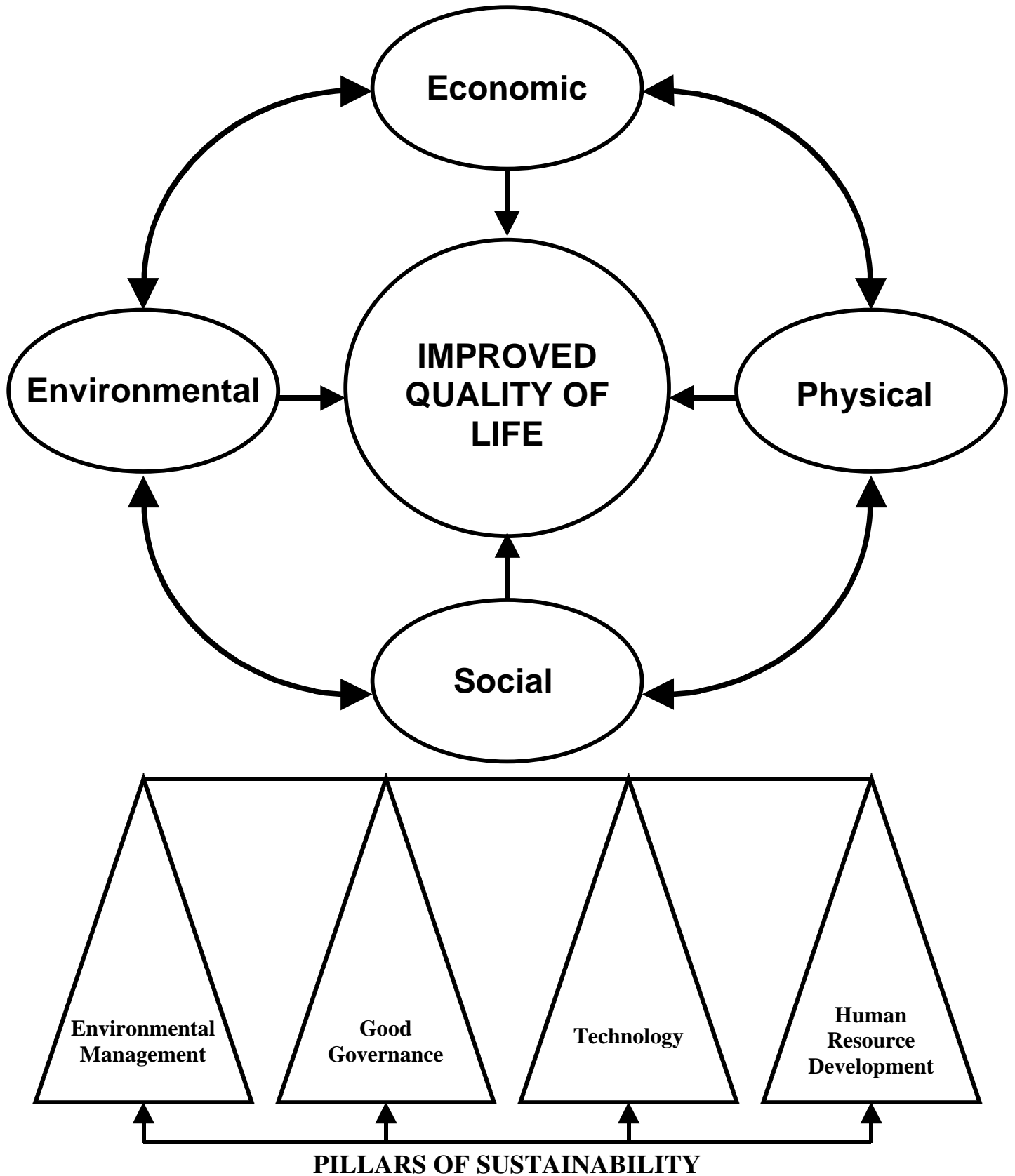
- Workshops/Consultations;
- Working Groups/Secretariats;
- Sub-committees;
- Project Management Team;
- Strategic Change Team; and
- Executive Council.

12. A System Model

Operationally, the elaboration of the NIDS for the BVI can be depicted in the simplified model presented in the Appendices. The model shows that the key ingredients of the strategy are derived from the four major sectors – economic, environmental, physical, and social. These are complemented by two elements that are critical for the BVI during the current planning period – the demographic and international dimensions. In the case of the four major sectors, background/issue papers are prepared for the relevant study areas that have been identified. These are the inputs into the sector or “component” papers that are later integrated into a holistic situation report for the country. This report will highlight the main issues/constraints and alternative strategies to achieve the ultimate objective on improving the quality of life for the BV islanders. The actual formulation and finalization of the elements of strategy that will comprise the NIDS will follow this in the exhibits.

EXHIBIT 1: MODEL OF INTEGRATED DEVELOPMENT

ELEMENTS OF INTEGRATION



**EXHIBIT 2: SYSTEM DEVELOPMENT MODEL
PHYSICAL WORK FLOW**

