



# General Assembly

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## Seventy-fourth session

Agenda items 135, 124, 133 and 136

### Programme budget for 2020

#### United Nations reform: measures and proposals

#### Review of the efficiency of the administrative and financial functioning of the United Nations

#### Programme planning

## **Shifting the management paradigm in the United Nations: budgetary procedures and practices**

### **Thirty-fourth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2020**

## **I. Introduction and background**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General entitled “Shifting the management paradigm in the United Nations: budgetary procedures and practices” ([A/74/852](#)). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 27 May 2020.

2. In his report entitled “Shifting the management paradigm in the United Nations: improving and streamlining the programme planning and budgeting process” ([A/72/492/Add.1](#)), the Secretary-General proposed a change from a biennial to an annual budget period, stating that the respective roles of the Committee for Programme and Coordination and the Advisory Committee in reviewing planning and budgeting documents would not change, and proposed that the programmatic and financial aspects be reviewed by the Committee for Programme and Coordination and the Advisory Committee, respectively, at the same time. In its related report, the Advisory Committee supported the proposal for an annual budget with a review after two years, but was of the view that there was merit in having the programmatic narratives contained in the budget document reviewed prior to the consideration of administrative and budgetary aspects to ensure that legislative mandates adopted by intergovernmental bodies are properly reflected therein. The Committee therefore



considered that the sequential nature of these review processes should be preserved (A/72/7/Add.24, paras. 47–48).

3. By its resolution 72/266 A, the General Assembly approved the change to an annual budget period on a trial basis, with a review in 2022. The Assembly further reiterated that the Committee for Programme and Coordination and the Advisory Committee should examine the proposed programme budget in accordance with their respective mandates, preserving the sequential nature of the review processes.

4. Subsequently, in resolution 74/251, the General Assembly requested the Secretary-General to present a report as early as practicable, for the consideration of the Assembly at its seventy-fourth session, on the impact of the changes to the budgetary cycle on the established budgetary procedures and practices as they pertained to the agreed sequential nature of the review processes of the proposed programme budget, and to present possible options to ensure the preservation of that sequence, including the possibility of the Advisory Committee preparing its conclusions and recommendations on the basis of a programme plan approved by the Assembly in 2021. The report of the Secretary-General was submitted pursuant to that request of the Assembly.

## II. Report of the Secretary-General

5. The report sets out the Secretary-General's view on the impact of the changes to the budgetary cycle on the established budgetary procedures and practices as they pertain to the sequential review processes, and proposes two scenarios on the sequencing of review processes. In the report, the Secretary-General indicates that, in 2019, the resource requirements portion of the budgets was considered by the Advisory Committee from the third week of May to mid-August, while the programmatic aspects were considered by the Committee for Programme and Coordination in June. The Secretary-General states that that process allowed the two Committees to examine the proposed programme budget in accordance with their respective mandates and within the existing timetable, and therefore maintained the sequential nature of the review processes (A/74/852, paras. 6, 34 (and figure) and 41).

6. In the report, the Secretary-General indicates that, in the event that a recommendation by the Committee for Programme and Coordination would have budgetary implications, a statement of programme budget implications could be issued for the consideration of the Advisory Committee. It is further stated that this is rare, given that it is not the role of the Committee for Programme and Coordination to adopt or change mandates, but to ascertain whether mandates were captured accurately in programme planning information (*ibid.*, paras. 39–40).

7. With respect to other possible options, including the possibility of the Advisory Committee preparing its recommendations on the basis of a programme plan approved by the General Assembly, the Secretary-General states that early approval of part II introduces a new element to the programme budget process as the Assembly has not explicitly decided that the Advisory Committee could consider the resource requirements only once the Assembly has approved the programmatic aspects. In response to the request of the Assembly, the Secretary-General proposes two scenarios: (a) the addition of a third resumed session of the Fifth Committee after the conclusion of the session of the Committee for Programme and Coordination; and (b) the approval of part II during the second resumed session of the Fifth Committee (*ibid.*, paras. 51–52).

8. Under the first scenario, a third resumed session of the Fifth Committee would be added starting in the third week of July for a duration of five days, which would

enable the General Assembly, through its Fifth Committee, to approve part II before the Advisory Committee concludes its work on part III in mid-August. In the report, the Secretary-General indicates that, in this scenario, the programme budget document would be introduced twice to the Assembly, in two different sessions, and the Assembly would adopt a part of the document before receiving the recommendations of the Advisory Committee on part III. He also indicates in the report that this scenario would considerably shorten the consideration of part II by the Assembly, as the formal and informal consultations would have to be finalized within a maximum of three and a half days to allow for the adoption of a resolution on the fifth day (*ibid.*, paras. 54, 58 and 60).

9. The Secretary-General states that, for this scenario, \$78,000 would be required under section 2, General Assembly and Economic and Social Council affairs and conference management, and \$72,900 would be required under section 29, Management and support services, amounting to \$150,900 for 2021. It is further stated that this amount would be reviewed in the light of experience and may be adjusted as may be required in subsequent budget proposals for section 1, Overall policymaking, direction and coordination (*ibid.*, paras. 55–57).

10. In respect of the second scenario, the session of the Committee for Programme and Coordination and the second resumed session of the Fifth Committee would both have to be shifted to allow the Committee for Programme and Coordination to meet before the Fifth Committee, and two alternatives are proposed. In the first, the session of the Committee for Programme and Coordination could be held during May for four weeks, and the second resumed session of the Fifth Committee could be held in June, also for four weeks. Alternatively, the session of the Committee for Programme and Coordination could be held starting in mid-April and the second resumed session of the Fifth Committee could be held starting in mid-May, both for four weeks (*ibid.*, para. 61).

11. Under both alternatives for the second scenario, it is indicated in the report that arrangements would have to be put in place to ensure that programme budget documentation is available in all of the official languages of the United Nations for the smooth functioning of the sessions and that the proposed programme budget would have to be issued in two phases. In addition, the corresponding reports of the Advisory Committee related to peacekeeping would also need to be rush processed. The Fifth Committee would have to consider the peacekeeping budgets and the report of the Committee for Programme and Coordination and relevant parts of the programme budget within an extremely compressed time frame. Furthermore, under the first alternative, the Secretariat would have very little time to start the new fiscal year operations and may have to make changes to its processes (*ibid.*, paras. 62 and 66).

12. The Secretary-General indicates that resource implications for the second scenario would arise under section 29, Management and support services, estimated at \$374,700 for 2021. However, any programme budget implications would be reviewed in the light of experience and adjusted as may be required in subsequent budget proposals for section 1, Overall policymaking, direction and coordination; section 2, General Assembly and Economic and Social Council affairs and conference management; and subsection 29A, Department of Management Strategy, Policy and Compliance (*ibid.*, paras. 64–65).

13. The Advisory Committee requested detailed information on the financial implications of both scenarios and was provided with the same estimates as set out in paragraphs 9 and 12 above. **The Advisory Committee considers that the information provided does not fully capture the related financial implications and trusts that updated and full financial implications of the scenarios will be**

**provided to the General Assembly at the time of its consideration of the present report.**

14. With regard to efficiency measures which could be taken under the two scenarios, the Advisory Committee was informed upon enquiry that efforts would continue for the automation of processes for the production of budgetary data included in part III of the proposed programme budget. The Committee was also informed that new mechanisms that allow revisions or correction of documentation would need to be considered, as the risk of errors and discrepancies would be higher under either scenario. **The Advisory Committee trusts that the Secretariat will continue to enhance its efficiency measures and ensure the timely submission of complete and accurate documents to the Advisory Committee and the Fifth Committee of the General Assembly, noting that this has a direct impact on the timely finalization of the budget consideration (see also [A/74/741](#), paras. 20 and 38–39).**

15. The Advisory Committee was provided upon enquiry with a graphic timeline of the current process and proposed scenarios, showing a five-week break in April and May between the Committee's peacekeeping and programme budget sessions, instead of its actual two-week break (2017–2020), and also showing the completion of its programme budget session in mid-August. **The Advisory Committee notes that, depending on the workload, it has a flexible agenda and its session dates can fluctuate, particularly during the programme budget.**

### III. Conclusion

16. The Secretary-General requests that the General Assembly take note of his report ([A/74/852](#), para. 75). Upon enquiry, the Advisory Committee was informed that, should the Assembly take note of the report, the Secretary-General would continue to implement the current process (as described in [A/74/852](#), paras. 33–34) during the trial period, with the addition of a standard procedure by which the Advisory Committee would be informed of the resource implications (or the absence thereof) resulting from the recommendations of the Committee for Programme and Coordination. The Committee was further informed that, in the Secretariat's view, this standard procedure for communicating resource implications to the Advisory Committee would not result in additional budgetary implications in 2021. The Secretary-General would revert to the issue of the sequential review processes in the context of the review of the changes to the budgetary cycle to be submitted to the Assembly in 2022.

17. The Advisory Committee recalls that, by its resolution [72/266 A](#), the General Assembly decided that the plan outline and programme plan are the principal policy directives of the United Nations, which serve as the basis for programme planning, budgeting, evaluation and monitoring. The Committee further recalls that the Assembly reiterated that the Committee for Programme and Coordination and the Advisory Committee should examine the proposed programme budget in accordance with their respective mandates, preserving the sequential nature of the review processes. **The Advisory Committee considers that the options presented by the Secretary-General constitute a policy matter for the consideration of the General Assembly.**