



COMMITTEE FOR PROGRAMME AND CO-ORDINATION
REPORT ON THE TENTH SESSION

(13-17 September and 5, 8, 10, 12 and 17 November 1971)

ECONOMIC AND SOCIAL COUNCIL
OFFICIAL RECORDS: FIFTY-FIRST SESSION

SUPPLEMENT No. 9A

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NOTE

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

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I. ORGANIZATION OF THE SESSION

1. The Committee for Programme and Co-ordination (CPC) held the first part of its tenth session at United Nations Headquarters from 13 to 17 September and the second part on 5, 8, 10, 12 and 17 November 1971. The summary records of the Committee's meetings during the tenth session are contained in documents E/AC.51/SR.343-352.

2. The following members of the Committee were represented: Brazil, Bulgaria, Byelorussian Soviet Socialist Republic, Colombia, Denmark, France, Guyana, India, Japan, Malta, Nigeria, Pakistan, Philippines, Sierra Leone, Sudan, Trinidad and Tobago, Uganda, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania and United States of America.

3. Belgium, Canada, Italy and New Zealand were represented by observers.

4. The following specialized agencies were represented: The International Labour Organisation (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), International Bank for Reconstruction and Development (IBRD), and International Monetary Fund (IMF). Representatives of the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations High Commissioner for Refugees attended the session. The Under-Secretary-General for Economic and Social Affairs, the Assistant Secretary-General for Inter-Agency Affairs, the Deputy to the Under-Secretary-General for Economic and Social Affairs, the Director of the Budget Division and other senior officials of the United Nations Secretariat were also present. At the request of the Committee, the representative of the Organization of African Unity (OAU) participated in the work of the 344th meeting.

5. A list of participants is contained in annex II.

6. At the opening meeting the Committee elected Mr. Bernardo de Azevedo Brito (Brazil) as Vice-Chairman to replace Mr. Miles Stoby (Guyana) upon the latter's resignation and at its 349th meeting, on 8 November 1971, it elected Mr. Peter Hansen (Denmark) as Vice-Chairman to replace Mr. Arvid Pardo (Malta) upon the latter's resignation. At its 350th meeting, on 10 November 1971, Mr. Izzeldin Hamid (Sudan) was elected as Rapporteur to replace Mr. Salih Mohamed Osman (Sudan) for the remainder of the session.

7. The agenda for the session, adopted by the Committee at its opening meeting, is reproduced in annex I of the report. The Committee discussed item 3 of the agenda at the first part of the session and items 4 and 5 of its agenda at the second part.

II. IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO
COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE
INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS

8. The Committee considered item 3 of the agenda in accordance with paragraph 8 of Economic and Social Council resolution 1450 (XLVII) at its 343rd to 345th meetings. The Committee had before it the relevant paragraphs of the report of the Administrative Committee on Co-ordination (ACC) (E/5012, part I, paras. 44-52), together with a comprehensive report of the Secretary-General ^{1/} describing the activities hitherto undertaken by the specialized agencies and international organizations concerned in regard to the implementation of the various General Assembly resolutions relating to the matter, which had been prepared in accordance with paragraph 14 (a) of General Assembly resolution 2704 (XXV).

9. At the Committee's invitation, the representative of the OAU participated in the work of the Committee and made statements in which he, inter alia, furnished information relating to consultations currently taking place in Africa between several of the organizations concerned and the OAU, its member States and the liberation movements of southern Africa.

10. In the course of the discussion, and in response to questions by members of the Committee, additional information was furnished by a number of representatives of the specialized agencies concerning the action taken and envisaged by their organizations to give effect to the relevant resolutions of the Council and of the Assembly. A statement was also made on behalf of the United Nations High Commissioner for Refugees.

11. The Committee further heard, at its request, an oral report by the representative of the Secretary-General on the inter-agency consultations which had taken place at the meetings of the Sub-Committee on Human Resources, Education and Training of ACC in June of 1971. The aim of the consultations had been the prevention of duplication and overlapping of effort in regard to education and training assistance and the achievement of greater co-ordination of agency activities. The Sub-Committee had also provided a forum for inter-agency consultation concerning the study which the Assembly in its resolution 2679 (XXV), had requested the Secretary-General to undertake relating to a comprehensive programme of assistance to Namibians in various fields. The Sub-Committee's report, together with subsequent developments, would be reviewed by the ACC at its October session and the Secretary-General would refer to these matters in his report to the Assembly pursuant to paragraph 14 (b) of resolution 2704 (XXV).

12. During the Committee's consideration of the item, many members expressed their appreciation of the actions taken by several of the specialized agencies and by the United Nations High Commissioner for Refugees to assist the refugees from colonial territories in Africa. In particular, many members commended those organizations which had drawn up, or were in process of drawing up, in consultation

^{1/} Documents A/8314 and Add.1-3 pertaining to agenda item 71 of the agenda of the twenty-sixth session of the General Assembly (offset), circulated to the members of the Committee under the symbols E/5033 and Add.1-3.

with the OAU, concrete programmes to increase the scope of their assistance to refugees and others from the dependent territories in Africa. Nevertheless, it was felt that co-ordination must be based on specific proposals for action and, with certain exceptions, the measures taken or envisaged so far, especially with regard to the implementation of paragraph 5 of General Assembly resolution 2704 (XXV), were insufficient. In that connexion, the majority of the members of the Committee expressed deep regret that some specialized agencies, particularly IBRD and IMF, had not taken the steps required for the implementation of the Council and Assembly resolutions on this subject and urged the agencies concerned to respond more positively to the specific requests and appeals made by the Assembly, particularly in its resolution 2704 (XXV). Some delegations condemned the practice of IBRD and IMF, which continued to sabotage the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples and the resolutions of the Assembly adopted to implement it, and demanded that the institutions mentioned give effect to the decisions referred to. One member, while supporting in principle the provision of assistance to refugees by the specialized agencies in so far as it was within their competence and responsibility to furnish such assistance, considered that the implementation of the Declaration and related resolutions must be a matter for individual agencies to decide in accordance with the provisions of their respective constitutions. Many other members, however, held the view that constitutional difficulties should not be allowed to impede the implementation of the Declaration and that, where such difficulties arose, the executive heads of the specialized agencies should propose appropriate action to their governing bodies to overcome them.

13. Although noting with satisfaction that ACC was endeavouring to achieve effective co-ordination of activities in the field of education and training, several members of the Committee felt that there were other needs which were no less urgent. It was essential therefore to determine priorities, especially in view of the limited resources available. In that regard it was pointed out that the OAU was in a unique position to ascertain and inform the specialized agencies of the requirements of the peoples concerned and it was important therefore that the OAU should be involved in the formulation of plans. For that reason, the majority of members welcomed the increasingly active participation of the OAU in multilateral consultations with the specialized agencies. They awaited with interest the results of the consultations currently being held in Africa between representatives of the OAU and of several specialized agencies and they expressed the hope that they would lead to concrete programmes of action.

14. Most members felt that there was still much that the specialized agencies and their member States should do to remove difficulties, often of a constitutional nature, which still limited the ability of some of the specialized agencies to comply with the resolutions of the Council and of the General Assembly in the field of decolonization. A number of members expressed regret that certain agencies, notably IBRD and IMF, had not yet taken the necessary constitutional steps to discontinue all collaboration with the Governments of South Africa and Portugal, especially in respect of the withholding of assistance to those Governments and their participation in the work of the organizations. The representative of IBRD explained that no loans had been granted to Portugal or South Africa since 1966. The representative of IMF informed the Committee that there had been no recent credit tranche transactions with either South Africa or Portugal; in the years 1968 to 1970 there had been gold tranche transactions with the former totalling \$253 million. Several members also pointed out that there was

a need for the legislative organs of the various organizations concerned to increase their budgetary allocations for assistance to refugees from countries under colonial and racist régimes.

15. The Committee considered that the heads of the various organizations have the responsibility to present to their respective government and legislative organs in a specific and systematic manner recommendations adopted on decolonization by competent United Nations bodies together with full analysis of the issues involved, the problems likely to arise, if any, and concrete proposals for the implementation of the Declaration and other relevant United Nations resolutions. At the same time, the Committee considered that the efforts of executive heads to meet the wishes of the General Assembly would be greatly facilitated if Governments, bearing in mind the need to take parallel and supportive measures in the different bodies concerned with related aspects of this question, took effective action along the lines indicated in paragraph 11 of resolution 2704 (XXV). 2/ Some delegations felt that they could not associate themselves with the views expressed in the previous sentences.

2/ Paragraph 11 of General Assembly resolution 2704 (XXV) reads as follows:

"Notes with appreciation the action recently initiated by States members of the United Nations Educational, Scientific and Cultural Organization for the implementation of the Declaration and other relevant United Nations resolutions, and requests all Governments to intensify their actions in the specialized agencies and the other organizations within the United Nations system of which they are members to ensure the full and effective implementation of those resolutions".

III. NEW FORM OF PRESENTATION OF THE UNITED NATIONS BUDGET: REPORT OF THE SECRETARY-GENERAL

16. The Committee considered item 4 of the agenda at its 347th to 351st meetings. It had before it the report of the Secretary-General on the new form of presentation of the United Nations budget (A/C.5/1363) ^{3/} and sections of a mock-up of the 1972 budget dealing with economic and social activities (A/C.5/1363/Add.1). ^{3/} In addition, in response to a request made by the Committee at its 348th meeting, the Secretariat circulated a sample of an alternative form of presentation of the United Nations budget (E/AC.51/L.66), the text of which is reproduced in annex III of the present report.

17. At the first part of the session, the Committee benefited from statements on programme budgeting by the Assistant Director-General for Pre-Programming, UNESCO, and the Director, Programme Formulation Unit, FAO (346th meeting). In the course of the discussions at the second part of the session, the Committee was also greatly assisted by the statements by the Under-Secretary-General for Economic and Social Affairs, the Director of the Budget Division and the representatives of the ILO and WHO (347th, 348th, 350th and 351st meetings).

18. Most members expressed their support for the implementation of programme budgeting in the United Nations. Some members endorsed the time-table proposed by the Secretary-General in his report on the new form of presentation of the budget (see A/C.5/1363, para. 25). It was noted that the system of programme budgeting was a method of budgeting and controlling activities by intergovernmental organs to ensure that the aims of those activities should be more effectively and economically achieved. It should provide a means for the budgetary and programming bodies to review and decide on the basis of more complete and relevant information the substantive content of activities, the priorities among them and the most effective way of carrying them out. Programme budgeting was neither a means of enlarging programmes and budgets, nor a device designed to reduce them; it was a tool to assist decision-making organs in the more rational allocation of available resources.

19. Attention was drawn to the institutional implications of adopting a system of programme budgeting, in particular to the essential need of arrangements to closely co-ordinate and integrate the work of programme formulating and budget-approving bodies.

20. With regard to the mock-up submitted to the Committee in document A/C.5/L.1363/Add.1, most members, while recognizing that it was a useful basis for discussing the concrete issues involved in the practical application of a planning, programming and budgeting system, considered that it did not give sufficiently precise and understandable programme objectives, quantified over a desirable time period. It over-emphasized the existing organizational structures. A mere rearrangement of traditional budgetary information by functional division might result in a series of disjointed mini-budgets, having no relation to over-all objectives and not providing a co-ordinated over-all picture of resource allocation by major programme. The mock-up emphasized a breakdown by object of expenditure for each programme, while giving insufficient information on output.

^{3/} Document pertaining to agenda item 82 of the agenda of the twenty-sixth session of the General Assembly, issued separately (offset).

21. For this reason, many members indicated a preference for the refined version of a programme budget put forward in document E/AC.51/L.66 as it provided, in a single document, a budget clearly linked to programme objectives and the resources required to achieve them. It showed three interrelated ways (by organization, by function and by programme) in which work activities can be classified and would facilitate increased co-ordination within and across major organizations regardless of their location. It would also provide a proper basis for developing medium-term plans. It was felt that such an approach would provide a basis for more effective control by the legislative organs over the use of available resources.

22. A few members expressed concern that the measures for the introduction of programme budgeting suggested by the Secretariat in the alternative form of presentation might undermine the decisive role of the legislative organs in determining the contents of the programmes as well as the priorities in the allocation of the budgetary resources of the Organization. It was stressed that the United Nations, as a primarily political organization, was different in nature from the specialized agencies and also different from the specialized agencies from the point of view of the content of programming and budgeting. The view was expressed that the approach outlined in the alternative form of presentation, while not perhaps practicable for purposes of budgeting, might be used for the purpose of presenting the information contained in the Secretary-General's annual report on the work programme in the economic and social fields and its budgetary requirements.

23. Other members considered that the introduction of programme budgeting would strengthen legislative control since decisions determining programme objectives and content as well as the level of resources required for their implementation would have to be taken into account by the legislative organs. Under such a system, the legislative organs concerned would have before them, at the same time, an analytical review of past performance, the proposed programme budget and a medium-term plan, all structured and classified in an identical manner. Thus, programme budgeting would provide the legislative organs with a better basis for weighing the merits of programmes in the light of available resources. Many members noted that programme budgeting could usefully be applied to United Nations work. These members pointed out that in many areas the work of the United Nations was very much the same as that of the specialized agencies and could, therefore, be programmed in much the same way.

24. Some members, while supporting the introduction of a full programme budgeting system, voiced misgivings about the advisability of going ahead on the basis of the existing documentation. Further work would need to be done to refine and perfect the proposed system and to develop its budgetary aspects before a decisive step could be taken. In this connexion, most members stressed that the new system should be introduced without further delay since it could only be perfected as it was being applied. A considerable number of members favoured the adoption of a two-year budgetary cycle since it would permit more detailed consideration of alternative aims and methods, besides fuller evaluation of results. It would also reduce pressure on existing staff or the need for additional staff resulting from the adoption of the new budgetary system.

25. Most members also considered that medium-term programming was an essential element in programme budgeting. Through medium-term planning the legislative organs

would give direction for the future activities beyond the budget period. In addition, medium-term planning would provide longer-range implications of programmes and would ensure that short-term budget decisions which might involve unacceptably large future costs would be avoided.

26. The Committee accordingly recommends that its report, together with the alternative form of presentation of the budget (reproduced in annex III hereof) be transmitted to the Advisory Committee on Administrative and Budgetary Questions for detailed consideration and to the Fifth Committee of the General Assembly, along with the report of the Secretary-General contained in documents A/C.5/1363 and Add.1. The Committee further recommends that the provisional summary records of its meetings be made available to the Advisory Committee and the Fifth Committee. The Committee hopes that its comments and observations will be of assistance to the Advisory Committee and the Fifth Committee and at the twenty-sixth session of the General Assembly will encourage positive actions on the system of programme budgeting.

IV. REPORT OF THE SPECIAL RAPORTEURS

27. At its 352nd meeting the Committee noted with interest the report of the special rapporteurs* on their survey of reports and studies carried out by the United Nations in the economic and social fields and expressed its appreciation of the efforts the special rapporteurs had made on its behalf. The Committee commends the special rapporteurs' conclusions to the attention of the Secretary-General and of the Joint Inspection Unit and looks forward to receiving their observations at a later session. The Committee particularly noted the comments of the special rapporteurs on the difficulties encountered in carrying out their mandate and expressed the hope that means could be found of eliminating or reducing such difficulties in the future. An item on the subject of special rapporteurs will be included in the provisional agenda for the Committee's eleventh session.

* Not available for general distribution.

ANNEXES

Annex I

AGENDA OF THE TENTH SESSION

1. Adoption of the agenda.
2. Election of vice-chairmen.
3. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.
4. New form of presentation of the United Nations budget: report of the Secretary-General.
5. Report of the special rapporteurs.
6. Report of the Committee to the Economic and Social Council on its tenth session.

Annex II

LIST OF PARTICIPANTS*

Members

Brazil

Mr. Bernardo de Azevedo Brito, First Secretary of Embassy, Permanent Mission
(Vice-Chairman)

Mr. M.S. da Fonseca Costa Couto, First Secretary of Embassy, Permanent Mission

Mr. José Artur Denot Medeiros, Second Secretary, Permanent Mission

Bulgaria

Mr. Stefan Todorov, First Secretary, Permanent Mission

Byelorussian Soviet Socialist Republic

Mr. O.N. Pashkevich, Senior Counsellor, Deputy Permanent Representative to the
United Nations

Colombia

Mr. Martín A. Pinzón, Minister Counsellor, Permanent Mission

Denmark

Mr. Mogens Knud Isaksen, Counsellor of Embassy, Permanent Mission

Miss Ellis Thomsen, Second Secretary of Embassy, Permanent Mission

Mr. Peter Hansen, Assistant Professor, University of Aarhus (Vice-Chairman)

France

Mr. Bernard Prague, Commercial Attaché, Permanent Mission

Mrs. J. Derré, Financial Attaché, Permanent Mission

* In the list of participants, "Permanent Mission" means "Permanent Mission to the United Nations".

Guyana

Mr. S.R. Insanally, Minister Counsellor, Deputy Permanent Representative to the United Nations

Mr. Lionel Samuels, Second Secretary, Permanent Mission

India

Mr. Samar Sen, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations (Chairman)

Mr. N.P. Jain, Minister, Deputy Permanent Representative to the United Nations

Mr. A.N. Abhyankar, First Secretary, Permanent Mission

Mr. Ranjit Gupta, First Secretary, Permanent Mission

Japan

Mr. Takeshi Naito, Counsellor, Permanent Mission

Mr. Tadayuki Nonoyama, First Secretary, Permanent Mission

Mr. A. Tokinoya, Ministry of Foreign Affairs

Malta

Mr. Alfred J. Bellizzi, Counsellor, Deputy Permanent Representative to the United Nations

Mr. Joseph Marmara, Second Secretary, Permanent Mission

Nigeria

Mr. Anthony A.S. Ishan, Second Secretary, Permanent Mission

Mr. Gregory I. Aruede, Second Secretary, Permanent Mission

Mr. A.R. Yunusa, Second Secretary, Permanent Mission

Pakistan

Mr. Agha Shahi, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Mr. Khalid Mahmood, First Secretary, Permanent Mission

Mr. Munir Akram, Second Secretary, Permanent Mission

Mr. Mohammad Farooq, Third Secretary, Permanent Mission

Philippines

Mr. Leandro I. Verceles, First Secretary, Permanent Mission

Mr. Ernesto C. Garrido, Third Secretary, Permanent Mission

Mr. Edilberto G. Filart, Attaché, Permanent Mission

Sierra Leone

Mr. Matthew Benedict Ganda, Second Secretary, Permanent Mission

Sudan

Mr. Izzeldin Hamid, Counsellor, Permanent Mission

Mr. Salih Mohamed Osman, First Secretary, Permanent Mission (Rapporteur)

Trinidad and Tobago

Mrs. Annette Auguste, First Secretary, Permanent Mission

Mr. Babooram Rambissoon, First Secretary, Permanent Mission

Uganda

Mr. Francis G. Okelo, Third Secretary, Permanent Mission

Union of Soviet Socialist Republics

Mr. E.N. Makeev, Envoy Extraordinary and Minister Plenipotentiary, Deputy
Permanent Representative to the United Nations

Mr. G.P. Lisov, Senior Counsellor, Permanent Mission

Mr. G.A. Smirnov, First Secretary, Permanent Mission

Mr. R.N. Kotomin, Second Secretary, Permanent Mission

United Kingdom of Great Britain and Northern Ireland

Mr. D.J. McCarthy, Minister, Economic and Social Affairs, Permanent Mission

Miss K. Whalley, Counsellor, Treasury Adviser, Permanent Mission

Mr. Simon N.P. Hemans, First Secretary, Permanent Mission

Mr. P.J.C. Radley, First Secretary, Foreign and Commonwealth Office

United Republic of Tanzania

Mr. C.S.M. Mselle, First Secretary, Permanent Mission

Mr. Joshua Watson Opanga, Second Secretary, Permanent Mission

United States of America

Mr. Bernard Zagorin, Ambassador, Representative on the Economic and Social Council, Permanent Mission

Mr. David L. Stottlemeyer, Adviser, International Organization Affairs, Permanent Mission

Mr. Paxton T. Dunn, Adviser, Economic and Social Affairs, Permanent Mission

Mr. Ernest C. Grigg III, Adviser, Political and Security Affairs, Permanent Mission

Mr. Rafael L. Marin, Adviser, Economic and Social Affairs, Permanent Mission

Mr. Robert B. Allen, United Nations System Co-ordination Staff, Department of State

States Members of the United Nations represented by observers

Belgium

Mr. Hans L. De Belder, Secretary of Embassy, Permanent Mission

Canada

Mr. C.O. Spencer, Counsellor, Permanent Mission

Miss B. Mercer, Department of Finance

Italy

Mr. Ramiro Ruggiero, Counsellor, Permanent Mission

Mr. Agostino Mathis, First Secretary, Permanent Mission

New Zealand

Mr. Philip W. Bennet, Second Secretary, Permanent Mission

United Nations Secretariat

Representatives of the Secretary-General

Mr. Philippe de Seynes, Under-Secretary-General for Economic and Social Affairs

Mr. Michael Potrubatch, Deputy to the Under-Secretary-General for Economic and Social Affairs

Mr. Ismat Kittani, Assistant Secretary-General for Inter-Agency Affairs

Mr. Kenneth Dadzie, Principal Officer, Office for Inter-Agency Affairs

Mr. Miles Stoby, Special Assistant to the Assistant Secretary-General for Inter-Agency Affairs

Mr. Myles Minchin, Deputy Director, Division of Non-Self-Governing Territories, Department of Trusteeship and Non-Self-Governing Territories

Mr. Paul Coidan, Director, Budget Division, Office of the Controller

United Nations Conference on Trade and Development

Miss Pilan Petigura, Special Assistant to the Secretary-General of UNCTAD

Mr. Michael Tobin, Liaison Office, New York

Secretary of the Committee

Mr. Thomas W. Oliver

United Nations bodies

United Nations Development Programme

Mr. Hernan Buzeta, External Relations Officer

United Nations High Commission for Refugees

Mr. Darryl Han, Assistant to the Representative of the United Nations High Commissioner for Refugees

Specialized agencies

International Labour Organisation

Mr. C. von Stedingk, Director, Liaison Office with the United Nations

Mr. M. Teferra, Deputy Director, Liaison Office with the United Nations

International Labour Organisation (continued)

Mr. V. Chivers, Liaison Office with the United Nations

Mr. J. Mateos Cicero, Liaison Office with the United Nations

Food and Agriculture Organization of the United Nations

Mr. C.H. Weitz, Director, Liaison Office with the United Nations

Mr. E.M. West, Director, Programme Formulation Unit

Mr. Morris Greene, Assistant Director, Liaison Office with the United Nations

Mr. Alain Vidal-Naquet, Liaison Officer, Liaison Office with the United Nations

United Nations Educational, Scientific and Cultural Organization

Mr. Alfonso de Silva, Director, Office for Liaison with the United Nations
in New York

Mr. M. Elmandjra, Assistant Director-General for Pre-Programming

Mr. Victor Nikolsky, Senior Liaison Officer, Office for Liaison with the
United Nations in New York

World Health Organization

Dr. R.L. Coigney, Director, Liaison Office with the United Nations

Mrs. S. Meagher, Liaison Officer, Liaison Office with the United Nations

International Bank for Reconstruction and Development

Mr. Ernesto Franco-Holguín, Special Representative for United Nations
Organizations

Mr. L.P. Chatenay, Deputy Special Representative for United Nations Organizations

International Monetary Fund

Mr. Gordon Williams, Special Representative to the United Nations

Other intergovernmental organizations

Organization of African Unity

Mr. Doudou Thiam, Executive Secretary

Annex III

ALTERNATIVE FORM OF PRESENTATION OF THE UNITED NATIONS BUDGET

Note by the Secretariat

1. There has been considerable interest during the past year in improving the form of presentation of the United Nations budget in order that it be a more useful document for the legislative bodies who must make programme and budget decisions and for the Secretariat staff who must execute them. The budget mock-up was prepared to demonstrate one approach to doing this (see A/C.5/1363/Add.1). At the request of the members of the Committee for Programme and Co-ordination (CPC) an attempt is made below to present an alternative presentation.

2. Of course, choosing the specific format of the new budget is a different issue than that of deciding to change to a programme budget approach. As a result, it may be useful both to recall the rationale for programme budgeting and to present an alternative, illustrative format for a programme budget. Specifically, this paper:

(a) Reviews the concept of programme budgeting - what it is, and what it is not;

(b) Discusses its usefulness to those who use it - both legislators and staff; and what its adoption will cost.

The appendices present an alternative sample of how a sample programme budget might be prepared and related material.

Concept of Programme Budgeting

3. Programme budgeting is a method of budgeting and controlling activities to ensure that the objectives or purposes of those activities will be efficiently achieved. That is, it is a budgeting system that - though fully concerned with careful control over input resources - concentrates on maximizing results or outputs to meet objectives at a given level of expenditure. It is more concerned, therefore, with what an organization achieves (i.e. control of results and outputs) and their cost than with what is bought (i.e. control by object of expenditure as in our present formal systems). Further programme budgeting expands the amount of pertinent information available to make such assessments.

4. Historically, programme budgeting has been instituted by Governments and public and private organizations as an advance step in the evolution of effective budgetary controls. For, it provides an informative means of smoothly linking planning and control by clearly and systematically identifying the:

(a) Purposes of activity - the objectives that are to be achieved - over a period of time;

(b) Relative importance of various objectives - the weight of emphasis to be given to the options that can be pursued;

(c) Alternative means of achieving a specified objective - reviewing the relative resource cost and benefit of each;

(d) Full cost of what is undertaken - by including direct and indirect costs over the entire life of the activity or project, not just the amount to be spent in one budget period.

5. Despite these attributes, however, there are many things which programme budgeting is not. It is not, for instance, simply a means of enlarging programmes and budgets, nor a device designed to reduce them. There is nothing inherent in the approach that forces additions or reductions in the total size of the budget. Rather, it is a tool which decision makers can use to improve the basis for deciding what new activities should be undertaken and what "dead wood" should be eliminated - in each case to improve the nature and quality of results, regardless of whether total available resources are stable, increasing or declining.

6. Further, programme budgeting is no panacea for improvement and is in no way a substitute for or guarantee of thoughtful decision and careful execution. The greater discipline of careful programme preparation should, of course, lead to better results. However, the approach itself does not guarantee this.

Usefulness to Governing Bodies and to the Secretariat

7. The usefulness of programme budgeting to legislators and staff is implied in the discussion above. It is emphasized by contrast to the approach now followed. That is, budgets are now structured by object of expense and not directly related to the programme of work that organizations perform. In addition, resource allocation decisions are made separately from approval of the work programmes.

8. However, under a programme budget approach, these problems can be overcome. Thus, legislators can:

(a) Make programme and budget decisions on the same basis, the proposed programme of work to meet objectives;

(b) Have presented a comprehensive view of an entire programme or field of activity, not just an isolated portion of that activity or one object input to it; and assess the balance of the total budget programme by programme and over-all;

(c) Relate the actions and results proposed to specific purposes they previously directed when broad objectives were legislated;

(d) Have more and better information on which to make decisions;

(e) More carefully keep track of and control results and over-all expenditures as they occur during execution, because the staff has had to be more clear in specifying what would be achieved.

9. At the same time, the Secretariat can also benefit from programme budgeting because:

(a) Broad legislative objectives are made clear at the outset of planning and budgeting and relative emphasis established, thus less time and money is wasted in planning for the wrong objectives;

(b) Resource availability is made known early and programmes can be developed on a more realistic basis;

(c) Opportunity is provided to consider alternative ways of achieving objectives and to propose coherent work programmes within the broad legislated mandate;

(d) Specific activities are planned in the way they are actually carried out, to achieve a purpose, over a period of time, with specified resources - thus avoiding the more artificial focus on input objects;

(e) Participants in one unit are better informed about and can more readily co-ordinate with their colleagues in other units on activities of common concern;

(f) Managers at each level can more carefully keep informed of progress and control execution, just as legislators can more readily monitor staff performance as a whole.

10. These benefits, of course, are premised on certain assumptions. They assume for instance that member Governments are primarily concerned with the substantive content of activities, the priorities between them, the most economical ways of carrying them out, and their effectiveness.

11. In addition, these benefits require a certain cost to achieve. This is largely the "cost of change". That is, each of us incurs a measure of discomfort when we change the way in which we conduct our affairs, moving from the familiar to a new and not familiar approach. And these costs can be important - such as legislators being willing to rely on the Secretariat to develop programmes to meet the objectives laid down by them and the Secretariat having to provide more thoughtful proposals to their governing bodies. Yet, Governments and organizations that have adopted programme budget systems have found them relatively minor and bearable compared with the advantages of the system.

Conclusion

12. It is with these advantages in mind that an alternative sample is being presented of how a programme budget might be prepared. This sample has been developed in haste. Nonetheless, it is believed that it demonstrates the clarity and value of a programme budget approach. To facilitate its review, a glossary of terms and a description of how this sample was developed are attached.

Appendix I

Glossary of Budget and Programme Terms

Part: A part is the most summary level of division within the United Nations regular budget and corresponds to a major area of concern of the United Nations, e.g. Part III - Economic and Social Activities.

Section: A section is the second level of division within the over-all budget and corresponds to one major organizational unit within a part, e.g. Section 14 (Department of Economic and Social Affairs) - Headquarters.

Major Programme Area: A major programme area corresponds to a defined activity conducted by organization units in one or more major units, that consumes resources to achieve a broad, common objective, e.g. Major Programme Area 14.1 - Human Resources (at Headquarters).

Programme: A programme is a segment of work that has a more specific objective supporting the major programme area of which it is a part. A programme also relates to an organizational division, e.g. 14.1.1 - Population (at Headquarters).

Programme Component: A programme component is a segment of work with a very specific objective that supports achievement of its parent programme, e.g. 14.1.1.1 - Fertility and Family Planning.

Specific Activity: A specific activity is the lowest level of division identified in the programme structure. Each, e.g. - Study of the impact of family planning programmes on fertility change - is a defined task or project that provides the means of achieving the objectives of the programme component, programme, and major programme area of which it is a part.

Means of Action: A means of action is defined as a method for achieving an objective of any organization, major programme area, programme, programme component or specific activity. Each, e.g. - Participation in and servicing of meetings - is a function performed by a unit and is commonly defined for all the major programme areas in a section so that analyses can be prepared on how, as well as what, work is performed.

Appendix II

Description of an Alternative Form of Presentation of the United Nations Budget

In order to show how the United Nations Budget could be presented in an alternative form, a brief sample has been prepared, composed of the following elements:

1. An outline of the contents of an introduction to one section, within the hypothetical United Nations budget: (Department of Economic and Social Affairs) Headquarters.
2. Illustrative programme justification for the following (see the attached table of programme structure):
 - (a) One major programme area at Headquarters, 14.1 - Human Resources;
 - (b) One Headquarters programme within that major programme area, 14.1.1 - Population;
 - (c) All the programme components within Population, 14.1.1.1 - Fertility and Family Planning and the specific activities within each.
3. Several of the over-all tables that would be provided, including:
 - (a) Analysis of programme components within programme, 14.1.1 - Population, by means of action;
 - (b) Identification of expenditure by object for programme 14.1.1 - Population;
 - (c) Distribution of technical co-operation programmes and projects by geographic areas for programme 14.1.1 - Population.

The sample represents only one "slice" in the programme structure hierarchy within one programme at Headquarters. Further, the tables represent only three of the variety of ways in which sub-programmes and higher structural levels could be presented.

However, it is believed that a programme budget could be presented in this fashion for all the United Nations and be supported by a complete financial and administrative annex. This annex would present objects of expenditure, organization, manning and other information in addition to the programming information presented in the main budget document. None the less, approval decisions would be based on the programme budget itself and not on the annexed information.

In addition, the Secretary-General could provide governing bodies with a report on the results achieved during the past biennial as well as a medium-term plan of future activities, both using the same format and nomenclature of the programme budget.

UNITED NATIONS
PROGRAMME STRUCTURE CLASSIFICATIONS AND EXAMPLES

Part III Economic and Social Activities
Department of Economic and Social Affairs

Section	14	<u>HQ</u>	15	<u>ECA</u>	16	<u>ECAFE</u>	17	<u>ECE</u>	18	<u>ECLA</u>	19	<u>UNESOB</u>
Major Programme Area	14.1	Human Resources	15.1	Human Resources	16.1	Human Resources	17.1	Human Resources	18.1	Human Resources	19.1	Human Resources
Programme	14.1.1	Population	15.1.1	Population	16.1.1	Population	17.1.1	Population	18.1.1	Population	19.1.1	Population
Programme Components	14.1.1.1	Fertility and Family Planning										
	14.1.1.2	Mortality										
	14.1.1.3	Migration and Urbanization										
	14.1.1.4	Demographic Aspects of Economic and Social Development										
	14.1.1.5	Demographic Estimates and Projections										
	14.1.1.6	Population Policies										
	14.1.1.7	Programme Formulation and Direction										
Programme	14.1.2	Human Settlements	15.1.2	Human Settlements	16.1.2	Human Settlements	17.1.2	Human Settlements	18.1.2	Human Settlements	19.1.2	Human Settlements
Programme Components	14.1.2.1	_____										
	14.1.2.2	_____										
		etc.										
Programme	14.1.3	Social Questions	15.1.3	Social Questions	16.1.3	Social Questions	17.1.3	Social Questions	18.1.3	Social Questions	19.1.3	Social Questions
Programme Components	14.1.3.1	_____										
	14.1.3.2	_____										
		etc.										
Major Programme Area	14.2	Physical Resources and Technology	15.2	Physical Resources and Technology	16.2	Physical Resources and Technology	17.2	Physical Resources and Technology	18.2	Physical Resources and Technology	19.2	Physical Resources and Technology
Programme	14.2.1	_____										
		etc.										
Programme Components	14.2.1.1	_____										
		etc.										
Major Programme Area	14.3	Development Planning	15.3	Development Planning	16.3	Development Planning	17.3	Development Planning	18.3	Development Planning	19.3	Development Planning
Programme	14.3.1	_____										
		etc.										
Programme Components	14.3.1.1	_____										
		etc.										
Major Programme Area	14.4	Policy and Planning Direction	15.4	Policy and Planning Direction	16.4	Policy and Planning Direction	17.4	Policy and Planning Direction	18.4	Policy and Planning Direction	19.4	Policy and Planning Direction

Appendix III

Secretary-General's Introduction to Section 14 of the Budget (Headquarters)

In this introductory portion of the programme budget the Secretary-General would present the following:

1. Statements of broad goals and major objectives (based on governing bodies resolutions in the economic and social development area) on which activities were premised.
2. Brief report and evaluation of the:
 - (a) Substantive results of the prior year or biennium;
 - (b) Major problems and issues;
 - (c) Status of manpower and funding resources employed.
3. Summaries of the:
 - (a) Highlights of the proposed programme budget for the new year or biennium, both in terms of substance and resources.
 - (b) Inter-action and co-ordination between the Department of Economic and Social Affairs, the regional economic commissions, the specialized agencies, and other organizations concerned with aspects of economic and social development.
4. Outline of the contents of the programme budget and the financial and administrative annex.

Programme Justification

Major Programme Area 14.1 Human Resources

1. The objectives of the human resources major programme area are to assist countries in their efforts to provide increasing opportunities to all people for a better life by means of a more equitable distribution of income and wealth, through the expansion and improvement of housing facilities, particularly with a view to remedying the ills of unplanned urban growth and lagging rural areas and in the formulation of demographic objectives within the framework of the countries' national development plans.

2. Total programme cost:

<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
(In United States dollars)			

Regular Budget

Extra-Budgetary

Total

3. The programmes that comprise the human resources major programme area are:

<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
(In United States dollars)			

14.1.1 Population

14.1.2 Human Settlements

14.1.3 Social questions

Total
(all sources
of funds)

Programme 14.1.1 - Population

1970 1971 1972 1973
(In United States dollars)

Regular Budget

Extra-Budgetary

Total

1. During 1972-1973 the objectives of the population programme are to assist Governments in activities related to the implementation of the relevant goals and objectives of the International Development Strategy and the Second United Nations Development Decade. The activities of the United Nations in population will consist of assisting interested Governments in the development of demographic statistics and indicators necessary for review and appraisal, establishing research facilities needed for demographic consideration in planning developing national capabilities and experience required for promotion and implementation of national population policies. In addition activities will be devoted to the preparation of the World Population Conference to be held in 1974 and to the implementation of the World Population Year, 1974.
2. In the area of technical co-operation, the fundamental objective will be to assist countries in developing their capacity to deal with demographic aspects of development in accordance with their respective needs and circumstances. Emphasis will be placed on projects related to the Second United Nations Development Decade, including projects related to review and appraisal at national levels of the objectives and measures affecting population that are recommended in the Strategy: to the World Population Conference and to programmes for the World Population Year, 1974.
3. The components and specific activities included under the population programme involve: (a) research and studies, the results of which are published periodically in papers, in the Monthly Bulletin of Statistics, the Demographic Yearbook, the biennial Report on the World Population Situation and in the quadrennial Report on the World Social Situation; (b) participation in the preparation and backstopping of technical co-operation programmes and projects in population, undertake technical missions and carry out training activities; and (c) participation in and servicing of meetings.
4. The programme components that comprise the population programme are:

Department of Economic and Social Affairs: Headquarters

Programme Components and Means of Action

Programme 14.1.1 - Population

Means of Action

		Programme formulation and management		Participation in and servicing of meetings		Research and studies		Collection and dissemination of basic information		Substantive support for technical co-operation programmes and projects		Special projects World Population Conference of 1974		World population year, 1974		Total		Technical co-operation programmes and projects		Grand Total	
Programme components		RB	0	RB	0	RB	0	RB	0	RB	0	RB	0	RB	0	RB	0	RB	0	RB	0
14.1.1.1	Fertility and Family Planning	1970																			
		1971																			
		1972																			
		1973																			
14.1.1.2	Mortality	1970																			
		1971																			
		1972																			
		1973																			
14.1.1.3	Migration and Urbanization	1970																			
		1971																			
		1972																			
		1973																			
14.1.1.4	Demographic Aspects of Economic and Social Development	1970																			
		1971																			
		1972																			
		1973																			
14.1.1.5	Demographic Estimates and Projections	1970																			
		1971																			
		1972																			
		1973																			
14.1.1.6	Population Policies	1970																			
		1971																			
		1972																			
		1973																			
14.1.1.7	Programme Formulation and Direction	1970																			
		1971																			
		1972																			
		1973																			
Total		1970																			
		1971																			
		1972																			
		1973																			

Programme 14.1.1 - Population (UNDP and others)

Distribution of Technical Co-operation Programmes and Projects by Geographic Area

[illegible]

Department of Economic and Social Affairs - Headquarters

Programme 14.1.1 - Population

Expenditures according to object (excluding field activities)

<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
RB 0	RB 0	RB 0	RB 0

-
1. Salaries (net)
 2. Common staff costs
 3. Travel on official business
 4. Contractual services
 5. General operating expenses
 9. Grants and contributions
 10. Other expenditures

Total direct cost

Conference services cost

Printing

TOTAL COST

Programme 14.1.1 - Population

Programme Component 14.1.1.1 - Fertility and Family Planning

1970 1971 1972 1973
(In United States dollars)

Regular Budget

Extra-Budgetary

Total

1. For 1972-1973 the objectives of the fertility and family-planning programme component are to assist Governments in broadening their knowledge of fertility levels and trends and factors affecting them, particularly in developing countries; analysis and evaluation of practices affecting human reproduction; demographic, social and psychological effects of abortion and the place of abortion in population policies.

2. The specific programme component activities are:

- Study of the impact of family-planning programmes on fertility change
- Conditions and trends of fertility throughout the world
- Interregional workshop on population action programmes
- Ad hoc committee of experts on public administration aspects of population programmes
- Expert group on methods of evaluating family-planning programmes
- Methods of analysing fertility data in developing countries
- Report on coding and tabulating for comparative fertility surveys
- Preparation for the World Population Conference of 1974 and the World Population Year, 1974.

Programme 14.1.1 - Population

Programme Component 14.1.1.2 - Mortality

1970 1971 1972 1973
(In United States dollars)

Regular Budget

Extra-Budgetary

Total

1. For 1972-1973 the objectives of the mortality programme component are to assist Governments in the study of levels and trends in mortality so as to evaluate the relative contributions of health, social, economic and other programmes to the declines in mortality. Particular emphasis is placed on studies of infant and childhood mortality in view of the heavy toll exacted in infancy and early childhood, particularly in developing countries. Perinatal and early foetal and maternal mortality in their relation to infant mortality will also be studied. The WHO has been asked to collaborate with the United Nations in this area.

2. The specific programme component activities are:

- Study on levels and trends of infant and childhood mortality
- World survey of mortality levels and trends
- Model life tables
- Ad hoc committee of experts on methods of revising United Nations model life tables
- Interregional seminar on mortality
- Study of the interrelationship of biological, social, economic and cultural factors on infant and childhood mortality
- Preparation for the World Population Conference of 1974 and the World Population Year, 1974.

Programme 14.1.1 - Population

Programme Component 14.1.1.3 - Migration and Urbanization

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(In United States dollars)			
Regular Budget				
Extra-Budgetary				
Total				

1. For 1972-1973 the objectives of the migration and urbanization programme component are to assist Governments in obtaining a better understanding of the interrelationship between internal migration and urbanization, on the one hand, and economic and social development, on the other. High priority will be given to devising methods of projecting urban and rural population, including simple methods that can be applied in countries having only a modest amount of statistics as well as more sophisticated computer techniques for use in other countries where data permit. Priority will also be given to: the study of the dynamics of urban and rural population structure; the tempo of urbanization as related to economic and social change; and international and internal migration, including the propensity to migrate, characteristics of the migrant and the causes and consequences of those phenomena.

2. The specific programme component activities are:

- Manual on methods of projecting urban and rural population
- Principal features of urban and rural population change
- Study of volume and structure of international migration
- Preparation for the World Population Conference of 1974 and the World Population Year, 1974.

Programme 14.1.1 - Population

Programme Component 14.1.1.4 - Demographic Aspects
of Economic and Social Development

1970 1971 1972 1973
(In United States dollars)

Regular Budget

Extra-Budgetary

Total

1. For 1972-1973 the objectives of the demographic aspects of the economic and social development programme component are to assist Governments in improving existing knowledge of the relationship of population factors to various aspects of development both economic and social. In the area of economic development, priority will be given to comparative studies of population and economic growth and to studies of labour-force trends in relation to demographic and economic change. In the area of social development, priority will be given to four major areas of study: the size and structure of households and families; the child and youth population; the socio-economic problems and needs arising from the redistribution of population between rural and urban areas; and the problems of the aging population.

2. The specific programme component activities are:

- Comparative study of interrelation between population and development
- Study of size and structure of households and families
- Report on the World Population Situation
- Second inquiry among Governments on population growth and development
- Study of labour-force trends and demographic-economic change
- Study of demographic, economic and social relationships
- Preparation for the World Population Conference of 1974 and the World Population Year, 1974.

Programme 14.1.1 - Population

Programme Component 14.1.1.5 - Demographic Estimates
and Projections

1970 1971 1972 1973
(In United States dollars)

Regular Budget

Extra-Budgetary

Total

1. For 1972-1973 the objectives of the demographic estimates and projections programme component are to assist Governments in the preparation of a revised set of demographic projections based on data provided by the 1970 round of population censuses. The work will include evaluation and adjustment of basic data, analysis of methods currently used in various types of demographic projections and further improvement of methods already used, further development of computer programmes, revision of assumptions and the undertaking of a comprehensive study of world population prospects on the basis of the results.

2. The specific programme component activities are:

- Continuation of work on evaluation and adjustment of basic demographic data
- Continuation of work on provision of adjusted estimates
- Study of marital status needed for projection of households and families
- Projections of total population to the year 2000 and beyond as of 1973
- Projections of urban and rural population
- Projections of total number of households for world and regions
- Study of methods used in various types of projections
- Projections of fertility curves
- Preparation for the World Population Conference of 1974 and the World Population Year, 1974.

Programme 14.1.1 - Population

Programme Component 14.1.1.6 - Population Policies

1970 1971 1972 1973
(In United States dollars)

Regular Budget

Extra-Budgetary

Total

1. For 1972-1973 the objectives of the population policies programme component are to assist Governments in analysing and systematizing national experience in the development and implementation of population policies; further develop the pertinent knowledge; provide technically sound advice to the Economic and Social Council, the General Assembly and the agencies concerned; and provide guidance to Governments that request it in the development and execution of all aspects of national population policies.

2. The specific programme component activities are:

- Guidelines for demographic considerations in planning, with particular regard to the formulation of demographic objectives
- Methodology for the evaluation of demographic factors in development planning
- Comparative analyses of population policy development
- Preparation for the World Population Conference of 1974 and the World Population Year, 1974.

Programme 14.1.1 - Population

Programme Component 14.1.1.7 - Programme Formulation
and Direction

1970 1971 1972 1973
(In United States dollars)

Regular Budget

Extra-Budgetary

Total

This includes provision for the Director and the staff required for providing over-all programme planning and management in population.

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