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PUBLIC ADMINISTRATION

PUBLIC ADMINISTRATION AND FINANCE FOR DEVELOPMENT IN THE 1980s

Report of the Secretary-General

SUMMARY

This report includes comments by the Secretary-General on major recommendations of the Fifth Meeting of Experts on the United Nations Programme in Public Administration and Finance for Development, which was held at United Nations Headquarters from 17 to 25 January 1980 in response to Council resolutions 1978/6 and 1978/75. The principal recommendations relate to (a) main elements of public administration and finance in new national and international development strategies for the 1980s; (b) international support measures, and (c) future work programme of the United Nations in public administration and finance for development.

To facilitate clarification of the role of the public sector and public administration in national development strategies and the formulation of specific national objectives and action programmes, it is proposed that the Council commend the report of the Meeting to the Governments of developing countries. In this context the Secretariat will synthesize, drawing on the report of this Meeting and other documents, the substantive issues and approaches for wider circulation and use by policy-makers in the developing countries.

The Meeting has identified main issues in public administration and finance for inclusion in a new international development strategy. These relate to: strengthening institutions for the formulation and implementation of development plans; promotion of education and training of managerial and technical personnel for public services; improving the productivity of public sector enterprises; improving financial management; and to make generally public administration and finance systems more responsive to the growing demands of development. The Council might wish to refer these suggestions to the special session of the General Assembly to be held in 1980. As a post-strategy exercise, the Meeting

has further recommended that the United Nations should take up, as a matter of priority, the implications of the strategy for public administration systems at the national level and formulate specific measures to assist the developing countries on a priority basis to meet those implications individually and collectively. It is, further, recommended that an intergovernmental meeting of political leaders be convened to consider the institutional and managerial requirements of the new strategy and to propose measures for mobilizing the necessary resources to meet them. The Secretary-General seeks the approval of the Council to develop these proposals.

The Meeting has strongly recommended augmenting the resources devoted to international measures in the field of development administration in order to fill the existing gap between the needs of developing countries and the present level of international support measures, to implement the new dimensions of technical co-operation and to focus on the rapidly changing needs of the developing countries. These recommendations are to be addressed to the Governing Council of UNDP. The Meeting pointed out that various forms of assistance provided by the United Nations and specialized agencies raised the question of co-ordination. It recommended therefore that the United Nations should assist developing countries in strengthening their co-ordination mechanisms and, further, act as a clearing-house for information on ongoing technical co-operation and related research programmes in this field. These proposals, subject to the approval of the Council, will be submitted for consideration to the legislative bodies concerned as part of the work programme for 1982-1983.

While some of the recommendations made by the Meeting on future work programmes are along the lines of the ongoing work, a number of them call for new initiatives. Examples of the latter are the convening of the intergovernmental meeting of political leaders and the establishment of an international centre for accounting and auditing for development. The implementation of these recommendations will entail additional resources to be met from the regular budget as well as extrabudgetary sources. The Secretary-General will therefore be glad to submit financial implication for these proposals.

Finally, based upon a recommendation of the Meeting, the Secretary-General seeks the approval of the Council to arrange for the next review of the Programme in 1982.

INTRODUCTION

1. The Fifth Meeting of Experts on the United Nations Programme in Public Administration and Finance for Development was held at United Nations Headquarters from 17 to 25 January 1980 in response to Economic and Social Council resolutions 1978/6 and 1978/75. The major items discussed by the Meeting included possible public administration and finance measures for inclusion in the international development strategy for the third United Nations development decade, international support measures and modalities to assist developing countries to strengthen their development administration, and the substantive priorities of the United Nations Public Administration and Finance Programme for the 1980s. The Secretary-General transmits to the Council the report of the Fifth Meeting of Experts on the United Nations Programme in Public Administration and Finance (E/1980/20/Add.1) and is pleased to make the following comments on the major recommendations of the Meeting on these issues.

I. PUBLIC ADMINISTRATION AND FINANCE IN THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE

2. The Meeting believed that demands on public administration systems (including financial infrastructure and management) will grow further in the 1980s and that creation of requisite capabilities will call for strong actions by national authorities and for more substantial and creative international measures than has been the case in the past. Accordingly, the Meeting has made four major recommendations.

A. National objectives and action programmes

3. The Meeting reaffirmed the importance of public administration capabilities as a critical factor in development. It was recognized that the kind and magnitude of public management capabilities required by different countries depended, inter alia, on their socio-political systems. Nonetheless, there are a number of key areas, indicated in the next section, requiring actions which are common to a large number of developing countries.

4. The Meeting has recommended that developing countries be requested to clarify the role of the public sector and public administration in their national development strategies and in the light thereof, to formulate specific national objectives and action programmes for strengthening the requisite administrative and management capabilities. The Meeting identified a number of common substantive areas which are relevant, mutatis mutandi, to most developing countries. In this connexion, the Meeting also believed that the substantive analyses and recommendations included in the report of the Fourth Meeting of Experts entitled Strengthening Public Administration and Finance for Development in the 1980s: Issues and Approaches, 1/ and the Secretary-General's report entitled "Public

1/ United Nations publication, Sales No. E.78.II.H.6.

administration and finance for development: an action agenda for the 1980s" (ST/SG/AC.6/L.18), remained valid and should be brought to the attention of the developing countries.

5. The Secretary-General proposes that the Economic and Social Council commend the report of the Meeting to the developing countries for their serious consideration. The Secretariat, on its part, will synthesize the substantive issues and approaches covered by the Meeting, as well as by the two documents cited above, for wider circulation and use by policy-makers in the developing countries.

B. Public administration in an international development strategy for the third United Nations development decade

6. The Meeting considered it essential to include a section on public administration and finance in a new international development strategy to reaffirm the importance of public administration capabilities and to underline the mutuality between national policy, institutional and managerial measures on the one hand, and international co-operation and decisions on the other. This is also in keeping with General Assembly resolution 33/193, section I, which provided that the new international development strategy should address itself, inter alia, to "developing institutional and physical infrastructure in the various development sectors in the developing countries". For this reason, the Meeting identified the international development strategy as follows:

(a) Strengthening institutions for the formulation and implementation of development plans, for participation in international economic relations and effective execution of international agreements, including strengthening of sovereignty on natural resources;

(b) Promoting education and training of managerial and technical personnel for public services;

(c) Improving the productivity and effectiveness of public sector enterprises;

(d) Striking a better balance between centralized and decentralized functions to achieve maximum efforts for development;

(e) Improving financial management, including accounting, to strengthen mobilization of resources and improve accountability;

(f) Building new dimensions in public administration and finance to meet the growing demands of development.

C. Administrative implications of the new international development strategy

7. The previous international development strategies generally implied or explicitly stated the administrative implications of the various measures included therein. However, statements on the subject were rather generalized and did not fully bring out the administrative implications at the national levels of decisions on various development sectors and issues. The Meeting strongly recommended that this should be rectified in the international development strategy for the 1980s. For this purpose, it recommended that once the international development strategy has been finalized, the United Nations should take up as a matter of priority its implications for public administration systems at the national level and formulate specific measures to assist the developing countries on a priority basis to meet those implications individually and collectively.

8. The Meeting also recommended that an intergovernmental meeting of political leaders be convened to consider the institutional and managerial requirements of the new international development strategy, as indicated above, and to propose measures for mobilizing the necessary resources to meet them.

9. The Secretary-General proposes that the recommendations of the Meeting concerning the inclusion of measures in the new international development strategy be referred to the General Assembly by the Economic and Social Council. The recommendation about the two related issues, that is, analysing the implications of the new international development strategy for the national public administration systems and convening an intergovernmental meeting to consider them cannot be accommodated within the approved programmes and resources of the Organization for 1980-1981. The Secretary-General will be glad to develop proposals for implementing these proposals if they are approved by the Economic and Social Council in principle.

II. INTERNATIONAL SUPPORT MEASURES

10. The Meeting reviewed the present international support measures to assist developing countries in improving their public administration and finance capabilities for development. These measures, which generally include technical co-operation in various substantive areas of development administration and preparation of technical guidelines and training materials, are carried out both by the United Nations Secretariat, as well as by the specialized agencies, the World Bank and IMF. The financing of such activities in the case of the United Nations Programme of Technical Co-operation comes from UNDP. In the case of other organizations, the measures relevant to public administration are carried out generally as part of the technical co-operation activities financed by UNDP. The research activities in support of technical co-operation programmes, sometimes funded from regular budgets, are small in the case of most agencies.

11. The Meeting of Experts made three major points about the international support measures. First, they believed that the resources devoted to technical co-operation and related research activities in public administration and finance

for development were inadequate in relation to the needs of the developing countries and the magnitudes of the tasks involved in enhancing public administration and finance capabilities for development. For this reason, they strongly recommended augmenting the resources devoted to international measures in the field of development administration, particularly to assist the developing countries in meeting the requirements of the new international development strategy, as well as of the New International Economic Order. This is primarily a matter for UNDP and the other aid-giving agencies.

12. Secondly, the Meeting recommended that greater attention should be paid by the international organizations to implementing the new dimensions of technical co-operation and to focus on the rapidly changing needs of the developing countries. The implementation of this recommendation requires the availability of greater resources and modification of prevailing resource uses. Both are difficult in view of the competing demands, but any measures in this regard will depend upon partly the availability of additional resources and partly the flexibility in the use of those resources to be able to undertake innovative and experimental programmes. This is again a matter which needs to be considered by the UNDP Governing Council.

13. The third issue raised by the Meeting concerned the question of co-ordination. The Meeting recognized that different agencies in the United Nations system will have to continue to assist the developing countries in improving their administrative and managerial capabilities. While the United Nations was more involved with assistance to the developing countries in improving their over-all systems of public administration and finance, other agencies were concerned with either sectoral or functional aspects of administration, or with over-all public administration systems, but from specialized perspectives of their basic mandates. Sometimes, this tended to create problems of co-ordination.

14. To obviate this problem, the Meeting recommended that the United Nations should assist developing countries in strengthening their co-ordination mechanisms. It also requested the United Nations Secretariat to compile a Directory of multilateral and bilateral sources of assistance in development administration. This would involve collecting information on the programmes of the agencies in the United Nations system, the World Bank and IMF on activities relevant to development administration and similar information in respect of bilateral programmes. Such information, to be useful should include an analysis of the assistance available to the developing countries, both in terms of magnitude and substantive areas. Once the developing countries were fully informed of these matters, they could use the assistance from different sources in a concerted and effective manner. Furthermore, it was recommended that the United Nations Programme in Public Administration and Finance act as a clearing-house for information on ongoing technical co-operation and related research programmes in this field.

15. If the Council approves this proposal, the Secretariat will be glad to submit appropriate proposals for consideration by the legislative bodies concerned as part of the budget for 1982-1983.

III. UNITED NATIONS PROGRAMME IN PUBLIC ADMINISTRATION
AND FINANCE FOR DEVELOPMENT

16. The Meeting reviewed the ongoing activities of the United Nations Programme in Public Administration and Finance for Development. It commended the transfer of the Programme to the Department of Technical Co-operation for Development under the recently completed restructuring of the economic and social sectors of the United Nations system. It believed that this should enhance the direct assistance of the Programme to the developing countries, both through the technical co-operation programme and the preparation of training materials and guidelines.

17. The Meeting recommended a number of substantive areas which should receive priority in the future work programme of the Division. Some of these recommendations are along the lines of the ongoing work, and the Secretary-General would be glad to reflect these proposals in the future medium-term plans of the Programme in the light of the comments of the Council, which it may wish to make on the subject. However, a number of recommendations call for new initiatives. Examples include the convening of the intergovernmental meeting referred to in paragraph 8 above and the establishment of an international centre for accounting and auditing for development.

IV. NEXT REVIEW OF THE PROGRAMME

18. The financial implications of the foregoing proposals will be circulated as addendum of the present report.

19. The Meeting recommended that the next review of the Programme take place in 1982. This will be highly opportune, particularly because, by that time, it will also be possible to analyse the major implications of the new international development strategy for the national systems of public administration. If approved by the Council, the Secretary-General will include the proposal in the budget for 1982-1983.
