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PROGRAMME PLANNING

Medium-term plan for the period 1992-1997

Note by the Secretary-General

1. At its forty-fifth session, the General Assembly adopted the medium-term plan for the period 1992-1997 together with the recommendations of the Committee for Programme and Coordination and the Committee on Conferences and the additional conclusions and recommendations contained in the annex to resolution 45/253, taking into account the views of the Main Committees of the General Assembly.
2. One of the additional conclusions and recommendations of the General Assembly contained in the annex to resolution 45/253 appears under Programme 21. Public administration and finance, and reads as follows: "Reformulate the narrative of Programme 21, taking into account all the relevant mandates adopted until the forty-fourth session of the General Assembly, for submission to the Assembly at its forty-sixth session."
3. In compliance with that request, the narrative of Programme 21 has been reformulated and is submitted for the consideration of the General Assembly in the annex to the present note.

* A/46/150.

Annex

MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC COOPERATION
FOR DEVELOPMENT

Programme 21. Public administration and finance

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PROGRAMME 21. PUBLIC ADMINISTRATION AND FINANCE

A. Programme

1. General orientation

21.1 The general mandate for the present programme derives from General Assembly resolution S-13/2, paragraph 5; Economic and Social Council resolution 1985/10, paragraphs 3 and 4; and Economic and Social Council decisions 1988/115, paragraph (a), and 1989/114, paragraph (a).

21.2 The United Nations programme in public administration and finance is essentially an operational activity; its main objective is to respond to the changing needs of developing countries in strengthening their administrative and financial systems for development according to their development priorities. In recent years, a number of economic factors, such as declining economic growth, rising external debts, unfavourable international economic environment and increased government deficits, have led to the shrinkage of resources available for public expenditure. Administrative systems were frequently criticized as consumers of scarce resources in an unproductive manner, in particular, deficit-producing public enterprises. The administrative processes were sometimes found as inefficient, wasteful and frequently detrimental to national development. The institutional improvement necessary for sustained development was found to be hindered by such systemic issues as low salaries and overstaffing in the basic policy environment of the public sector. The weak institutional capacities of Governments to formulate and implement appropriate macro-economic policies was often cited as a root cause for economic deterioration in many developing countries. The urgent need to examine the critical issues in development administration and adopt approaches and programmes for improved management of the public sector was emphasized by national Governments as well as international development agencies.

21.3 Under those circumstances, there have been demands for major changes and improvements concerning public administration and finance systems. Those changes have included retrenchment and rationalization of public administration (both structure and staff), reduction of resources allocated to public organizations, systematic training and development of human resources, improvement of efficiency, economy and productivity in development administration and improved evaluation and accountability for public sector activities. The dominant themes underlying those demands are improving the institutional and management capacities of national institutions, examining the role of the public sector and adjusting it to a size at which it can function effectively and applying, as far as possible, more effective methods of discipline in the operation and control of the activities in the public sector.

21.4 Developing countries have been responding to such demands by adopting various approaches and programmes, which were reviewed by the ninth meeting of

experts on the United Nations programme in public administration and finance in March 1989. One set focused upon a review of issues and priorities in the public sector and the need for a periodic review of the role of the public sector in economic development; another set placed emphasis on the approaches and mechanisms for policy analysis and evaluation in government.

21.5 Many developing countries have also been re-examining their structural and organisational arrangements in the context of the urgent need to improve public management systems and enhance their productivity. Increased emphasis on the transparency of government operations and democratization has encouraged Governments to adopt various forms of decentralization, local self-government and participatory programmes. Along with structural and organisational improvements, many developing countries have made efforts towards increasing the use of information technologies, particularly computer-based information systems, for improvement of productivity and performance in public administration. There is increased concern with and interest in computerized information systems, as many Governments experience problems associated with effective use of information technologies.

21.6 The need to enhance institutional and management capacities of Governments of developing countries to formulate and implement appropriate development policies and programmes has also been recognized by international development agencies. The United Nations Development Programme (UNDP) has initiated a Management Development Programme, under which it is assisting developing countries to achieve sustainable improvements in the public sector through the enhancement of their management capacities and capabilities. Several United Nations specialized agencies have also initiated management improvement programmes in their respective areas through technical assistance projects.

21.7 Many developing countries are initiating efforts to reform the budgetary process and are introducing policies and measures for increased domestic financial resource mobilization. Those measures include harmonizing development and the recurrent budget and strengthening budget capacities, reforming tax policies and procedures and improving tax, customs and excise administration, including training of officials.

21.8 Along with budgetary reform and improved resource mobilization, Governments realize the need to apply the higher standards and improved techniques of management in the provision of public services (for example, health, education and supply of development inputs). These actions are related to the concerns of Governments for raising productivity in the public service and for improving the efficiency and accountability of their operations. The concern for accountability also includes such issues as well-developed accounting and auditing systems to ensure effectiveness of expenditures for realizing policy objectives, cost-effectiveness and management accountability.

21.9 Finally, of utmost importance during the 1990s will be the priority concern for improved civil service systems and integrated human resources

development for public management performance. This will be consistent with the clarion call for reducing the over-bloated civil service, raising its pay scales and improving the human resource factor in development. This priority can be seen, inter alia, in the emphasis contained in the UNDP fourth cycle planning, and its Management Development Programme, and in General Assembly resolutions 40/213 of 17 December 1985 on the role of qualified national personnel in the social and economic development of developing countries, and 44/213 of 7 March 1990 on developing human resources for development.

2. Overall strategy

21.10 The present programme is implemented by the Development Administration Division of the Department of Technical Cooperation for Development of the United Nations Secretariat.

21.11 To achieve the programme's objectives, an operational framework will be devised which will include analysis of the issues involved, formulation of specific guidelines to implement programmes of action and preparation of training modules. Specifically, the Secretariat will carry out operationally-oriented research and analytical studies and technical cooperation activities, including seminars and workshops, training programmes, pilot studies and advisory services.

21.12 The programme will continue to rely upon UNDP as a funding agency for extrabudgetary funds. Cooperation will be maintained with the regional commissions and the Department of International Economic and Social Affairs of the United Nations Secretariat, mainly in the form of information exchange, joint sponsorship and execution of projects and mutual participation in relevant activities. Within the United Nations system, coordination will be maintained with the International Labour Organisation, the United Nations Industrial Development Organization and the World Bank. In addition, coordination matters will formally be discussed in meetings of the inter-agency consultations and working group, held prior to the Meeting of Experts on the United Nations Programme in Public Administration and Finance.

3. Subprogramme structure and priorities

21.13 In the light of the above general orientation, the subprogrammes are as follows:

- Subprogramme 1. Monitoring trends and developments in public sector management
- Subprogramme 2. Effective structural and organizational arrangements and methods for public management and productivity
- Subprogramme 3. Training and development of human resources for public management

Subprogramme 4. Effective budgetary systems and resource mobilization for development

Subprogramme 5. Improving public sector financial management

21.14 Subprogrammes 1 and 3 are designated high priority.

B. Subprogrammes

SUBPROGRAMME 1. MONITORING TRENDS AND DEVELOPMENTS IN PUBLIC SECTOR MANAGEMENT

(a) Objectives

21.15 The legislative authority for the present subprogramme derives from General Assembly resolution 41/182, paragraph 2; Economic and Social Council resolutions 1985/10, paragraph 6 (a), 1987/92, paragraph 2 and 1988/7, paragraphs 2 and 4; and Economic and Social Council decision 1988/115, paragraph (b).

21.16 Articulation of national priorities, determination of the appropriate role of the public sector, formulation of appropriate development policies and programmes and their effective implementation are a challenging job for any government. The recent economic crisis in developing countries, highlighted by various kinds of adjustment programmes, has shown inadequacies and gaps in those areas, specifically regarding the role and priority of public management, inadequate capacities for policy analysis and evaluation and development of alternatives. It also showed the need in developing countries to define the role of the public sector in promoting initiative and dynamism in the economy. In the international context, it is now realized increasingly that macro-economic policy and performance in industrialized countries affect developing countries in critical ways. For many of the latter, prospect for their development cannot be separated from that of the world economy. There is an urgent need in developing countries for periodic articulation of the role and priorities for public management systems and for strengthening their capacities for improved policy analysis, effective implementation of development policies and programmes and timely adjustment of national policies in the context of the global changes and trends.

21.17 Accordingly, the specific objectives of the subprogramme are:

(a) To enhance the capacity of developing countries in articulating the role and priority of public sector management, including public enterprises, and in strengthening their capabilities for policy formulation and evaluation systems in government;

(b) To review and analyse the role of the public sector in economic development of developing countries;

(c) To review the issues, priorities, changes and trends in public management;

(d) To study approaches and tools for analysing policy options and for evaluating impacts of policy decisions.

(b) Course of action of the Secretariat

21.18 In accordance with the specific objectives outlined above, the Secretariat will:

(a) Review periodically developments and trends in public management, including the role of the public sector in economic development;

(b) Survey changes and trends emerging in the national, regional and world scene of public administration and finance, including measures taken in connection with structural adjustment programmes;

(c) Facilitate exchange of information and methodology transfer in public administration and carry out empirical studies on arrangements for policy analysis and formulation in selected developing countries;

(d) Devise appropriate methodology for evaluating the impact of policy actions.

SUBPROGRAMME 2. EFFECTIVE STRUCTURAL AND ORGANIZATIONAL ARRANGEMENTS AND METHODS FOR PUBLIC MANAGEMENT AND PRODUCTIVITY

(a) Objectives

21.19 The legislative authority for the present subprogramme derives from Economic and Social Council resolution 1985/10, paragraph 6 (b).

21.20 Administrative reform has proved to be a continuing need of many developing countries. The existence of inadequate (but sometimes overgrown and overstaffed) administrative structures and institutional arrangements points to the need for constant attention to their size as well as performance. Frequently, there is overlapping and duplication of functions among government organizations, which also display a lack of flexibility in structure and operations.

21.21 Citizen participation in public affairs has been on a modest scale. The absence of a well-defined role for local government, clear demarcation of its area of authority, together with shortage of financial resources, technical and professional expertise have been the distinguishing features of local government in developing countries. Centralized set-up and rigid government procedures may have an adverse effect on the citizens or local authorities and may prevent ready access to information and the services to which the citizens and local units may be entitled. The conditions for making decentralized systems work have to be explored more fully.

21.22 Information management is crucial to efficient public administration. Problems have arisen in the use of information technologies and

under-utilization of information systems and office automation by managers in the public sector. The situation can be alleviated by establishing an appropriate national computer policy, focal point and various mechanisms, including training, particularly training of top management which could encourage the use of information management and technologies.

21.23 The specific objectives of the subprogramme, therefore, are:

(a) To assist developing countries in reforming and restructuring their administrative and managerial systems with a view to improving the productivity and effectiveness of such systems;

(b) To facilitate management of organizational change in response to external or internal factors of public administration;

(c) To promote decentralization, local self-government and citizen participation in public affairs;

(d) To develop management information systems and office automation in public administration.

(b) Course of action of the Secretariat

21.24 In accordance with the specific objectives outlined above, the Secretariat will carry out technical cooperation activities, including advisory services and training and field projects, undertake studies of measures required to introduce administrative improvements and procedural simplifications to strengthen local government institutions within the framework of national constitutions prevailing in developing countries and studies in office automation and information systems development and maintenance.

SUBPROGRAMME 3. TRAINING AND DEVELOPMENT OF HUMAN RESOURCES FOR PUBLIC MANAGEMENT

(a) Objectives

21.25 The legislative authority for the present subprogramme derives from General Assembly resolutions 39/219 and 40/213; Economic and Social Council resolutions 1986/73, 1987/81 and 1989/120; and Economic and Social Council decision 1989/114, paragraph (b) (ii).

21.26 Personnel administration is now concerned not only with recruitment, selection, placement, utilization, promotion, discipline and compensation of public personnel, but also with their training, career development and mobilization of overall human resources. Procedures and practices relating to those various facets were often inadequate and personnel policy was frequently in a rudimentary state. In some countries, the civil service, which may lack proper classification, may be further handicapped by a relative lack of internal mobility. Despite relatively low rates of compensation, the overall

size of the civil services may impose too large a burden on the national central personnel agency, and the scope of its functions requires urgent attention in many developing countries as they affect the proper control and use of the civil services. Ethical standards of conduct may similarly require strengthening in order to prevent abuse of powers by civil servants.

21.27 Quite a few developing countries have recently been faced with questions of the size of personnel in the civil services. Determination of surplus staff and retrenchment and decentralization of personnel functions from a central personnel office to line departments and/or local units are a complex issue, particularly in the context of structural adjustment of national economies.

21.28 Establishment of a valid statistical base for civil service personnel is vital for development of effective public sector human resources planning and training. Computerized personnel information systems may be established to improve human resource management and planning, as well as training and management development.

21.29 The objectives of the subprogramme, therefore, will be:

(a) To prepare and disseminate guidelines on improvement in public personnel policy and rationalization of civil service systems;

(b) To assist training institutions in developing countries to modernize and develop curriculum for management development, improve training methods and design training packages for senior management to enhance their skills in policy development.

(b) Course of action of the Secretariat

21.30 In accordance with the objectives outlined above, the Secretariat will implement the following course of action:

(a) Preparation of methodologies for civil service survey and databases to be established for human resource planning and development;

(b) Preparation of technical guidelines on: (i) management development training; (ii) public service ethics; (iii) manpower planning for public service; (iv) retraining mechanisms; and (v) training of trainers;

(c) Technical cooperation activities, including advisory services, training and field projects.

SUBPROGRAMME 4. EFFECTIVE BUDGETARY SYSTEMS AND RESOURCE MOBILIZATION FOR DEVELOPMENT

(a) Objectives

21.31 The legislative authority for the present subprogramme derives from Economic and Social Council resolution 1987/92 and Economic and Social Council decision 1989/114, paragraph (b) (i).

21.32 In many developing countries, lack of trained human resources, weakness in the systems and processes, heavy dependence on and uncertainty about external resources for development funding and competing demands on limited internal resources have reduced the effectiveness of budgetary systems as the main governmental framework for development. There is an increasing realization that improvements in the budgetary system are needed for Governments to be able to plan, allocate and mobilize resources for development. Those improvements should aim at forging stronger links between annual development goals, budgeting and cash planning, and control systems. As an integral part of this effort, increased attention needs to be given to strengthening tax administration systems in order to minimize the leakages that now occur in the systems.

21.33 Considerable uncertainties caused by internal and external economic factors, as well as natural calamities, exist in the national economies. Expenditure planning should, inter alia, take into account those uncertainties and the processes should be strengthened to internalize them. Appropriate contingency mechanisms need to be developed to deal with uncertainties.

21.34 The specific objectives of the subprogramme are:

(a) To assist developing countries in strengthening their budget systems as an effective instrument for intensifying mobilization of their internal resources towards achieving the goal of increasing self-reliance;

(b) To support the efforts of developing countries in achieving reform in plan-budget harmonization, integrating recurrent and development budgets, enhancing budget capacities and establishing a realistic budget calendar;

(c) To assist developing countries in improving processes and instruments of budgetary control, particularly for controlling public current expenditures, and in making adjustment to change and uncertainty and computerization of selective budgetary processes;

(d) To support the efforts of developing countries in improving various aspects of tax administration.

(b) Course of action of the Secretariat

21.35 In the area of budget formulation and implementation, the Secretariat will undertake studies focusing on identification of specific issues and

elements for intensive and detailed research, with a view to preparing guidelines for improvement as well as development of training materials.

21.36 In the area of fiscal reforms and tax administration, empirical studies in selected developing countries on critical needs will be undertaken, workshops and seminars will be organized to test research findings and develop guidelines for improvement and promotion of intercountry cooperation and training programmes will be developed.

21.37 In the area of budgetary controls, research will be carried out in selected countries on the approaches and techniques used in controlling public expenditures, to be followed by seminars and workshops, in which the findings will be disseminated.

21.38 Finally, technical cooperation activities will be carried out, including advisory services, and training and field projects.

SUBPROGRAMME 5. IMPROVING PUBLIC SECTOR FINANCIAL MANAGEMENT

(a) Objectives

21.39 The legislative authority for the present subprogramme derives from Economic and Social Council resolutions 1985/10, paragraph 6 (d) and 1987/92; and Economic and Social Council decision 1989/114, paragraph (b) (i).

21.40 Financial management in many developing countries suffers from inadequate systems and processes and lack of trained staff. Accounting and auditing systems in developing countries are not well-developed to deal with the increasing burden and complexity of governmental activities. Similarly, the financing and managing of a large public enterprise sector has created an increasing financial and management burden on the Governments of developing countries. Significant reforms and improvements in these key areas are essential to provide a sustainable basis for good financial management in developing countries.

21.41 The specific objectives of the subprogramme are to foster improvements of:

(a) Government accounting and auditing systems;

(b) Performance of public enterprises;

(c) Government financial management in selected least developed countries.

(b) Course of action of the Secretariat

21.42 Operational research and follow-up training will be undertaken:

(a) In the area of public financial management, on developing comprehensive action programmes for some selected least developed countries on an experimental basis;

(b) In the area of accounting and auditing, on computerized accounting and audit systems;

(c) In the area of public enterprise, on the central monitoring system for public enterprises, on measures for performance improvements and guidelines on the rationalization of the public enterprise sector; technical cooperation activities, including advisory services, training and field projects will also be carried out.
