



General Assembly

Distr.
GENERAL

A/C.5/37/25
27 October 1982

ORIGINAL: ENGLISH

Thirty-seventh session
FIFTH COMMITTEE
Agenda item 104

PROGRAMME PLANNING

Review of the Financial Rules and Regulations in the light
of the restructuring of the economic and social sectors of
the United Nations

Report of the Secretary-General

1. In paragraph 302 of the report of its twenty-second session 1/ the Committee for Programme and Co-ordination (CPC) requested the Secretary-General to submit to the General Assembly, at its thirty-seventh session, a comprehensive list of revisions to the Financial Rules and Regulations of the United Nations which may be required as a consequence of the restructuring of the economic and social sectors of the United Nations under General Assembly resolution 32/197 of 20 December 1977.
2. That request was adopted by CPC, following its discussions on draft official regulations governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation.
3. Following the adoption of General Assembly resolution 32/197, the Secretary-General reported on the actions taken within the Secretariat to give effect to the conclusions and recommendations contained in that resolution, particularly section VIII of its annex, concerning secretariat support services (see documents E/1978/28, E/1978/118 and A/33/410/Rev.1). In that context, the Secretary-General described the measures he had taken for the establishment and the elaboration of the functions of the new office of Director-General for Development and International Economic Co-operation and for the creation of three new entities within the Secretariat: the Department of International Economic and Social Affairs, including an Office of Programme Planning and Co-ordination; the Department of Technical Co-operation for Development; and the Office of Secretariat Services for Economic and Social Matters.

4. In its resolution 33/202, the General Assembly, inter alia, further defined the nature of the functions to be executed by the Director-General and requested the Secretary-General to pursue actively the process of "rationalizing and streamlining" the capabilities of the new entities established within the Secretariat. In the same context, the Assembly called for "appropriate adjustment" in the functioning and administrative arrangements of relevant organizational entities. In subsequent reports (E/1979/81 and A/35/527), the Secretary-General noted that the latter provisions of General Assembly resolution 33/202 had implications not only for the new organizational entities established at Headquarters but for the work of other United Nations entities in related areas and endeavoured to identify the specific organizational entities and issues involved. In that context, the Secretary-General reported on certain adjustments introduced in the arrangements for programming and budgeting within the Secretariat and indicated that the Department of Administration and Management/Office of Financial Services, in consultation with the other units concerned, would undertake "a review of recent intergovernmental decisions on the planning, programming and budgeting processes in order to consider whether such decisions, as well as the Secretariat arrangements referred to above, required any changes or updating of the Financial Rules and Regulations of the United Nations (see document A/35/527, para. 58). In its resolution 35/223, adopted on the recommendation of the Fifth Committee, the General Assembly, inter alia, decided to return to those questions at its following session.

5. In his report to the following session of the General Assembly (see document A/36/477), the Secretary-General indicated that, before completing his review, he would wish to take into account the outcome of relevant discussions in CPC and other bodies, including the General Assembly's consideration of official rules and regulations governing the programme planning, the programme aspects of the budget, performance monitoring and evaluation procedures.

6. By its resolution 36/187, the General Assembly took note of the report of the Secretary-General and decided to transmit it to the Economic and Social Council for consideration and to return to the question at the thirty-seventh session.

7. A review of the Financial Rules and Regulations of the United Nations has, accordingly, been undertaken. With respect to the Financial Regulations, it should be noted that proposed revisions to regulations 3.3, 3.6 and 13.1 were considered by CPC at its twenty-second session, at which time it decided to recommend to the General Assembly that it should consider and adopt the proposed revisions after making whatever further adjustments it deemed necessary. ^{2/} The revisions to the Financial Regulations are intended to bring them into conformity with the comparable regulations proposed for programme planning, the programme aspects of the budget, the monitoring of implementation and methods of evaluation.

8. The subsequent review has raised two issues in connexion with the Financial Regulations: (a) the status of the programme narratives in the programme budget; and (b) the treatment of the programme aspects of supplementary programme budget proposals.

9. It is the understanding of the Secretary-General that the adoption of the programme budget by the General Assembly as provided for in regulation 3.7 applies to the programme narratives referred to in the revised version of regulation 3.3 as well as to the "income and expenditures" referred to in regulation 3.2. These narratives constitute the programme of work of the Organization for the financial period concerned, against which programme performance is to be reported. Such an interpretation is consistent with the reference in regulation 13.1 to the "programme approved by the General Assembly".

10. With respect to the treatment of supplementary proposals, regulation 13.1, as revised, provides for a programmatic aspect to be included in the implications statements given to all councils, commissions and other competent bodies. However, regulation 3.9 does not provide for a review of these programmatic aspects of supplementary proposals by CPC prior to their review by the Advisory Commission on Administrative and Budgetary Questions and the General Assembly. The treatment of supplementary proposals in a manner equivalent to that accorded to the initial programme budget proposals would entail such review by CPC in the course of each Assembly session.

11. Further changes in the procedures for the preparation of the programme budget have been instituted by the Secretary-General in 1982. The functions of the Programme Planning and Budgeting Board (see ST/SGB/190 of 7 April 1982) as well as the adjustments referred to above may require the revision of several financial rules, e.g., rules 101.2, 103.2, 103.3, 103.4-103.6, 103.8, 103.13 and 103.14.

12. As indicated in paragraph 7 above, the General Assembly will have under consideration the revision of the Financial Regulations pertaining to the programme-budgeting process. The Secretary-General intends to issue revisions to the Financial Rules as soon as practicable after approval by the General Assembly of the revised Financial Regulations. The revised rules will be submitted to the General Assembly for information.

Notes

1/ Official Records of the General Assembly, Thirty-seventh Session, Supplement No. 38 (A/37/38).

2/ Ibid., para. 301.
