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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Address by the Chairman of the Committee for Programme and Co-ordination*

Mr. Chairman, distinguished members of the Fifth Committee,

At its sixteenth and seventeenth sessions, the Committee for Programme and Co-ordination made an effort to perform the important role assigned to it by the General Assembly in connexion with the introduction of medium-term planning and programme budgeting. The sixteenth session was the first under its new consolidated and expanded mandate. It signified important new departures in the work of the Committee: in reviewing the medium-term plan it focused on selected programmes, instituting a cycle of in-depth programme reviews, and it tackled directly - for the first time - the issue of priority setting on a programmatic basis. Much had been talked about priorities, but nothing done about it in earlier years, and this new departure met with strong approval and support from the Economic and Social Council and the General Assembly.

The seventeenth session was a test of CPC's capability of performing its new and more demanding tasks in the context of its first review of a programme budget formulated within the framework of a medium-term plan. It also signified another new departure in the work of the Committee as it was the first time it embarked upon its new task of evaluation.

In presenting to you the report of CPC on its seventeenth session, I shall deal in turn with the following points:

I. Approach and working methods of the Committee;

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     * Circulated in accordance with the decision taken by the Fifth Committee at its 18th meeting.

    II. Co-ordination;

   III. Maintenance base;

    IV. Relative growth rates and priority setting;

     V. In-depth programme reviews and evaluations;

    VI. Consideration of programmes for future in-depth study and
evaluation;

  VII. Evolving the planning, programming and budgeting system of the
United Nations.

In the interest of brevity, this choice of issues is selective. In trying to cover
them, I shall not be able to go into much detail on individual points. Therefore,
I will not go into detail on the various programme recommendations which are
contained in the report, all the more since they were already considered and adopted
by the Economic and Social Council.

        I. <u>Approach and working methods of the Committee</u>

    Turning now to the first of the points outlined. The Committee decided to give
priority to the evaluation of the four selected programmes and to review the
programme budget. In view of the importance and the nature of these two functions,
it further decided to endeavour to carry them out in an integrated manner,
utilizing the conclusions derived from the evaluation exercise as a feedback into
the programming process. Programmes and subprogrammes which on the basis of
analysis had performed well in terms of the output produced for the resources
expended would, <u>ceteris paribus</u>, be better candidates for high priority assignment
and programme expansion than programmes which had performed less satisfactorily.
Accordingly, the programmes were for review purposes divided into three categories:

    (a) Those selected for evaluation and in-depth review: the Office of Public
Information, transport and environment. (Human settlements, which had been selected
at the sixteenth session, was deleted because central institutional issues were
still pending decision by the Economic and Social Council.)

    (b) Those selected for in-depth review at the eighteenth session in 1978: the
Centre for Development Planning, Projections and Policies, social development,
public administration and ocean economics and technology, which was selected in
order to identify problems on which evaluation should focus.

    (c) The remainder of the programme budget, to ascertain relationships to
medium-term plan.

I shall return to these programme reviews under points V and VI. In continuation of
this partial account of the Committee's own work plan, let me add a few words about

the nature of the report. It reflects our effort to maintain and improve a feature of last year's report which was welcomed by the Economic and Social Council and the Fifth Committee: orienting it towards specific recommendations on which the Economic and Social Council and the General Assembly can act, rather than the usual style of the past of providing a condensed summary record, which has often enough in the past proved to be useless as a basis for decision. It has not been easy to reach the level of agreement which a set of recommendations as specific as those presented in chapter 1 of the report represent; but the Committee managed to reach this level of agreement through an extraordinary effort of co-operation and determination. While the conclusions and recommendations constitute a brief and concise account of the results of the Committee's work, the body of the report presents a more detailed reflection of the reasoning upon which the Committee based its recommendations. As you will have noted, the conclusions pertain not only to specific recommendations flowing from our consideration of individual programme issues but also to more general issues, such as working methods of the Committee, methodology of evaluation and performance of its co-ordination function.

II. Co-ordination

Since this Committee also is concerned with co-ordination issues, let me briefly touch upon some new developments emerging from the CPC work within this area. Traditionally CPC has executed its programme and co-ordination functions in isolation from each other. In recent years it has been increasingly recognized that co-ordination cannot be carried out effectively in any organization without taking into account the activities being planned or implemented in other organizations and, correspondingly, that programming in a system as functionally intermeshed as that of the United Nations cannot be done effectively in any organization without taking into account the activities being planned or implemented in other organizations.

CPC has now endeavoured to integrate its two main functions by:

(a) Making programme review more co-ordination oriented

    (i) Considering special analyses produced by ACC in each of the four areas for in-depth review;

    (ii) Drawing more upon the results of prior consultations among organizations on their medium-term plans and programme budgets;

(b) Making co-ordination more programme-oriented.

Its recommendation to substitute the traditional agency-by-agency approach to co-ordination by a programme-by-programme approach was adopted by the Economic and Social Council.

III. Maintenance base

Since ACABQ and this Committee have devoted some time to discussing the concept of the "maintenance-base" and its role in the United Nations budgeting, let me comment briefly upon the subject from the CPC perspective. The difference in opinion between the Secretary-General and ACABQ regarding the "controllability" of this maintenance base seems to be apparent only. Both views are in a sense both correct and incomplete; the difference between them is mainly one of different vantage point.

From the vantage point of the Secretary-General, all resources appropriated in the past were based upon justifications and requests which were again based upon legislative mandates, and since such mandates cannot be altered, revoked or neglected by the Secretary-General, the "base" is in this sense untouchable.

The vantage point of ACABQ does not accept the assumption that the "base" is beyond the Secretary-General's control; it starts from the premise that all expenditures are, in principle, subject to scrutiny, and all resources, in principle, are potentially subject to reallocation.

This reflects the essence of the debate between proponents of budgetary incrementalism and zero-base budgeting which also occupied this Committee, as well as CPC, very much five to six years ago when the introduction of programme budgeting in the United Nations was being discussed. The crux of the problem of coming to grips with the base is that this cannot be done effectively by the Secretary-General alone or by intergovernmental programming bodies like CPC or expert budgeting committees like ACABQ, but requires a close interaction between all of these, as well as all their parent and auxiliary bodies.

Both the Secretary-General and CPC have, in fact, been given specific mandates, the implementation of which would make such interaction more effective. The Secretary-General has been instructed in General Assembly resolutions 3534 (XXX) and 31/93 to provide information on programmes which are under completion or obsolete or marginal. CPC, in its renewed mandates, has explicitly been given the task of interpreting legislative intent and, in connexion with resolution 31/93, to determine which programmes are obsolete or of marginal usefulness. A concerted effort by those involved could contribute to better coming to grips with the base. I would like to draw your attention to progress made in this direction by CPC at its seventeenth session:

(a) In-depth review on the basis of evaluation did, in fact, constitute a selective zero-base review for the transport and public information programmes;

(b) It repeatedly requested the Secretary-General to implement the earlier-mentioned provision of resolution 31/93;

(c) It recommended that the General Assembly instruct the Secretary-General to identify subprogrammes of highest and lowest priority, which should help the Committee to work on priority setting within the base.

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IV. Relative growth rates and priority setting

Let me turn now to the fourth and, in the light of the decisions which your Committee has to make, probably the most important point, namely, the recommendations concerning priority setting and relative growth rates. As you know, CPC is the organ charged with making recommendations covering the setting of priorities among United Nations programmes because it is the only subsidiary organ of both the General Assembly and the Economic and Social Council and so has the over-all perspective - essential, in view of the many sectoral interests which collided in the competition for limited resources - to review the programme aspect of the budget in its entirety. It is necessary to weigh each programme claim against other claims in an over-all context in order to determine relative real priorities. The main instrument for carrying out this difficult task is that of assigning relative growth rates to different programmes. This was applied by CPC at its sixteenth session to the medium-term plan and endorsed by the Economic and Social Council and by the General Assembly in resolution 31/93. CPC has been the first to recognize the bluntness of this instrument and endeavoured at its seventeenth session to refine its application as recommended in paragraphs 2 and 3 (a)-(d).

In formulating the 1978-1979 budget, the Secretary-General applied the relative growth rate instructions recommended by CPC and adopted by the General Assembly, and in the great majority of programmes the programme budget proposal conforms to the priority ratings. Out of the 27 major programmes - and after technical difficulties in certain programmes were taken into account - four were, however, off target. These were:

	CPC ratings
Social development and humanitarian affairs	Average
International drug control	Below average
Human rights	Below average
Public information (excluding transfers)	Well below average

The CPC discussed this situation during its seventeenth session and recommended that:

(a) The social development and humanitarian affairs programme should be held to the "average" growth rate approved by the General Assembly; that programme elements 1.1, 1.6 and 2.1 in the proposed programme budget for the biennium 1978-1979 should be terminated; that programme elements 1.2, 1.5 and 3.3 should be curtailed; and that the resources budgeted for subprogramme 4 on the integration of women in development should be increased.

(b) The international drug control programme has undertaken the tasks involved for the biennium 1978-1979 either from savings elsewhere in the programme or from the United Nations Fund for Drug Abuse Control.

(c)   The human rights programme should be held to the "below average" rate approved by the General Assembly.

(d)   The public information programme should be held to the "well below average" approved by the General Assembly. Certain programme directives to guide this instruction were recommended by the Committee in paragraphs 8-11.

Thus, in none of the four cases did CPC find any basis for recommending change in the priority rating set by the General Assembly, although for international drug control it indicated that the case merited serious review during consideration next year of the plan for 1980-1983.

Since some delegates have brought up the question of the recommendations concerning the social development programme, let me say a few words about this. On the basis of a thorough discussion of this programme in connexion with the review of the medium-term plan last year, CPC found several weak points in some of the programmes. At the same time, it found that the programme as a whole and, particularly, the subprogrammes relating to the integration of women in development and to international instruments relating to the status of women were important. It recommended, therefore, that while the programme as a whole was given an average growth rate, the subprogrammes relating to the preparations for the United Nations Decades for Women and Development were to be given an above average growth. In a foot-note, CPC quite explicitly stated that this meant that the other subprogrammes, dealing with popular participation, social welfare and crime should have a rate of growth well below average. The General Assembly endorsed these recommendations in resolution 31/93.

The Centre for Social Development and Humanitarian Affairs obviously agreed with the emphasis and priority given to the subprogrammes concerning the role and status of women and, in its 1978-1979 budget, asked for additional posts to these activities; but it did not draw the consequences of this for the programme as a whole. When some components of a programme grow more than the average, it follows that if the average growth assigned to the programme by the General Assembly is to be maintained, then other components must be curtailed. Instead, the Centre ignored the priority ratings of the General Assembly and proceeded – without any additional justification that might have persuaded CPC to alter its recommendation – to propose an above average growth rate for the programme as a whole.

The Secretariat should have acted in accordance with its responsibility under resolution 3534 (XXX) to identify marginal programmes and thus co-operated with CPC and facilitated its task of bringing the subprogrammes into line with the priorities adopted by the General Assembly. Since the Secretariat did not do so, CPC had to act on its own. It did not do so blindly: it had discussed the social development programme as a whole in some detail in connexion with the review of the plan in 1976. Since most concern has been expressed by some Western European countries over the youth programme, it should be emphasized that the subprogramme concerning youth at Headquarters has not been abolished. Programme element 1.6 has been recommended for termination, and 1.5 for curtailment, in accordance with doubts about these parts of the programme expressed at the sixteenth session, when the plan was reviewed. The youth programme at Headquarters remains.

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Considerable concern has been expressed by some Western European countries over termination of European programmes in the Geneva Division. Developing country members of CPC felt that purely European programmes should not be financed through the Headquarters budget. The Committee felt that since other regional social programmes were carried out by the respective regional commissions, the European programme should not be subsidized by the Headquarters budget. If European Governments give as high priority to this programme as some interventions here have indicated, it should not be difficult to have them included in the ECE programme.

V.   In-depth programme reviews and evaluations

Turning now to the in-depth programme reviews and evaluations, I shall comment, in turn, on the individual programmes reviewed, the main outcome of the exercise and some methodological issues in the future execution of this function. Since it was the first time CPC confronted its new task of evaluation, it spent a considerable amount of time on it; in fact, the main part of the session was devoted to it.

(a) Public information. This programme was selected for evaluation not only because it is an important and – in terms of resources – a large programme but also because it had proven very difficult for OPI to produce a satisfactory plan for its activities during last year's review. Although there was some progress this year in its programme budget presentation, the evaluation report showed that OPI still had far to go in defining its role and modalities of work and in formulating its programme on the basis of its admittedly rather vague mandate. In particular, OPI had great difficulties in identifying its target groups, in defining achievement indicators and in tailoring its activities accordingly. The Committee found the institutional framework for expert advice, programme review, priority setting and over-all policy guidance and budgetary supervision of the public information programme to be, by and large, satisfactory. It did not find there was any need for new machinery, although the existing machinery could be strengthened by the recommendations in paragraphs 9, 10 and 11 of the CPC report. In conclusion, CPC found that the well below average growth rate adopted by the General Assembly last year should be maintained.

(b) Environment. Although the evaluation report on environment was selective rather than comprehensive, it was of considerably higher quality than any of the others and enabled the Committee to analyse the achievements of the programme against its objectives in a far more systematic manner than had hitherto been the case. This resulted in the recommendations in paragraphs 15 to 19. With respect to the resource implications of the analysis, it felt that the United Nations Development Programme, on the basis of its performance, should be given a higher growth rate than that adopted on the basis of its medium-term plan proposals and that this growth should be held close to but not exceeding the average. The implementation of this recommendation should be seen in the light of the resolution of the question concerning the balance between regular and extrabudgetary resources.

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(c) Transport. The in-depth review and evaluation of the transport programme revolved around two interrelated issues, namely (a) evaluation of the Headquarters programme, and (b) the system-wide implications of the division of labour among the various organs and agencies in the transport field. Important recommendations were made by CPC concerning both aspects; but I shall concentrate on the United Nations programme which is of most immediate interest to the Fifth Committee.

The Director of the Centre for Natural Resources, Energy and Transport had already, at the sixteenth session in 1976, drawn the attention of CPC to problems in this field; in particular, he felt that the mandate for the programme was outdated. After scrutiny of the programme and evaluation of its performance, the Committee found that the concept of locating responsibility for land transport activities located at Headquarters was outdated. It also found that the way in which these functions had been performed, judged by the output of the programme, left much to be desired. In view of the importance of developing ECDC - and the crucial role of the transport and communications sector as an infrastructural prerequisite in this context - the Committee felt that basic changes in the organizational and programmatic structure of United Nations land transport activities were indispensable. Considering the nature of land transport and the unsatisfactory way in which Headquarters had performed its role, the Committee found a convincing case for discontinuing the Headquarters responsibility for land transport activities and transferring it - along with operational projects - to the regional commissions. The Committee felt that an early implementation of this recommendation would be an important contribution, not only in practically and specifically promoting the concept of ECDC but also in taking a step towards decentralizing the regional commissions operational tasks in a field uniquely well suited to decentralized management. Much has been talked about decentralization, but very little has been done in the past. In order to make this step towards strengthening regional capabilities in the transport field effective, CPC recommends, in paragraph 144 (c) of the report, that all cuts adopted in order to bring the programme budget proposals into line with the relative growth rates decided by the General Assembly, should be reallocated to the transport programmes of the regional commissions.

As I mentioned earlier, CPC spent a considerable amount of time and effort at this, its first, attempt to discharge its new function of programme evaluation. Since the quality of most evaluation studies still left much to be desired, the Committee gave some attention to elaborating recommendations for improving the evaluation methodologies applied. These recommendations are to be found in paragraph 6. These changes should help improve the general quality of future evaluation studies.

VI. Consideration of programmes for future in-depth study and evaluation

With regard to more specific recommendations concerning the programmes to be evaluated next year, one conclusion which could be drawn from this year's exercise was that evaluation studies should not try to cover a programme in its totality, since the analytical effort was too thinly spread to deal with the real problem areas with sufficient thoroughness. The Committee, therefore, has endeavoured, in

its review of the programmes selected for evaluation next year, to identify problems on which the evaluation on studies should focus. These recommendations are contained in paragraph 7 and deal with the public administration, ocean economics and technology, and social development and humanitarian affairs programmes.

The review of the remainder of the programme budget, owing to limitations of time, as well as considerations of maintaining a proper division of work in relation to ACABQ, concentrated on what might be termed "strategic" programme aspects of the programme budget, particularly the relationships of programmes and subprogrammes proposed in the budget to those approved in the medium-term plan. CPC tried to see (a) whether the budget proposals tried to do more than was authorized by the medium-term plan for 1978-1981 or (b) do less than the plan, that is, less than the basis on which the programme was given a certain priority.

VII. Evolving the planning, programming and budgeting system of the United Nations

Finally, since we are now at the conclusion of the first two-year plan and budget, I should like to touch upon a few issues concerning the evolution of the United Nations planning, programming and budgeting system, namely (a) problems relating to the programming cycle, and (b) relations between ACABQ and CPC.

CPC encountered at its seventeenth session, as it had at its sixteenth session, difficulties in dealing with decisions emanating from programme-formulating organs which had met after the plan had been finalized or programme budget proposals which had neither been included in the medium-term plan nor authorized by a legislative body. The problems reflect a certain unavoidable tension between the requirements of orderly programme planning procedures and the adaptability of the organization to respond to new programme initiatives. Resolution 31/93 provides the framework for the procedures and prescribes a standard programming sequence:

  (i)   On the basis of legislation a plan subprogramme is formulated;

  (ii) This is approved by the Economic and Social Council and the General Assembly on the basis of CPC recommendations;

  (iii) The medium-term plan strategy is translated into programme budget proposals;

  (iv) The programme aspects of budget are approved by the Economic and Social Council and the General Assembly on the basis of the advice of CPC.

The only exception envisaged in resolution 31/93 is when a "pressing need of an unforeseeable nature arises as determined by the General Assembly". Without the discipline induced by such a planning process, the United Nations work programme would be a multitude of scattered activities without the degree of coherence sufficient to achieve any impact.

On the other hand, the planning process does result in a certain degree of rigidity, and it might result in delays of up to two years from the passage of a resolution until it is translated into programme activities. As the Committee notes in paragraph 238, this obviously creates a dilemma. Either the standard sequence is to be followed, causing excessively long delays, or it will be undermined. Consequently, a solution must be sought that would preserve the consistency of the programming process as established by the General Assembly and, at the same time, would introduce into that process at least the degree of flexibility necessary for the organization to adapt to a rapidly changing environment without impairing the quality of planning and programming. It would, therefore, be necessary, in order to be practical, to organize such additional proposals into two types of flows. One flow of proposals would be directed along the standard programming procedures and follow the normal programming sequence, as described in paragraph 233. The other flow of proposals would be dealt with under the category of exceptions, as referred to in paragraph 234. It was assumed that only those proposals would fall into that category for which the primary programme-formulating body considered that there was "a pressing need of an unforeseeable nature", and that characterization was supported by the governing body.

Various options can be envisaged to deal with second flow:

(a) Improved synchronization of planning and programming procedures;

(b) The Economic and Social Council could turn itself into a programming body which formulates the necessary detailed programme proposals for the General Assembly;

(c) CPC could be left unregulated; this would mean in effect giving up planning.

At the thirty-first session, the relations between CPC and ACABQ and, particularly, the division of labour between them in reviewing the programme budget had been the subject of discussion. The apprehensions about the possibility of difficulties in delineating the grey area between the two Committees have not been borne out by experience. CPC has found ACABQ willing to co-operate. ACABQ has even made certain changes in its schedule of work in order to enable CPC to review certain programmes in advance of the ACABQ budgetary review. It is the hope of CPC that the spirit of co-operation could be further developed in the future, so that the two Committees could support each other more effectively in their service to their common parent body, the General Assembly, and, in particular, its Fifth Committee.