



General Assembly

Distr.
GENERAL

A/40/262
23 April 1985

ORIGINAL: ENGLISH

Fortieth session
Item 118 of the preliminary list*

PROGRAMME PLANNING

Experience gained in the provision of statements of programme budget
implications to the General Assembly at its thirty-ninth session

Report of the Secretary-General

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 6	2
II. POLICIES AND PROCEDURES	7 - 16	3
III. VOLUME, TIMING AND COST OF STATEMENTS OF PROGRAMME BUDGET IMPLICATIONS	17 - 28	6
IV. RECOMMENDATIONS	29 - 32	10
<u>Annex.</u> A. Suggested formats for future statements of programme budget implications for draft resolutions with programme and net financial implications (written)		13
B. Suggested formats for future statements of programme budget implications for draft resolutions with programme but no net financial implications (oral)		13

* A/40/50/Rev.1.

I. INTRODUCTION

1. At its thirty-eighth session, the General Assembly adopted resolutions 38/227 A and B of 20 December 1983, on programme planning and co-ordination within the United Nations system. In section II, paragraph 12, of resolution 28/227 A, the Assembly requested the Secretary-General to report to it at its fortieth session, through the Committee for Programme and Co-ordination at its twenty-fifth session, on the experience gained in implementing paragraph 7 of the same resolution, in order for the Assembly to review the situation. The present report is submitted in response to that request.
2. The policies for the preparation and review of statements of programme budget implications are set out in rule 153 of the rules and procedures of the General Assembly and in decision 34/401 on the rationalization of the procedures and organization of the General Assembly. Rule 153, which as decided by the Assembly in paragraph 10 of resolution 38/227 was to continue to govern the review of implications statements under the new procedures, refers to two issues:
 - (a) With respect to the consideration of a draft resolution by a Main Committee, it states that:

"No resolution involving expenditure shall be recommended by a committee for approval by the General Assembly unless it is accompanied by estimate of expenditures prepared by the Secretary-General."
 - (b) With respect to the role of the Fifth Committee it states that:

"No resolution in respect of which expenditures are anticipated by the Secretary-General shall be voted by the General Assembly until the Administrative and Budgetary Committee (Fifth Committee) has had an opportunity of stating the effect of the proposal upon the budget estimates of the United Nations."
3. Additional policies that are set forth in decision 34/401 concern the time needed to prepare adequate estimates of the expenditure associated with a resolution. Paragraph 12 of the decision states the general principle that "it is imperative that the Main Committees should allow sufficient time for the preparation of the estimate of expenditures by the Secretariat", while paragraph 13 (d) specifies that "a minimum period of 48 hours should be allowed between the submission and the voting of a proposal involving expenditure in order to allow the Secretary-General to prepare and present the related statement of administrative and financial implications".
4. The content of statements of administrative and financial implications and the procedures for generating them within the Secretariat had evolved over the years into a fairly stable system. It had not been considered necessary to codify formats and procedures in an administrative instruction, although practice had become reasonably standardized. The statements to the Main Committee consisted of a recapitulation of those operative paragraphs of the draft resolution requiring

action by the Secretariat, an indication of the activities that would be undertaken in order to implement them, and an estimate of the cost of these activities. The Fifth Committee received a text which in most cases was identical to that given to the Main Committee, except for some modifications in the initial paragraph to refer to the adoption of the draft resolution by the Main Committee and a cost estimate which normally differed from the estimate given to the Main Committee only where the full cost could be absorbed. No programmatic implications of such absorption were provided.

5. In resolution 32/197 of 20 December 1977 on the restructuring of the economic and social sectors of the United Nations system, the General Assembly, in paragraph 49 of the annex, spelled out the substance of future statements of programme budget implications. 1/

6. During the next few years the methodology and procedures of programme planning in the United Nations were subject to many changes in response to recommendations of the Committee for Programme and Co-ordination (CPC) and the Joint Inspection Unit (JIU); however, further changes in the treatment of supplementary budget proposals in statements of programme budget implications was held in abeyance pending a codification of practice in the budget itself. This was completed and at its thirty-seventh session the General Assembly adopted the Regulations Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation as the annex to resolution 37/234. Regulation 4.9, which deals with statements on programme budget implications read:

"No Council, Commission or other competent body shall take a decision involving either a change in the programme budget approved by the General Assembly or the possible requirement of expenditure unless it has received and taken account of a report from the Secretary-General on the programme budget implications of the proposal."

II. POLICIES AND PROCEDURES

7. Pursuant to General Assembly resolution 37/234 the Secretary-General submitted to CPC at its twenty-third session a report on methods and procedures which would be used to provide the Assembly with programme, together with administrative and financial implications of draft resolutions being considered by the Assembly, 2/ the draft rules in implementation of and in conformity with the regulations annexed to resolution 37/234 (A/38/126) and a report on the question of the integration of the programme planning, budgeting, monitoring and evaluation functions in the Secretariat of the United Nations. 3/

8. After a thorough discussion, 4/ CPC took note of the report of the Secretary-General on the methods and procedures for the provision of programme implications. It also recommended a number of amendments to the draft rules submitted by the Secretary-General. Concerning draft rule 104.9 on the implementation of regulation 4.9 cited in paragraph 6 above, the Committee recommended that the programme budget statement referred to under regulation 4.9 should be an integrated report merging programme, and financial and administrative

implications of draft resolutions. Subsequently, the Economic and Social Council in its resolution 1983/49 emphasized the importance of the above recommendation of CPC.

9. The report of the Secretary-General on the methods and procedures for the provision of statements of programme budget implications which had been submitted to CPC at its twenty-third session, was introduced to the Fifth Committee at the thirty-eighth session of the General Assembly. It was recalled that there had been a thorough exchange of opinions on the subject of the provision of statements of programme implications to the Assembly. ^{5/} Following a detailed discussion and long consultations in the Fifth Committee, ^{6/} the Assembly adopted resolution 38/227 on programme planning and co-ordination within the United Nations system; paragraphs 7 to 12 of section II of the resolution deal with statements of programme budget implications.

10. With respect to the policies and procedures of the General Assembly and other intergovernmental bodies, the Assembly, in resolution 38/227, paragraphs 10 and 11, decided that:

(a) "the review of integrated programme, financial and administrative implications statements shall be subject to the same procedures as specified in rule 153 of the rules of procedure of the General Assembly for the review of administrative and financial implications statements by the Assembly;

(b) "the new methods and procedures for the provision of programme, financial and administrative implications statements should apply initially only to draft resolutions and decisions submitted to the General Assembly during its sessions."

11. In the context of its review of the report of the Secretary-General on the operation of the new system for setting priorities (A/C.5/39/1 and Corr.1), CPC, at its twenty-fourth session, raised questions on, inter alia, the compatibility of rule 104.9 and the provisions of resolution 38/227. In this report, the Secretary-General, after citing the relevant portions of resolution 38/227 and rule 104.9 concluded that "... for the time being no changes are suggested ... in the programme planning regulations annexed to resolution 37/234 or the rules of the Secretary-General set out in document A/38/126". On the basis of the statement to the Committee by the representative of the Secretary-General that "while there was no apparent contradiction ... the rule would be modified if on further examination it proved to be at variance with the resolution", ^{7/} CPC did not recommend any modification to rule 104.9.

12. In June 1984, after the twenty-fourth session of CPC, the Secretariat reviewed the draft rules for the implementation of the programme planning regulations annexed to resolution 37/234. No modification appeared needed. Subsequently, the rules were issued, together with the regulations, as a Secretary-General bulletin (ST/SGB/204), and the Programme Planning and Budgeting Board issued detailed instructions to heads of departments and offices on the preparation of the statements of programme budget implications. It also reviewed two model statements drafted in conformity with the instructions, which were subsequently refined at the working level and sent to programme managers for their guidance.

13. In the first weeks of the thirty-ninth session of the General Assembly many statements were made by Member States, primarily in the Second and Fifth Committees, on their understanding of the provisions of resolution 38/227. These statements indicated certain differences among Member States, in particular on the information that the Secretariat was expected to provide to the substantive Committees. Following these interventions the Fifth Committee was informed orally by the Secretariat on 26 October 1984 about the guidelines that the Secretariat would follow in providing statements of programme budget implications to the thirty-ninth session. 8/ The statements to the substantive Main Committee would indicate:

- (a) The new activities contained in the draft resolution and their relationship to the approved programme of work;
- (b) The way in which they would be implemented;
- (c) The consequent modifications that would be required in the approved programme of work for the current biennium;
- (d) The additional requirements, if any, at full cost.

Should the proposal be recommended by a substantive Main Committee for adoption by the General Assembly, the statement to the Fifth Committee would, in addition to the above elements, also contain an indication of:

- (a) Whether the fully costed additional requirements could be absorbed in whole or in part within the approved programme budget for the current biennium;
- (b) If so, the means by which that could be achieved, i.e., by the delay of some stages of the implementation of an existing activity, by the curtailment of some of its aspects, or by its termination, provided that such activity had no direct legislative mandate or was not deemed necessary to the implementation of another mandated activity;
- (c) The net cost of the additional requirements for which new appropriations would be requested from the General Assembly; the net cost would be determined after the possibilities of absorption had been considered.

In conclusion, the experimental nature of the new methods and procedures was stressed.

14. Many delegations expressed disagreement with the interpretation of resolution 38/227 implied by these guidelines. In general, however, they reserved their positions pending an examination of the actual statements of programme budget implications that the Secretariat would present to the General Assembly.

15. As a consequence of reactions to these statements of programme budget implications and other more general interventions by delegations, further oral statements were made to the Second and Fifth Committees by the Secretariat. A special informal meeting on programme implications statements was held on the

afternoon and evening of 20 November 1984 at the initiative of the Secretariat and attended by members of both the Second and Fifth Committees. A major issue that concerned Member States was the nature of financial information to be given to the substantive Committee. An eventual understanding developed that in principle the substantive Committee was to be given the same information as that to be provided to the Fifth Committee except where the final estimates of the Secretary-General were affected by actions on the draft resolution by the substantive Committee.

16. By the end of the thirty-ninth session, the extensive debate and experimentation had resulted in a largely consistent treatment of the main features of the new statements of programme budget implications, namely, the format of the implications statements; the manner in which they refer to relevant portions of the approved programme of work and the modifications required in it by the draft resolution; and the manner in which the net cost information and the associated changes in the programme of work required by full or partial absorption of costs would be given to the substantive Committee, both when the draft resolution contained a requirement of implementation within existing resources and when such requirement was absent.

III. VOLUME, TIMING AND COST OF STATEMENTS OF PROGRAMME BUDGET IMPLICATIONS

17. In order to assess the experience gained at the thirty-ninth session of the General Assembly by the introduction of the changes outlined above, it is necessary to have some comparative perspective on that session. Consequently, statistics relating to the last three years are also given below in order to be able to separate, to the extent possible, continuing trends from those emerging from the new procedures.

18. The number of resolutions and decisions of the last three sessions of the General Assembly that requested action by the Secretariat is shown in table 1 below.

Table 1. General Assembly resolutions and decisions with programme budget implications for the programme of work of the Secretariat

Session of the General Assembly	Total number of resolutions and decisions <u>a/</u>	Number with operative paragraphs requesting action by the Secretariat	Column 2 as a percentage of column 1
Thirty-seventh	308	188	61
Thirty-eighth	295	181	61
Thirty-ninth	303	195	64

a/ Excluding decision on elections and appointments.

19. It is clear from table 1 that both the absolute number and percentage of resolutions requiring action by the Secretariat, and therefore having programme budget implications for the approved programme of work, has not increased substantially over the last three years. Similarly, as can be seen in table 2, the volume of written statements of programme budget implications has not increased. The distribution of statements of administrative and financial implications for the thirty-seventh and thirty-eighth sessions and of programme budget implications for the thirty-ninth session, by the Committee of the General Assembly in which the draft resolution originated, is shown in table 2 below.

Table 2. Implications statements by Committee of the General Assembly in which draft resolution originated

Committee in which draft resolution originated	Session of the General Assembly		
	Thirty-seventh	Thirty-eighth	Thirty-ninth
Without reference to a Main Committee <u>a/</u>	10	10	9
First Committee	7	9	9
Special Political Committee	7	6	5
Second Committee	10	12	12
Third Committee	9	5	10
Fourth Committee	1	-	-
Fifth Committee	-	-	-
Sixth Committee	5	4	3
Total	<u>49</u>	<u>46</u>	<u>48</u>

a/ Implications statements are given to the Plenary as Fifth Committee documents.

20. A comparison of table 1 and the totals for each session in table 2 shows that many of the draft resolutions requesting action by the Secretariat did not require statements of administrative and financial or programme budget implications. Many draft resolutions and decisions request action that have already been anticipated in the approved programme of work or that involved minimal additional effort over and above that anticipated in that programme of work and so could be absorbed without the need for additional appropriations. In these cases oral statements of implications only were made to the Assembly in plenary.

21. The procedures relating to statements of administrative and financial implications can be examined in terms of three stages, commencing with the following events:

(a) The first introduction of a draft resolution in a Main Committee;

(b) The submission of a statement of implications to the Main Committee prior to the vote on the draft resolution to which it pertains;

(c) The submission of a statement of implications to the Fifth Committee for its consideration and decision.

In cases where the resolution is adopted without reference to a Main Committee, the procedure followed is slightly different.

22. In recent sessions there has been a time-lag of about one week between the first and second stage of the above-mentioned process, and of another week between the second and third stage. As can be seen from table 3 below, the majority of draft resolutions are first introduced in the Main Committees of the General Assembly during the second half of the session. The process introduced in the thirty-ninth session does not appear to have altered significantly the timing of the first introduction of a draft resolution in a Main Committee.

Table 3. Number of resolutions introduced which required implications statements, by date of introduction into Main Committee

Week of session	<u>Session of the General Assembly</u>		
	Thirty-seventh	Thirty-eighth	Thirty-ninth
1	2	2	1
2	1	1	-
3	-	-	1
4	-	-	-
5	1	-	4
6	4	-	-
7	4	2	7
8	5	8	9
9	9	7	1
10	11	11	7
11	6	9	8
12	3	5	9
13	3	1	1
14	-	-	-
Total	<u>49</u>	<u>46</u>	<u>48</u>
<u>Week in which median occurs</u>	<u>9</u>	<u>10</u>	<u>10</u>

23. The timing of the issuance of written statements of programme budget implications to the Main Committees and, after adoption of a draft resolution by those Committees, to the Fifth Committee is shown in table 4. It would appear from these tables that the new procedures caused some delay, perhaps as much as one week, in the issuance of statements of implications to the thirty-ninth session in comparison with the previous two sessions.

Table 4. Timing of implications statements

Week of session	(a) <u>Number of implications statements issued to Main Committee, or plenary acting as Main Committee, by date of issue</u>			(b) <u>Number of implications statements issued to the Fifth Committee, by date of issue</u>		
	<u>Session of the General Assembly</u>			<u>Session of the General Assembly</u>		
	Thirty- seventh	Thirty- eighth	Thirty- ninth	Thirty- seventh	Thirty- eighth	Thirty- ninth
1	-	-	-	-	-	-
2	1	-	-	-	-	-
3	-	-	-	-	-	-
4	2	-	-	-	-	-
5	1	2	1	1	2	-
6	1	-	2	1	-	2
7	3	3	3	3	1	1
8	5	3	5	2	-	2
9	5	4	6	6	4	5
10	12	13	4	3	-	1
11	15	13	12	16	20	12
12	2	7	14	12	17	15
13	2	1	1	5	2	10
14	-	-	-	-	-	-
Total	<u>49</u>	<u>46</u>	<u>48</u>	<u>49</u>	<u>46</u>	<u>48</u>
<u>Week in which median occurs</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>

24. The following factors seem to have contributed to the delays observed:

(a) The need for a greater degree of involvement than heretofore of substantive staff in the formulation of the statements of programme budget implications, particularly in those cases where no sufficient information was available on the status of planned outputs implementation or where there was a need to determine, in rather precise details, the activities by which the proposed requests would be implemented. This was particularly noticeable during the last few weeks of the General Assembly;

/...

(b) The constraints imposed by technical and logistical problems in obtaining the necessary inputs from programme managers stationed away from Headquarters, such as limitations in communications equipment or conflicting working schedules.

25. Factors that currently hamper the smooth and timely production of the statements and which will continue to be significant in the next few years are:

(a) The unavailability of a fully operational monitoring system concerning the status of implementation of outputs in the approved programme of work, regardless of sources of funds;

(b) The logistical problems arising in cases where the department involved is in a location outside New York for which facsimile transmission is not available and for which, because of its location, detailed discussions with the appropriate programme managers cannot normally be held during working hours. Such discussions are needed even where the status of output implementation is known if new activities are to be fitted into the existing work programme in a rational manner.

26. Certain measures have been taken by the Secretariat to accelerate the development and establishment of a monitoring system (see ST/SGB/196/Rev.1); provisions to support this monitoring system with enhanced electronic data-processing support have been made for 1986/1987 under the proposed programme budget for the Department of International Economic and Social Affairs. Both these measures and provisions reflect the best judgement of the Secretariat at this stage concerning the level of effort that will be required in this connection.

27. In the same vein, the Secretary-General has proposed to interconnect the main offices and certain subsidiary offices of the Organization with reliable multi-purpose communications circuits available 24 hours each day and dedicated exclusively to United Nations use. ^{9/} The proposed communications network should further enhance the ability of the Secretariat staff to obtain necessary information without delay.

28. As a result of the previously established policies and procedures and the process developed during the thirty-ninth session described above, the time and effort which must be spent by both delegations and Secretariat staff on providing the General Assembly with statements of programme budget implications have increased considerably. By comparison, the increase in other costs associated with the preparation of the statements appears to be insignificant. ^{10/}

IV. RECOMMENDATIONS

29. The General Assembly should continue to receive at its fortieth session statements of programme budget implications for draft resolutions containing, inter alia, references to the relevant programme elements of the approved programme of work and existing mandates, the citation of the new final output to be produced as a consequence of the adoption of a draft resolution and any other adjustment in the approved programme of work that may be needed to implement the draft resolution, a full cost estimate of the resource requirements for doing so, a

statement of the potential for redeployment or absorption (and its programmatic consequences) where this exists, and an estimate of the net cost of implementing the draft resolution. All such information should be given to the Main Committee and - adjusted as necessary following the decision of the Main Committee - to the Fifth Committee. The formats used should be that shown in annex A to the present report.

30. It would appear that, at this stage, no changes are needed in the relevant rules of procedure of the General Assembly or in the programme planning rules and regulations, with the exception of paragraph 13 (d) of decision 34/401 on the rationalization of the procedures and organization of the General Assembly, which should be modified to read as follows:

"A minimum period of seventy-two hours should be allowed between submission and the voting of a proposal involving expenditure in order to allow the Secretary-General to prepare and present the relevant statement of programme budget implications."

31. Where the draft resolution contains a request to the Secretary-General that adds to or modifies the programme of work but for which no additional appropriation is required, delegates may wish to accept a brief oral statement of the changes in the programme following the format shown in annex B. This statement would be reflected in the summary records of the General Assembly for the information of delegations and for programme monitoring purposes. Where new activities are to be absorbed within the existing appropriation, the statement of programme budget implications would contain the assertion that "such additional work can be undertaken without effect on the delivery of outputs in the approved programme", as in the annex.

32. Should draft resolutions request the Secretary-General to undertake additional work within existing resources the Secretary-General will indicate clearly in a written statement of programme budget implications if he considers that such a request cannot be practically fulfilled.

Notes

1/ "Intergovernmental bodies should enforce existing rules concerning the submission of programme budget implications of proposals submitted to them. To the extent possible, a statement of programme budget implications should be available in writing during the consideration of proposals and normally not later than twenty-four hours before the approval of the proposals concerned. Such statements shall indicate, as appropriate, related programmes already included in the relevant medium-term plan, the percentage increase in the expenditures of the Secretariat units concerned and the resources which could be released from any programme elements which have become obsolete, of marginal usefulness or ineffective. If in the course of a session two or more statements of programme budget implications have been submitted, the Secretary-General shall submit, at the conclusion of the session, a summary of such statements containing aggregate figures."

Notes (continued)

2/ E/AC.51/1983/11.

3/ Official Records of the General Assembly, Thirty-eighth Session, Supplement No. 38 (A/38/38 (Part II)), para. 406.

4/ Ibid. (A/38/38 (Part I)), paras. 198-203.

5/ A/C.5/38/SR.7, para. 65.

6/ A/C.5/38/SR.12, paras. 61 and 80; A/C.5/38/SR.13, para. 27; A/C.5/38/SR.14, para. 33; A/C.5/38/SR.15, paras. 34 and 42; A/C.5/38/SR.16, para. 16; A/C.5/38/SR.17, paras. 43 and 80; A/C.5/38/SR.18, para. 8.

7/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 38 (A/39/38), paras. 92-101 and 327.

8/ A/C.5/39/SR.17.

9/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 7 (A/39/7/Add.1-16), document A/39/7/Add.12.

10/ The cost elements of statements of implications to the United Nations consist of:

(a) The value of related work by Professional and General Service staff in the permanent establishment of the substantive offices involved and in the Office of Financial Services and the Office for Programme Planning and Co-ordination (PPCO);

(b) Overtime and temporary assistance directly attributable to the production of the statements in the Office of Financial Services, PPCO, the Department of Conference Services and other offices;

(c) Costs of translation and reproduction.

ANNEX

A. Suggested formats for future statements of programme budget implications for draft resolutions with programme and net financial implications (written)

The following subheadings would be used for written statements of implications to both the originating Main Committee and the Fifth Committee:

PROGRAMME BUDGET FOR THE BIENNIUM _____

Programme budget implications of the draft resolution contained in document _____

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

- A. Requests contained in the draft resolution.
- B. Relationship of proposed requests to the approved programme of work or other current legislative mandates.
- C. Activities by which the proposed requests would be implemented.
- D. Modifications required in the approved programme of work.
- E. Additional requirements at full cost.
- F. Potential for absorption.
- G. Net resource requirements.

B. Suggested formats for future statements of programme budget implications for draft resolutions with programme but no net financial implications (oral)

The following statement would be made in the meeting of the Main Committee considering the draft resolution, and recorded in its summary records:

Operative paragraphs _____ of the draft resolution contained in document _____ request the Secretary-General to ... Should the draft resolution be adopted the Secretary-General would assign responsibility for the implementation of these requests to [Department or Office] which would implement them within its current appropriation. Such additional work can be undertaken without effect on the delivery of outputs in the approved programme of work.