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Improving the financial situation of the United Nations

Shifting the management paradigm in the United Nations: review of changes to the budgetary cycle

Report of the Secretary-General

Summary

The reforms proposed by the Secretary-General in his report entitled “Shifting the management paradigm in the United Nations: improving and streamlining the programme planning and budgeting process” ([A/72/492/Add.1](#)) represented the most significant change in the Organization’s planning and budgeting processes in decades. The Secretary-General outlined his vision and the expected benefits of the proposed reforms. By its resolution [72/266 A](#), the General Assembly approved the change from a biennial to an annual budget period on a trial basis, beginning with the programme budget for 2020, requested the Secretary-General to conduct a review of changes to the budgetary cycle in 2022, following the completion of the first full budgetary cycle, and decided to review at its seventy-seventh session, with a view to taking a final decision, the implementation of the annual budget. By its resolution [76/236](#), the Assembly requested the Secretary-General to engage with Member States and other relevant stakeholders, including programme managers and the Advisory Committee on Administrative and Budgetary Questions, when preparing the report on the review of the changes to the budgetary cycle, including on the sequence of budgetary procedures and practices.

Pursuant to General Assembly resolutions [72/266 A](#) and [76/236](#), the present report contains a review of the changes to the budgetary cycle. Section I provides a brief introduction to the report. Section II offers a description of the evolution of the planning and budgeting process in the United Nations. Section III contains an outline of the programme planning and budgeting process resulting from the adoption of resolution [72/266 A](#), by which the Assembly preserved an intergovernmental review process that was very similar to the review process of the biennial programme budget.



Section IV offers details of the intergovernmental review process of the annual programme budget. Section V provides a review of the changes to the budgetary cycle as requested by the General Assembly in its resolutions [72/266 A](#) and [76/236](#). It also highlights some of the achievements resulting from the budget reforms made to date, with supporting evidence, specifically:

(a) A more results-oriented culture through increased engagement by programme managers and continuous learning and improvement for more effective mandate implementation;

(b) More agile programme planning, including faster adjustment to new mandates, changed demands and conditions, and past performance;

(c) A presentation format of the annual programme budget that balances the need for more transparency and accountability demanded by Member States with a preparation process that is efficient and sustainable and that allows alignment with the operational realities of departments;

(d) Increased comprehensiveness for one holistic review by Member States with programme plans, performance and resource requirements integrated into one report and considered in one main session of the General Assembly.

Section VI sets out the conclusions and recommended action to be taken by the Assembly, including a recommendation to the Assembly to take note of the present report, which includes the review of the changes to the budgetary cycle and a recommendation to lift the trial period as from 2023.

I. Introduction

1. In his main report on shifting the management paradigm in the United Nations (A/72/492) and his related report (A/72/492/Add.1), the Secretary-General put forward his proposals to reduce the duration of the current planning and budgetary cycle and to consolidate the fragmented budget documentation into an integrated programme budget document, as well as to improve the format and presentation of the results framework and of the financial resources. The reform proposals also leveraged the implementation of the International Public Sector Accounting Standards and Umoja, the enterprise resource planning system, which improved the capability of the Secretariat to modernize, streamline and decentralize its processes, improve its reporting processes and enhance transparency in the use of resources.

2. By its resolution 72/266 A, the General Assembly approved the proposed change from a biennial to an annual budget period on a trial basis, beginning with the programme budget for 2020. The Assembly also decided that the proposed programme budget document should consist of three parts: (a) part I: the plan outline, which endorses the long-term priorities and the objectives of the Organization; (b) part II: the programme plan, for programmes and subprogrammes and programme performance information; and (c) part III: the post and non-post resource requirements for the programmes and subprogrammes. It further decided that parts I and II should be submitted through the Committee for Programme and Coordination and part III through the Advisory Committee on Administrative and Budgetary Questions for the consideration of the Assembly.

3. In addition, by the same resolution, the General Assembly requested the Secretary-General to conduct a review of the changes to the budgetary cycle in 2022 following the completion of the first full budgetary cycle. The Assembly also decided to review at its seventy-seventh session, with a view to taking a final decision, the implementation of the annual budget.

4. In addition, by its resolution 76/236 on programme planning, the General Assembly requested the Secretary-General to engage with Member States and other relevant stakeholders, including programme managers and the Advisory Committee on Administrative and Budgetary Questions, when preparing the report on the review of the changes to the budgetary cycle, including on the sequence of budgetary procedures and practices.

5. Accordingly, the present report provides a review of the changes to the budgetary cycle, including information on the experience of the Secretariat in the formulation, intergovernmental review and implementation of the annual programme budget for the years 2020 to 2022.

II. Evolution of the United Nations budgetary process

6. The planning and budgeting process of the United Nations has evolved over the past 76 years. The most noteworthy changes to this process are outlined below.

7. Prior to 1974, the budgets of the United Nations Secretariat were prepared annually on the basis of objects of expenditure. In 1974 and on the basis of the decision of the General Assembly in 1972, by its resolutions 3043 (XXVII) and 3199 (XXVIII), the Secretariat prepared, for the first time, a programme budget containing a single planning document, the four-year medium-term plan, with a biennial budget document, changing from an annual to a biennial budget period.

8. During the first two cycles, the medium-term plan and the budget were prepared and considered concurrently. The first medium-term plan covered the period 1974–

1977 and was considered with the budget for the period 1974–1975. The next plan covered the period 1976–1979 and was considered in parallel with the budget for the period 1976–1977.

9. By its resolution [3392 \(XXX\)](#), the General Assembly decided to consider the medium-term plan and the proposed biennial programme budget in alternate years, beginning in 1976 with a medium-term plan for the period 1978–1981, with the budget for 1978–1979 being prepared and considered in 1977.

10. Subsequently, in 1986, the General Assembly introduced additional features, including the establishment of a budget outline and a contingency fund (see its resolution [41/213](#)). The following year, in its resolution [42/211](#), the Assembly addressed the implementation of resolution [41/213](#). The budget outline contained, among others, an indication of a preliminary estimate of resources to accommodate the proposed programme of activities for the following biennium. The contingency fund, expressed as a percentage of the overall budget outline level, accommodated additional expenditure relating to the biennium derived from legislative mandates not provided for in the programme budget or from revised estimates arising from the impact of extraordinary expenses, subject to certain provisions.

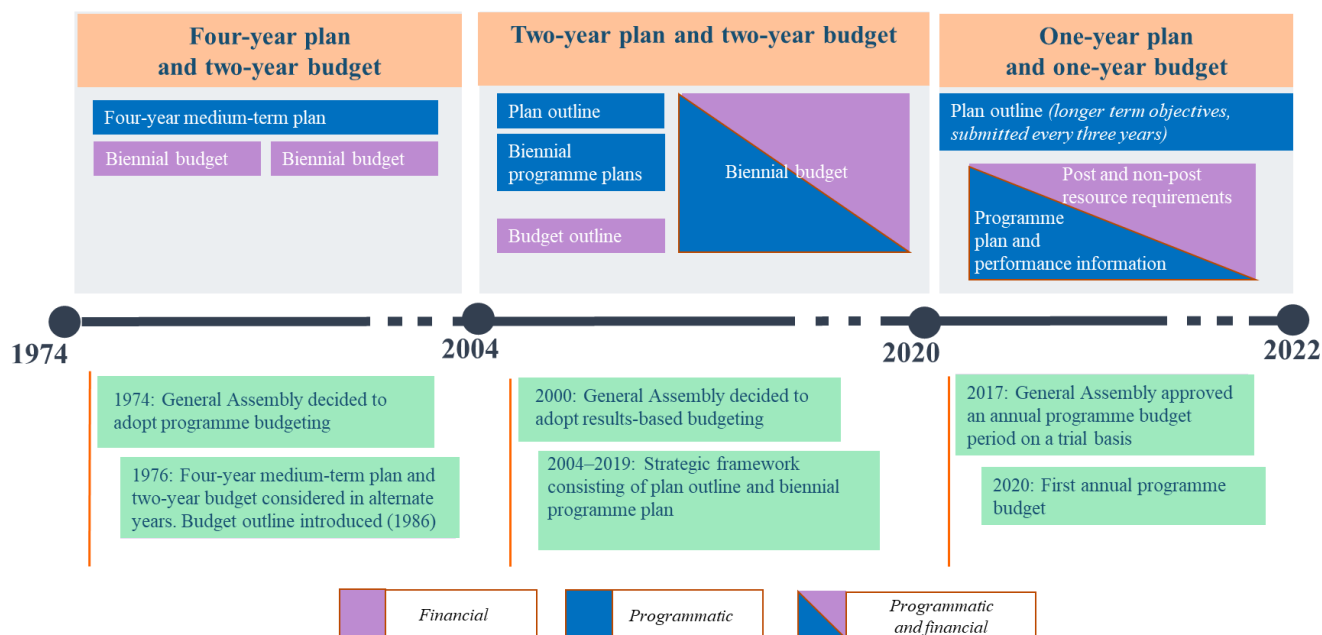
11. In 2000, the General Assembly, by its resolution [55/231](#), approved a new methodology for budget preparation, namely, results-based-budgeting. The first such frameworks were prepared as part of the medium-term plan commencing in the period 2002–2005. The frameworks were intended to enhance the link between the outputs and the related outcomes.

12. In 2004, the four-year medium-term framework was replaced, on a trial basis, with a biennial strategic framework, comprising a plan outline reflecting the longer-term objectives of the Organization (part one) and a biennial programme plan (part two) (see General Assembly resolution [58/269](#)).

13. In 2017, the General Assembly approved the change from a biennial to an annual budget period, beginning with the programme budget for 2020. Under the arrangements approved in resolution [72/266 A](#), the proposed programme budget contains three parts: the plan outline; the programme plan and programme performance information; and the post and non-post resource requirements. With the adoption of resolution [72/266 A](#), the programme budget was annualized and the budget outline was eliminated, given the shorter planning and budgetary cycle.

14. Figure I contains a summary of the evolution of the programme planning and budgetary documentation since the introduction and preparation of planning documents.

Figure I
Evolution of the programme planning and budgetary documentation



III. Programme planning and budgeting process on an annual basis (2020–2022)

15. Pursuant to resolution [72/266 A](#), the first year of the annual programme planning and budgeting process began with the preparation of the plan outline (part I), which contains the long-term priorities and the objectives of the Organization, submitted every three years, and the programme plan (part II). The programme plans (part II) translate legislative mandates into workplans for the various programmes and their subprogrammes and include information on programme performance and evaluation results. Plans are derived from the policy orientations and goals set by the intergovernmental organs and reflect resolutions and decisions of the various intergovernmental bodies, including the General Assembly, the Economic and Social Council, the Security Council and the Human Rights Council. Together, the plan outline (part I) and the programme plan for programmes and subprogrammes and programme performance information (part II) are the principal policy directives of the United Nations, which serve as the basis for programme planning, budgeting, monitoring and evaluation.

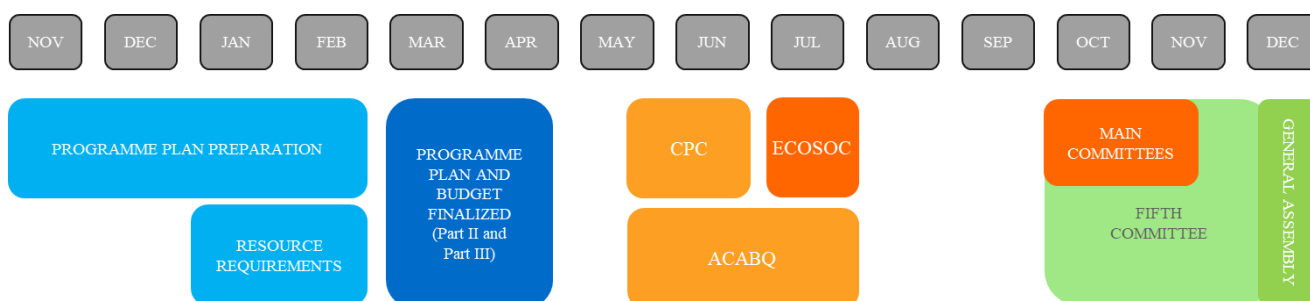
16. Programme managers first prepare programme plans before they prepare the resource requirements needed to implement those plans. The preparation of the programme plans commences some 14 months before the start of the budget implementation period, compared with more than two years prior to the first year and three years prior to the second year of a biennial budget cycle, based on preliminary guidance and workshops to support entities. The preparation of the resource requirements (part III) starts a few months later, usually in the first quarter of each calendar year.

17. It is stipulated in regulation 5.7 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation that the Secretary-General shall

provide the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions with advance copies of the proposed programme budget. However, for the Committee for Programme and Coordination, documentation must be issued in all six official languages of the United Nations in advance of its June session. This necessitates the phased finalization of the annual proposed programme budget documentation between mid-March and the end of April, to enable the timely issuance of documentation in all six official languages prior to the June session of the Committee (rule 104.2 (d) of the Regulations and Rules).

18. The sessions of the Committee for Programme and Coordination are scheduled in June to review part I (plan outline) every three years and part II (programme plan and programme performance) every year. Upon conclusion of its session, the report of the Committee, which is published in mid-July, is considered by the Economic and Social Council at its management session, held usually in late July. In most cases, prior to the finalization of the proposed programme budget, the programme plans are reviewed by the relevant sectoral, functional and regional bodies. The Advisory Committee on Administrative and Budgetary Questions commences its review of part III (post and non-post resource requirements for the programmes and subprogrammes) in late May and finalizes its report, including its observations and recommendations, in mid-August. The General Assembly, through its Fifth Committee, considers the proposed programme budget document between October and December, together with the reports of the Committee and the Advisory Committee.

Figure II
Annual programme budget process



19. In accordance with paragraph 13 of resolution [72/266 A](#), all aspects of this process continue to be governed by the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, unless superseded by elements of resolutions [72/266 A](#), [74/251](#), [74/262](#), [75/243](#), [75/252](#), [76/236](#) and [76/245](#). In response to the General Assembly's request in paragraph 9 of its resolution [74/251](#), the Secretary-General identified, in the introduction to the proposed programme budget for 2021 ([A/75/6 \(Introduction\)](#)), the regulations and rules in the Regulations and Rules Governing Programme Planning and in the Financial Regulations and Rules that are no longer applied during the annual cycle, in the light of the adoption of resolutions [72/266 A](#) and [74/251](#).

20. In addition to the regular process of engaging Member States and programme managers on the implementation of General Assembly guidance on the presentation format, the Secretariat engaged and consulted with all stakeholders to collect feedback, to inform the recommendations of the Secretary-General to the Assembly contained in section VI below. The Secretariat held informal briefings for the

Advisory Committee on Administrative and Budgetary Questions on 28 April 2022 and the Committee for Programme and Coordination on 31 May 2022. The present report takes into account feedback received to date, as reflected in section IV and V below.

IV. Intergovernmental review process of the annual programme budget

A. Committee for Programme and Coordination

21. For the 2020 cycle, and compared with the preceding biennial programme plans, fewer programmes recommended by the Committee for Programme and Coordination for approval by the General Assembly were subject to a number of amendments, which constituted a shared concern and challenge of the intergovernmental review process, which also affected the workload of the Assembly. During the biennial budget cycle, the number of programmes recommended by the Committee for approval by the Assembly was, on average, 94 per cent, equivalent to more than 26 of 28 programmes on average for all eight bienniums. However, when the change to a strategic framework (plan outline and biennial programme plans) was introduced, there were also fewer programmes recommended for approval. For the biennium 2006–2007, there were four programmes without recommendations and conclusions. This was followed by a period of more stability in which, on average, one programme was not recommended for approval by the Assembly in each biennium. The initial period of the annual programme budget process has shown a similar trend, with the number of programmes without conclusions and recommendations reducing over time. For the first annual programme budget, for the year 2020, the Committee did not provide conclusions and recommendations for any of the 28 programmes under consideration. For the annual programme budgets for 2021 and 2022, the Committee provided conclusions and recommendations for 20 and 18 of 28 programmes, respectively. During the sixty-second session of the Committee, the Committee provided conclusions and recommendations for 23 of the 28 programmes for the 2023 annual programme budget, the highest number of programmes with conclusions and recommendations since the first annual programme budget.

22. There has also been a notable increase in the number of conclusions and recommendations provided by the Committee for Programme and Coordination in the annual cycle compared with the biennial cycle. For example, for the proposed strategic framework for the biennium 2018–2019, during the fifty-sixth session of the Committee, there was an average of less than one conclusion or recommendation for each programme recommended for approval by the General Assembly. At the Committee's sixty-second session, the average number of conclusions and recommendations of the Committee had grown to an average of more than six for each programme recommended for approval by the Assembly. The increase in conclusions and recommendations is a positive indication of the strengthened role of the Committee in reviewing the programme plans and ensuring the accurate translation of legislative mandates, in particular new mandates, into programme plans.

23. The General Assembly also decided on steps to facilitate the intergovernmental consideration of the annual programme budget. In particular, in its resolution [76/236](#), the Assembly decided that the sixty-second session of the Committee for Programme and Coordination should be extended to five weeks and reiterated that, whenever the Committee for Programme and Coordination could not provide conclusions and recommendations on a given subprogramme or programme of the proposed programme budget, the plenary or the relevant Main Committee or Main Committees

of the Assembly responsible for those mandates would consider said subprogramme or programme at the very start of its session in order to provide any conclusions and recommendations to the Fifth Committee, at the earliest opportunity, and no later than four weeks after the start of the session, for timely consideration by the Fifth Committee.

24. The General Assembly, in its resolution [76/236](#), noted the increased size and volume of documentation that formed the proposed programme budget and noted with appreciation that the Secretary-General continued his efforts to enhance the quality, clarity and usability of the proposed programme budget in consultation with Member States, while maintaining the level of information provided to Member States. In preparing the 2023 programme plans and building on early engagement sessions with Member States, the Secretary-General introduced improvements in the presentation format, in line with Assembly guidance, to increase consistency and continuity of text from previous plans, further improve the structure and consistency of strategies, and avoid duplication and overlap of text. While the sixty-second session of the Committee for Programme and Coordination started a week earlier, the improvements allowed the Secretariat to issue the proposed programme budget for 2023 almost 5 days earlier than in the preceding year, with the programmes contained in the proposed programme budget for 2023 being available almost 25 days before the start of the Committee session, on average.

25. It therefore appears that the General Assembly's decision to extend the sixty-second session of the Committee for Programme and Coordination to five weeks, the measures taken by the Secretariat, including the issuance of more timely and more accessible reports in all languages, and the return to an in-person meeting format all contributed to facilitating the review by the Committee in accordance with its mandate.

26. The annual programme budget cycle has also provided for more frequent opportunities for Member States, through the Committee for Programme and Coordination, to provide guidance to the Secretariat on the translation of mandates into programmes, in accordance with its terms of reference. In the annual cycle, the Committee reviews on an annual basis both the programme plan and programme performance information of programmes and subprogrammes in the proposed programme budget. The more frequent consideration of the programme plans and performance information by the Committee has had a positive impact on its effectiveness, by ensuring, on an annual basis, that programme plans and performance accurately capture the legislative intent of mandates, as reflected in an example presented in the box below. The conclusions and recommendations of the sixty-first session of the Committee on the proposed programme budget for 2022 endorsed by the General Assembly were incorporated into the 2023 proposed programme budget. In the biennium, conclusions and recommendations from the Committee related to the 2022–2023 budget would have been reflected only in a programme budget for the biennium 2024–2025.

Recommendations of the Committee for Programme and Coordination on programme 9

In its report on the sixty-first session, the Committee for Programme and Coordination recognized that Agenda 2063: The Africa We Want was the African strategic framework successor to the New Partnership for Africa's Development, aligned with the 2030 Agenda for Sustainable Development. Given that Agenda 2063 is the main framework for assessing United Nations support for Africa's development, the Committee recommended that the title of programme 9 be changed to "United Nations system support for the African Union's Agenda 2063: The Africa We Want – strategic partnership for progress towards implementation", with the following subtitle: "Commitment to the subsequent implementation plans of Agenda 2063". That change and the substantive recommendations supplementing the change, which were endorsed by the General Assembly in its resolution [76/236](#), provided the basis for programme 9's proposed programme budget for 2023. The programme plan for 2023 is the road map for the achievement of sustainable development in Africa. For example, building on the recommendation of the Committee, namely, that the Assembly request the office to increase efforts to explore the feasibility of developing deliverables and activities for the promotion of young people and ensuring their inclusion in the strategies of implementation of the 2030 Agenda and Agenda 2063, the 2023 programme plan of programme 9 incorporated youth activities and deliverables that would contribute to the programme's planned results. Subsequently, at its sixty-second session, the Committee, in its conclusions and recommendations, noted with appreciation the development of a wide range of deliverables and activities for the promotion of young people and their inclusion in strategies for the implementation of the 2030 Agenda and Agenda 2063.

B. Advisory Committee on Administrative and Budgetary Questions

27. The change to an annual budget cycle requires the Advisory Committee on Administrative and Budgetary Questions to examine programme budget proposals every year, which therefore results in an additional workload for the Committee. However, this increased workload is offset in part by reducing the instances of recosting and by discontinuing the budget outline and the performance reports that included projected expenditure for the ongoing biennial budget period. The budget outline was considered concurrently with the strategic frameworks for the same budget period. The Committee reviewed the resources for the same budget period twice. First, it reviewed a budget outline comprising preliminary resource estimates for each of the 14 budget parts. Second, a year later, it reviewed the detailed resource requirements for the programmes and subprogrammes that were prepared on the basis of the budget outline level approved by the General Assembly. In the annual programme budget, the Committee reviews detailed resource proposals each year for all sections at the subprogramme level for post and non-post resources. The more frequent detailed resource proposals contributed to a more thorough review by the Committee and raised the bar for the Secretariat to better justify the resources required for the delivery of mandated activities.

28. In terms of documentation, there is additional room for the streamlining and merging of content of the report on transfers between sections, for which the Secretariat seeks the concurrence of the Advisory Committee on Administrative and Budgetary Questions, and the financial performance report, given that both reports

provide information on the concluded budget period. For example, the financial performance report for 2021 repeated the variance justifications that were already provided in the report on transfers between sections. Without prejudice to any future decisions made by the General Assembly, merging the report on transfers between sections and the financial performance report and issuing the “combined” financial performance report in September each year, in time for the consideration by the General Assembly at its main session, would further streamline the budgetary process. This approach would eliminate potential duplication in the performance reporting process and therefore reduce the workload of both the Committee and the Secretariat. The Committee intends to further consider the possibility of merging the report on transfers between sections and the financial performance report during its consideration of the 2021 financial performance report. The Secretariat will remain apprised of these discussions and welcomes the opportunity to support the Committee’s deliberations on the matter.

29. In addition, during the annual cycle, the intergovernmental process benefited from the earlier presentation of the estimates for special political missions, which are now considered by the Advisory Committee on Administrative and Budgetary Questions during its spring session, on the basis of detailed resource requirements for each of the missions. In the past, the Advisory Committee was requested to review the resources for special political missions twice: first, as a broad budget envelope for two years presented under section 3 of the proposed programme budget; and, second, in the context of the detailed estimates for special political missions, which were not finalized by the Secretary-General until October. This timeline placed time constraints on the Advisory Committee and the Fifth Committee, which were requested to consider a material portion of the proposed programme budget in approximately two months, while in the annual cycle the timeline has been extended to nearly seven months.

30. During the annual cycle, the Secretariat had consistently refined the format of the documentation on the basis of recommendations of the Advisory Committee on Administrative and Budgetary Questions endorsed by the General Assembly. For example, additional complementary information has been included in the supplementary documentation for each section, thereby improving the accessibility and utility of budgetary documentation for review by expert bodies and the intergovernmental review process. Part III of the annual programme budget document now contains more accessible and detailed organizational charts, including any proposals to change approved structures, and is judicious in selecting informative graphs to effectively present the distribution of proposed resources. Other examples of improvements, compared with the biennial programme budget, include information covering a longer time period such as posts approved over the 10 years preceding the budget period, justification of the general temporary assistance positions of a continuing nature and the major drivers of resource changes (e.g., new mandates), as well as the evolution of financial resources by subprogramme and budget line and their justification. As from the 2024 period, the Secretariat will be able to include additional information such as the consolidated information on grants and contributions and a comparison of expenditure covering a longer time period, by object of expenditure, including expenditure for the past two budget periods, and the resource requirements for the budget period being considered for approval.

C. Sequential nature of the review processes of the proposed programme budget

31. In its resolution [74/251](#), the General Assembly requested the Secretary-General to present a report as early as practicable, for the consideration of the Assembly at its

seventy-fourth session, on the impact of the changes to the budgetary cycle on the established budgetary procedures and practices as they pertained to the agreed sequential nature of the review processes of the proposed programme budget, with a view to ensuring the preservation of that sequence, including the possibility of the Advisory Committee on Administrative and Budgetary Questions preparing its conclusions and recommendations on the basis of a programme plan approved by the Assembly in 2021. The report of the Secretary-General entitled “Shifting the management paradigm in the United Nations: budgetary procedures and practices” (A/74/852) was submitted pursuant to that request. The report presented scenarios, including the advantages and disadvantages of an early holding of a session of the Committee for Programme and Coordination and a budgetary cycle in which the Advisory Committee considered the post and non-post resource requirements (part III) on the basis of programme plans (part II) approved by the Assembly. While the Assembly did not act on the report, it provided further guidance, including in its resolution 75/243, in which it confirmed that, in the rare event that the Committee for Programme and Coordination could not provide conclusions and recommendations on a given subprogramme or programme of the proposed programme budget, the plenary or the relevant Main Committee or Main Committees of the Assembly responsible for those mandates would have the subprogramme or programme before it in order to provide any conclusions and recommendations on said subprogramme or programme to the Fifth Committee, at the earliest opportunity, for timely consideration by the Fifth Committee.

32. In paragraph 16 of its resolution 76/236, the General Assembly provided more specific guidance, including on the timing of the submission of any conclusions and recommendations by the plenary or the relevant Main Committees, by reiterating that, whenever the Committee for Programme and Coordination could not provide conclusions and recommendations on a given subprogramme or programme of the proposed programme budget, the plenary or the relevant Main Committee or Main Committees of the Assembly responsible for those mandates would consider said subprogramme or programme, for timely consideration by the Fifth Committee. In paragraph 10 of the same resolution, the Assembly also requested the Secretary-General to engage with Member States and other relevant stakeholders, including programme managers and the Advisory Committee on Administrative and Budgetary Questions, when preparing the report on the review of the changes to the budgetary cycle, including on the sequence of budgetary procedures and practices.

33. The process for the preparation, review and approval of the proposed programme budgets during the annual cycle, as approved by the General Assembly, safeguarded the relevant prerogatives of the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions and allowed the two Committees to examine part I, part II and part III of the proposed programme budget document in accordance with their relevant mandates and within the existing timetable for review, prior to consideration by the Fifth Committee, for a single holistic and comprehensive review of programme plans, performance and resource requirements. Under the annual cycle, the Committee for Programme and Coordination did not make any recommendations that would have triggered statements of programme budget implications. However, the arrangements in place and sequential timing of the review by the Committee for Programme and Coordination and the Advisory Committee during the annual cycle (e.g., in 2022, the Committee for Programme and Coordination report was available in all official languages on 19 July, and an advance version in English was available earlier, whereas the report of the Advisory Committee was finalized approximately one month later) would have allowed for the attention of the Advisory Committee to be drawn to any statement of programme budget implications submitted by the Secretariat on the basis of the report of the Committee for Programme and

Coordination, prior to the finalization by the Advisory Committee of its report. As noted in the report of the Secretary-General (A/74/852, para. 43), the establishment of a standard procedure for communication to the Advisory Committee of possible budgetary implications arising from the conclusions and recommendations of the Committee for Programme and Coordination would ensure that the Advisory Committee is properly informed.

V. Review of the changes to the budgetary cycle (General Assembly resolution 72/266 A)

34. In his report A/72/492/Add.1, the Secretary-General presented his reform proposals, including the change to an annual programme budget, without overhauling the intergovernmental review process of planning and budgeting. The Secretary-General outlined the intended benefits of the proposed reforms, including a shorter budget cycle, and included a prototype of the presentation format. Member States and programme managers showed commitment and support for the reform proposals and invested significant time and resources to guide and refine the annual budget presentation format and process during the annual cycle. On the basis of experience gained since the first annual programme budget cycle, and with the submission of the 2023 proposed programme budget, the following achievements of the reform have materialized:

- (a) A more results-oriented culture: increased engagement by programme managers and continuous learning and improvement for more effective mandate implementation;
- (b) More agile programme planning: faster adjustment to new mandates, changed demands and conditions and past performance;
- (c) A presentation format of the annual programme budget that balances the need for more transparency and accountability demanded by Member States with a preparation process that is efficient and that allows for alignment with the operational realities of departments;
- (d) Increased comprehensiveness for a single holistic review by Member States: programme plans, performance and resource requirements integrated into one report and considered in one main session of the General Assembly.

35. The subsections below are intended to demonstrate the above achievements of the budget reform of the Secretary-General.

A. A more results-oriented culture: increased engagement by programme managers and continuous learning and improvement for more effective mandate implementation

Figure III

Shorter cycle enabled a more results-oriented culture and more effective mandate implementation



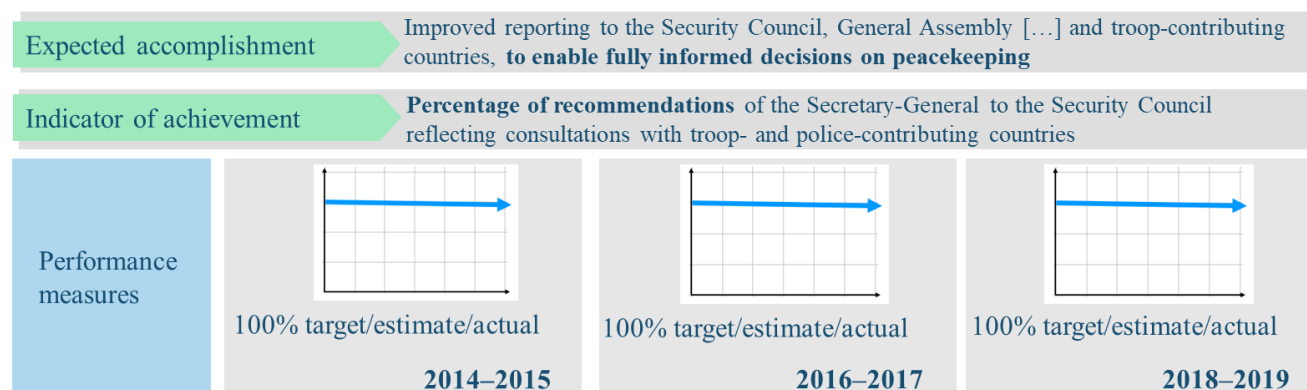
36. Under the biennial programme budget, programme plans were prepared more than two years in advance of the start of the implementation period and more than four years in advance of the end of the implementation period, which provided little incentive for substantive programme managers to engage, leaving most of the planning and budgeting work to administrative personnel. This lack of engagement and the challenge in setting concrete result targets so far in advance led to broad and generic programme plans with static performance targets. The provisions that allowed for the submission of a statement of consolidated changes did not change the fact that the initial programme plans were prepared more than four years in advance.

37. As shown in figure III, the annual programme budget process and presentation format brought about a sharp increase in the level of engagement by substantive programme managers. That increased engagement was incentivized by the annual programme budget's shorter cycle, which made the planning exercise more concrete and realistic, by bringing it much closer to the implementation period. The presentation format further incentivized such engagement by offering programme managers the ability to describe in their own words how their subprogramme's work contributed to more tangible results, to report on unplanned achievements and include corrective measures in their planning and to use quantitative or qualitative performance measures.

38. As shown in figure IV, under the biennial budget period, the results and performance measures with regard to section 5, subprogramme 1, remained broad and static during the three bienniums covering the period 2014–2019.

Figure IV

Example of subprogramme 1 of section 5, presenting the same broad and generic logical frameworks in three consecutive bienniums



39. By contrast, as shown in figure V, the performance measures for the same subprogramme presented under the three annual programme budgets (2020, 2021 and 2022) were more concrete and tangible, give that they were identified closer to the implementation period, and incentivized the relevant programme managers to engage and opt for either quantitative or qualitative performance measures and to describe how their work (planned activities) contributed to such results.

Figure V

Example of subprogramme 1 of section 5, presenting planned activities by the Department for Peace operations contributing to concrete and tangible results, demonstrated by quantitative and qualitative performance measures

	2020	2021	2022
Planned result	MONUSCO shifts to protect eastern Democratic Republic of Congo and prepare for a gradual exit	Completing elections and preserving the integrity of the peace process in the Central African Republic	Progress towards implementation of the peace agreement in Mali
Planned activities	... support MONUSCO in refocusing on support (for) the protection of civilians ... support in reconfiguring its force with mobile rapidly deployable battalions ... support the Mission in preparing a strategy for its gradual drawdown	... to mobilize international support for elections ... strengthen innovative strategic partnerships in support of the peace process and MINUSCA, through strategic engagement with agencies, funds and programmes, the Peacebuilding Fund ...	supporting signatory parties to the peace agreement ... advocacy with members of the Security Council, including reports to the Council, to ensure support for MINUSMA and recognition of advancement of the peace process
Performance measures	2018 57...	2017 –	2018 –
	2019 65...	2018 –	2019 –
	2020 75 commanders of armed groups captured	2019 ... Promulgation of the Electoral Code	2020 agreement for elections in 2022
		2020 ... elections on 27 December	2021 ... elections are announced ...
		2021 Holding of local elections	2022 Political transition completed and elections held

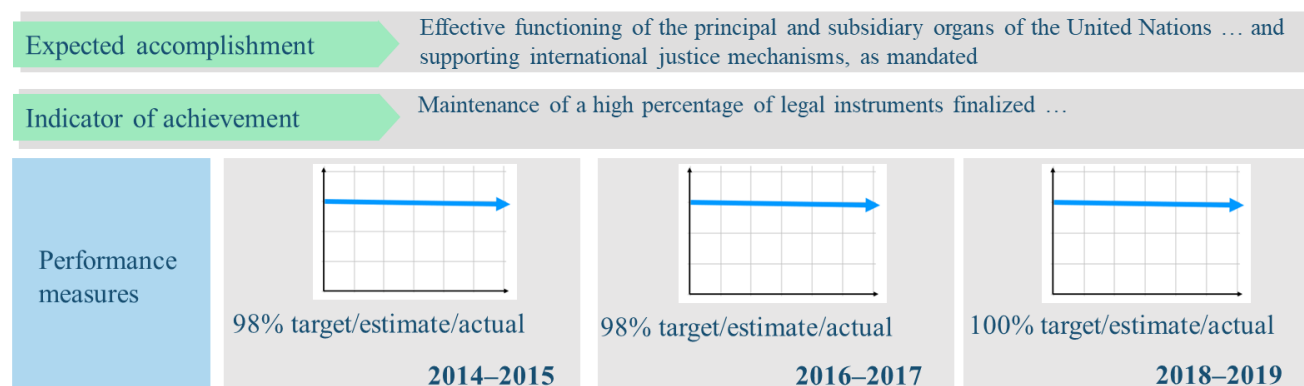
Note: For the proposed programme budget for 2020 and 2022, the General Assembly approved, for programme 4 (among others), a programme narrative that was composed solely of the list of mandates at the programme level and the objectives approved by the Assembly (with reference to resolutions 71/6 for 2020 and 75/243 for 2022) and the deliverables for the relevant year at the subprogramme level.

Abbreviations: MINUSCA, United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic; MINUSMA, United Nations Multidimensional Integrated Stabilization Mission in Mali; MONUSCO, United Nations Organization Stabilization Mission in the Democratic Republic of the Congo.

40. As a second example, and as shown in figure VI, in the case of section 8 (Legal Affairs), performance measures also remained unchanged in large part during the period between 2014 and 2019, and repeatedly measured the “percentage of finalized legal instruments”.

Figure VI

Example of subprogramme 1 of section 8, presenting the same broad and generic logical frameworks in three consecutive bienniums



41. By contrast, in the annual programme budget, as shown in figure VII, the same subprogramme presented more concrete and tangible examples of performance measures, given that they were identified closer to the implementation period, and allowed the relevant programme managers to engage and opt for qualitative performance measures and to describe how their work (planned activities) contributed to such results.

Figure VII

Example of subprogramme 1 of section 8, presenting planned activities by the Office for Legal Affairs contributing to concrete and tangible results demonstrated by qualitative performance measures

	2020	2021	2022
Planned result	Creating the authorizing environment for the reinvigorated resident coordinator (RC) system	Host country agreement for the Fifth United Nations Conference on the Least Developed Countries	Conclusion of a framework for ... the Extraordinary Chambers in the Courts of Cambodia ...
Planned activities	... legal support to RCs negotiating the legal framework with the Government of Qatar	... report to the Steering Committee ... identified possible residual functions
Performance measures	2018 –	2017 –	2018 A/RES/73/279 A adopted
	2019 Negotiation and conclusion of host country agreements	2018 –	2019 Progress reported A/74/359, para. 27
	2020 149 host country agreements signed	2019 A/RES/74/232 (idem)	2020 Identification of possible residual functions
		2020 agreement on the legal provisions	2021 The General Assembly approves a framework
		2021 full participation by all in the Conference	2022 Conclusion of the framework

42. By fostering the engagement of substantive programme managers, the annual programme budget process brought about more frequent and systematic strategic discussions among programme managers and senior management on the best

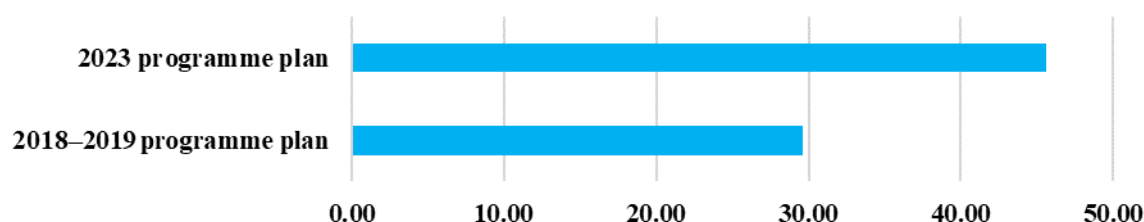
approach for the implementation of their relevant mandates in the light of programme performance, lessons learned, outcome of evaluations and changing demands. In this way, the annual programme budget process delivered more than budget proposals; it has also become a catalyst towards more effective mandate implementation by identifying yearly improvements and steps that accelerate progress towards the objectives of the subprogrammes. In doing so, the annual programme budget has also been used to support other planning processes, such as input to entity-specific strategic plans and results frameworks and, in some instances, to individual staff workplans, and has contributed to a shift towards a more results-oriented culture in the Organization.

43. The shift towards a more results-oriented culture is also demonstrated by the higher level of ambition of the Organization's work under the annual programme budget. As shown in figure VIII, performance target improvements in subprogrammes increased from 30 per cent in 2018–2019 to more than 45 percent in the programme budget for 2023. This change reflects more ambitious progress towards the objectives of subprogrammes in half the time, demonstrating the increased focus on results by programme managers.

Figure VIII

Performance targets that reflect an improvement of at least 10 per cent, compared with the performance of the previous budget period

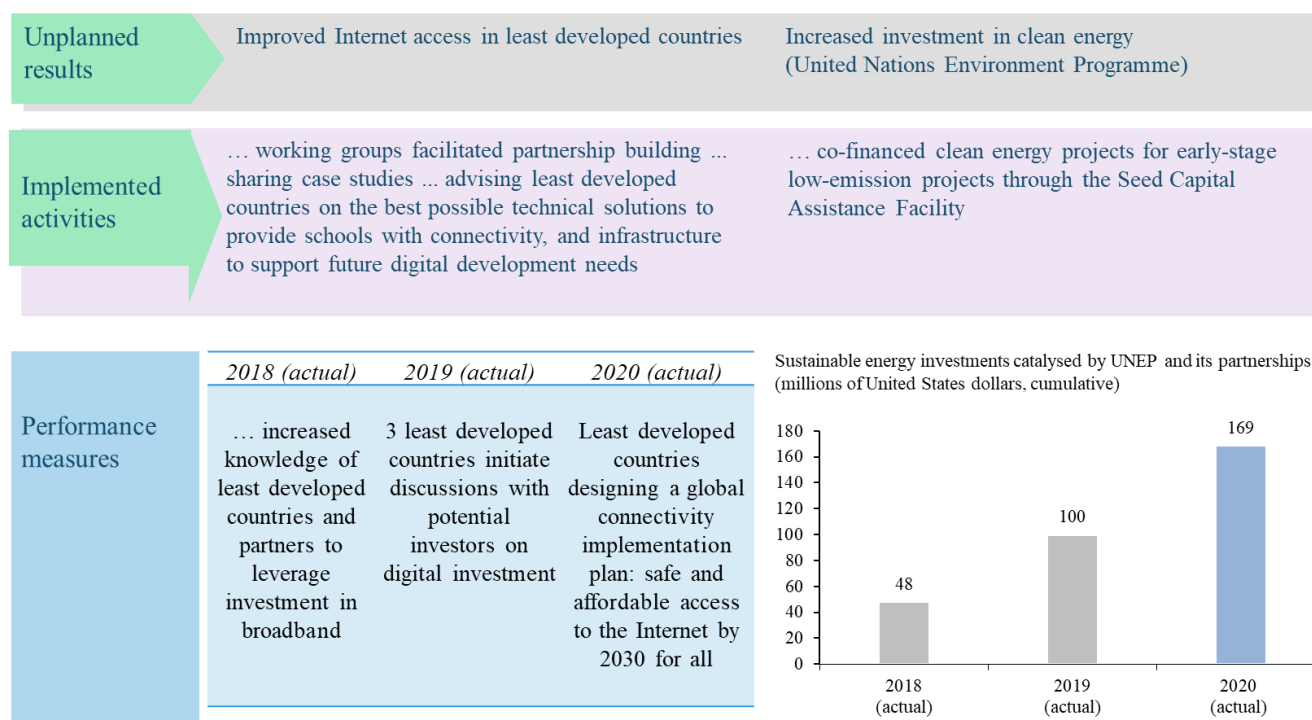
(Percentage)



44. Furthermore, in contrast with the biennial programme performance report, the format of the annual budget gave programme managers an opportunity to demonstrate the added value of their work by presenting achievements not always included in the relevant programme plan, including as a result of changing mandates, demands and conditions. As shown in figure IX, in the 2022 programme budget the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States described how, with the support of the Office and its partners, least developed countries expanded access to the Internet, including in schools, in 2020. Similarly, in the programme budget for the same year, the United Nations Environment Programme (UNEP) used the presentation format of the annual budget to describe the impact of its projects on clean energy, including sustainable development investment, which more than tripled between 2018 and 2020.

Figure IX

Example of subprogramme 1 of section 10 (left) and subprogramme 2 of section 14 (right) activities that were implemented and that contributed to concrete and tangible results that had not previously been presented in the plan, as demonstrated by quantitative and qualitative performance measures

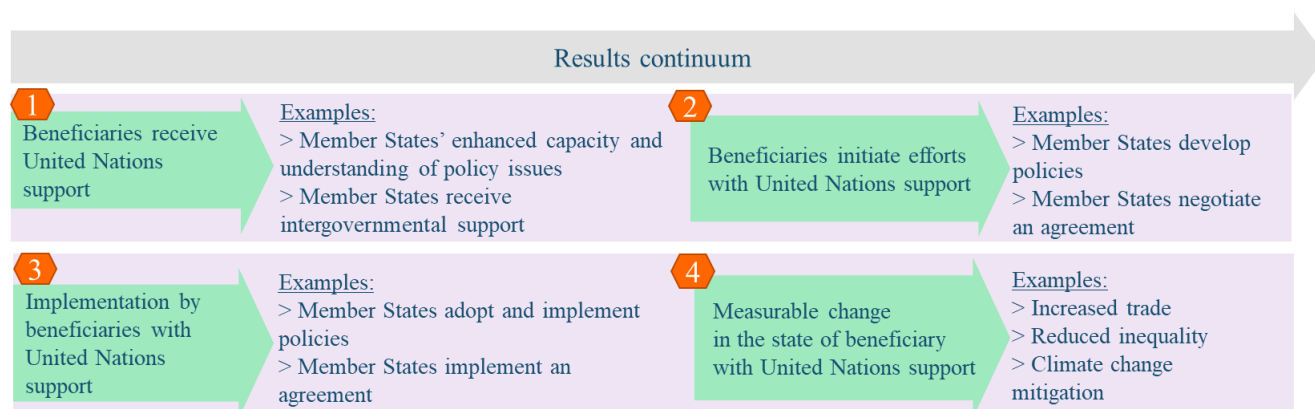


45. The lag between the planning and implementation period in the biennial cycle did not allow for concrete and tangible performance measures and targets and related activities by the relevant subprogramme and therefore contributed to the disengagement of programme managers.

46. A shift towards a more results-oriented culture is also demonstrated by a strengthening in the types of performance measures proposed by programme managers in formulating their plans. Compared with the annual programme plans, the biennial programme plans had placed an emphasis on and had a higher percentage of performance measures that measured the relative improvement, from the beneficiaries' perspective, in the outputs delivered by the Organization. The change to an annual cycle, with its proximity to the implementation period and increased engagement of programme managers, strengthened the way in which the Organization measured results and utilized performance measures to reflect, where possible, the achievements and impacts in the implementation of the programmes of the Organization and not those of individual Member States, in line with paragraph 13 of General Assembly resolution 76/236. Figure X presents the different ways of measuring results, ranging from "beneficiaries received United Nations support" to the more impact-oriented "measurable change in the state of the beneficiary with United Nations support".

Figure X

Typology for measuring results-orientation on a scale from 1 (low impact) to 4 (high impact), with impact being defined in line with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation^a

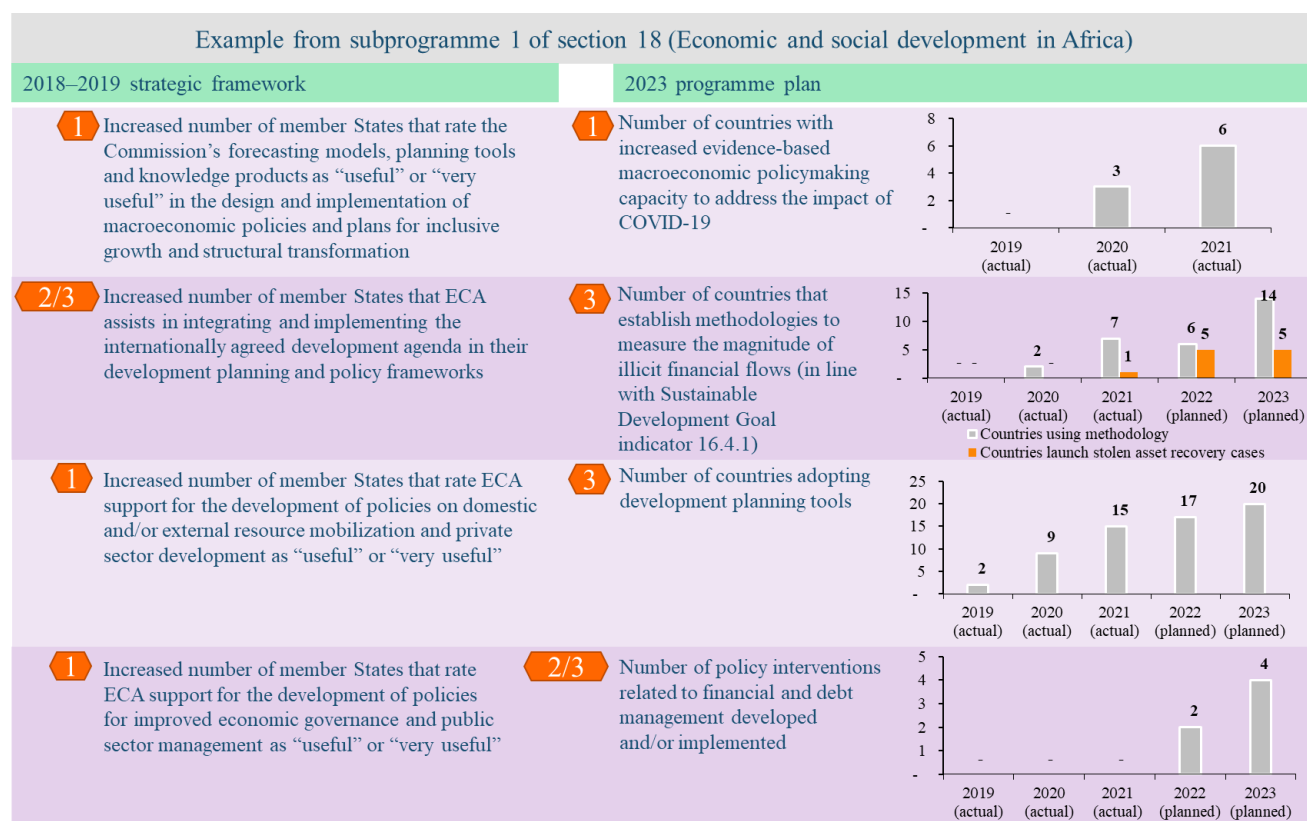


^a Secretary-General's bulletin T/SGB/2018/13, in which it is stated that "Impact is an expression of the changes produced in a situation as the result of an activity that has been undertaken".

47. Figures XI and XII illustrate the Organization's efforts to strengthen the results orientation of proposed performance measures as presented in subprogramme 1 of section 18 (Economic and social development in Africa) and subprogramme 5 of section 12 (Trade and development). There is a noticeable shift in the ways in which the Organization measures performance, moving further towards demonstrating the impact and positive change that the Organization helps to bring about, in line with the request of Member States. This trend is observed across proposed performance measures of many programmes and has contributed to a more effective assessment of progress towards the approved objectives and to a learning process through which the Organization can continually improve its programmes to maximize effective mandate implementation.

Figure XI

Example of subprogramme 1 of section 18 from the strategic frameworks for the 2018–2019 (left) and 2023 proposed programme budget (right), demonstrating the increased emphasis in performance measures on the impact of the implementation of section 18 mandated activities

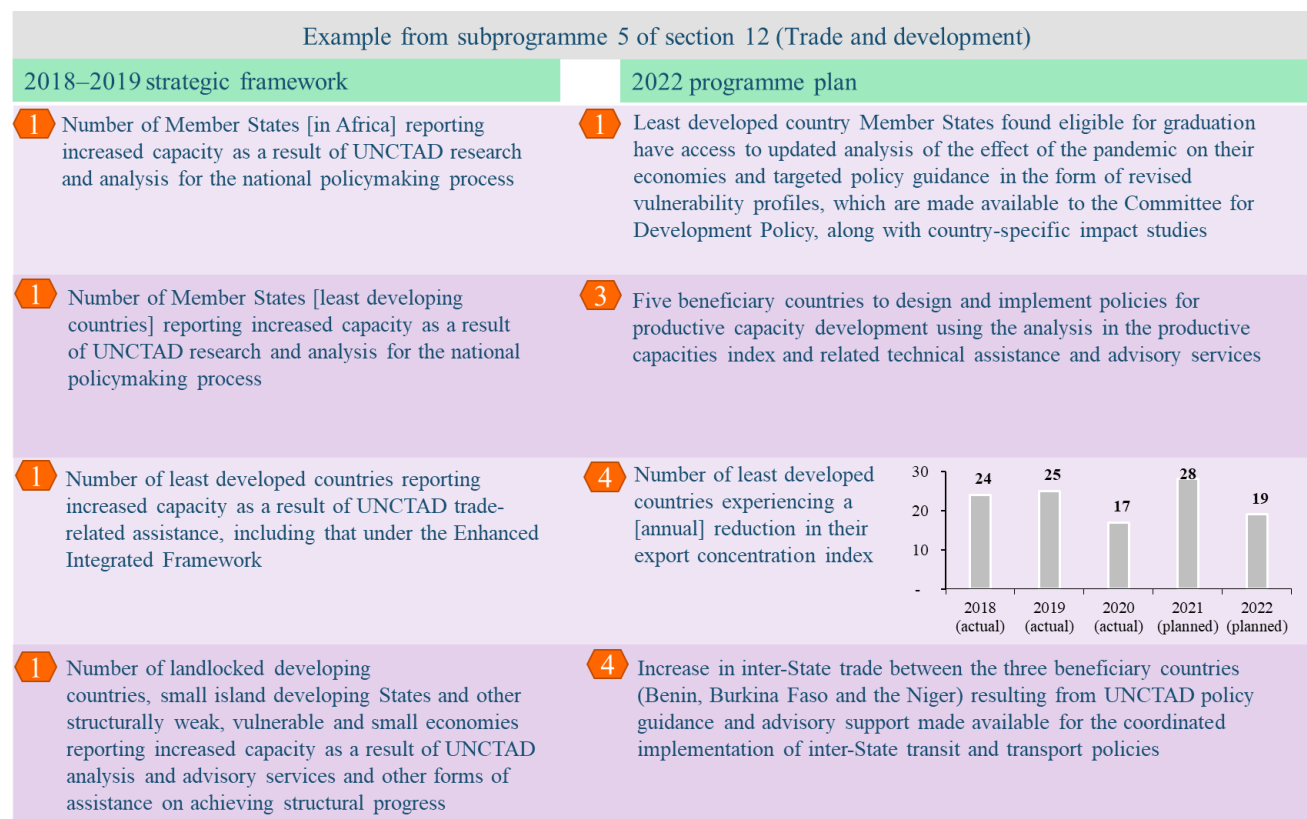


Abbreviation: ECA, Economic Commission for Africa.

48. Figure XI shows that, in the programme plan for the biennium 2018–2019, subprogramme 1 of section 18 (Economic and social development in Africa) opted for three of four performance measures that quantify the degree of satisfaction of member States with the support provided by the subprogramme and one performance measure quantifying the development and implementation of policies by member States related to the internationally agreed development agenda and thereby providing a limited assessment of the achievements and impacts in the implementation of the subprogramme. By contrast, in part II of the programme budget for 2023, as shown in figure XI, the same subprogramme opted for three of four performance measures that quantify the number of countries that develop tools and implement activities related to macroeconomic policies, planning and governance with support of the subprogramme, and one performance measure that quantifies the number of member States reporting increased macroeconomic capacity to address the COVID-19 pandemic. This shift in measurement of performance allows for an improved assessment, compared with the programme plan for the biennium 2018–2019, of the achievements and impacts made possible in part by the implementation of the subprogramme's work.

Figure XII

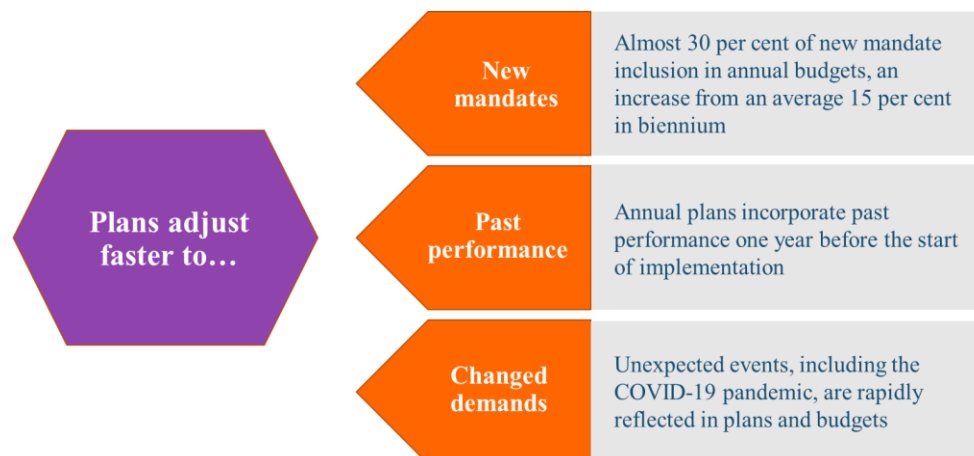
Example of subprogramme 5 of section 12 (Trade and development) from the strategic frameworks for the biennium 2018–2019 (left) and the 2022 proposed programme budget (right), demonstrating an increased emphasis of performance measures on the impact of the implementation of mandated activities



49. Figure XII shows that, in the programme plan for the biennium 2018–2019, subprogramme 5 of section 12 (Trade and development) opted for four performance measures that quantify the number of Member States reporting increased capacity to address trade-related issues through the assistance and research and analysis provided by the subprogramme. This offered a limited assessment of the achievements and impacts in the implementation of the subprogramme's work. By contrast, in part II of the programme budget for 2022, as shown in figure XII, the same subprogramme opted for two of four performance measures that quantify a change in the state of the beneficiary with the subprogramme's support, namely, an increase in inter-State trade and a reduction in least developed countries' export concentration index. The subprogramme also included one performance measure quantifying the implementation of policies by Member States related to productive capacity development with the subprogramme's support and one performance measure indicating the availability of the subprogramme's analysis related to the COVID-19 pandemic for least developed countries eligible for graduation. Taken together, the performance measures in the programme plan for 2022, compared with the performance measures in the programme for the biennium 2018–2019, allow for an improved assessment of the achievements and impacts made possible in part by the implementation of the subprogramme's work.

B. More agile programme planning: faster adjustment to new mandates, changed demands and conditions, and past performance

Figure XIII
Adjustment of programme plans in the annual cycle

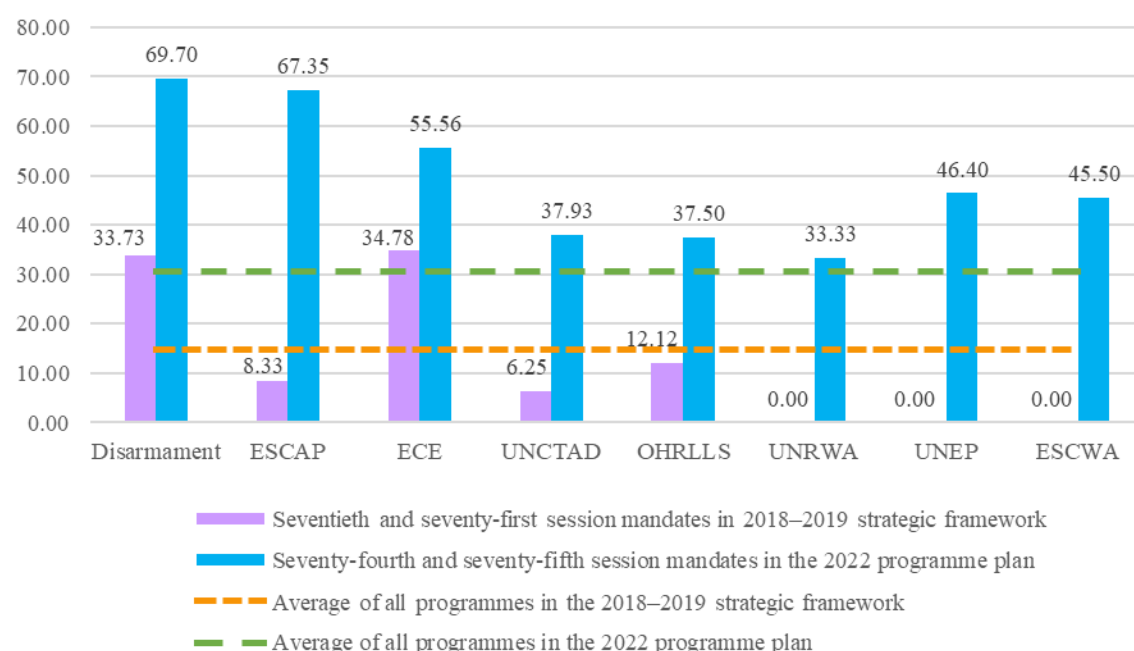


50. As stated earlier, under the biennial programme planning and budgeting process, plans were formulated more than two years before the start and more than four years before the end of the implementation period. Consequently, programme plans were more generic so that they would cover but not reflect different scenarios, including new mandates, changes in demands and conditions, and past performance. The provisions to enable the submission of consolidated changes to the programme plans in the subsequent year did not change the fact that the initial programme plans were more generic, in the absence of information on different scenarios, including on new mandates. By comparison, with the annual cycle, programme plans can incorporate new mandates, changes in demands and conditions, and past programme performance that occur approximately one year before the start of the implementation period (see figures XIV–XVI).

51. As shown in figure XIV, the annual proposed programme budget incorporates an average of 30 per cent of mandates adopted within the two preceding years, while the biennial programme budgets captured an average of 15 per cent of mandates less than two years old.

Figure XIV
Mandates less than two years old reflected in the programme plans

(Percentage)



Abbreviations: ECE, Economic Commission for Europe; ESCAP, Economic and Social Commission for Asia and the Pacific; ESCWA, Economic and Social Commission for Western Asia; OHRLLS, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States; UNCTAD, United Nations Conference on Trade and Development; UNEP, United Nations Environment Programme; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East.

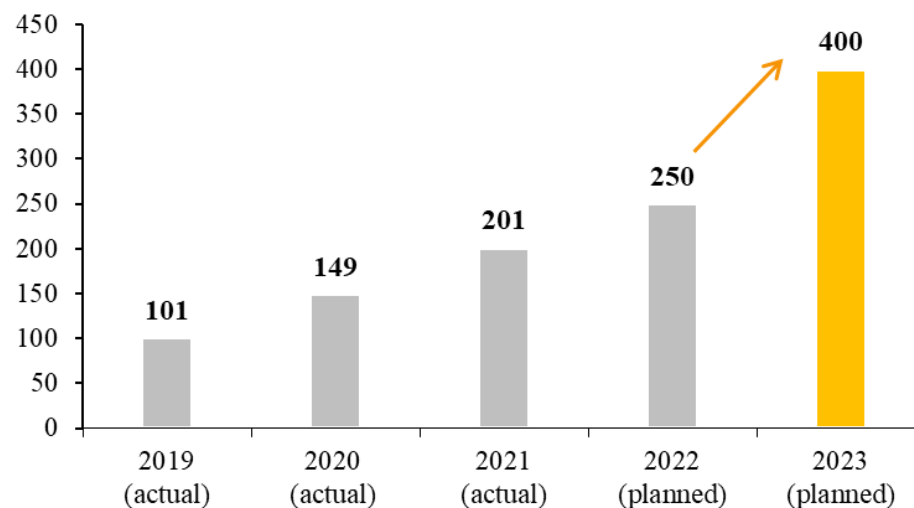
52. For example, in preparing the 2023 programme plan, the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States was able to reflect General Assembly resolution [76/203](#), adopted in December 2021, in the strategy, deliverables and performance measures of subprogramme 3 of section 10, just three months after the adoption of the resolution.

53. The programme plans prepared in an annual cycle adjust faster to changed demands and conditions. For example, in the 2023 proposed programme budget for section 14 (Environment), a performance target for 2023 under subprogramme 1 was set at \$400 billion invested by Member States in low-emission projects, an increase of \$150 billion compared with the target for 2022, as shown in figure XV. The subprogramme responded to increased requests for support concerning investment in clean energy technologies, as part of stimulus packages by Member States to revitalize national economies recovering from the COVID-19 pandemic. The subprogramme provided countries with technical assistance and shared successful experiences with clean energy projects. Prior to the additional government investment, the planned growth in low-emission projects was estimated at approximately \$50 billion annually. With the support of UNEP, countries benefited from additional investment options and gained access to the experience of successful projects, resulting in an anticipated accelerated growth in low-emission projects in 2023.

Figure XV

Faster adjustment of programme performance in subprogramme 1 of section 14 (Environment), based on changed demands and conditions, as shown by Member State investment in low-emission projects

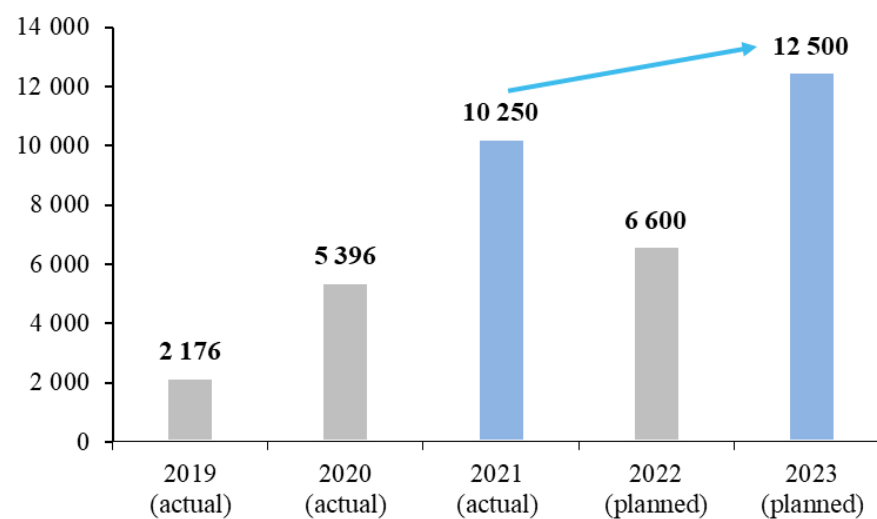
(Billions of United States dollars)



54. Another example concerns the prompt adjustment of the performance target for 2023 of subprogramme 3 of section 29C (Office of Information and Communications Technology) in its proposed programme budget for 2023, based on past programme performance. The higher-than-planned number of active accounts at the end of 2021 (planned to be under 6,000, while the actual number of accounts exceeded 10,000) led to an adjustment of the target for 2023 to 12,500 active accounts of partners, as shown in figure XVI. Under the biennial programme budget period, the spike would have been reflected in the programme performance report for the biennium 2020–2021, providing the first opportunity for adjustment in the programme plan for 2024–2025.

Figure XVI

Faster adjustment of programme performance in subprogramme 3 of section 29C (Office of Information and Communications Technology), based on past programme performance: number of external accounts of authorized United Nations partners (cumulative)



55. In [A/72/492/Add.1](#), the Secretary-General noted the challenges posed by a protracted cycle in adapting to a fast-changing world and illustrated the Organization's inability to quickly reflect the changes in its programme plans resulting from the adoption of the 2030 Agenda for Sustainable Development in 2015. Owing to the long planning and budgetary cycle, the changes resulting from the adoption of that transformative agenda had not been included in the 2016–2017 biennial programme plans.

56. As another example, under the biennial budget period, the plans for 2024–2025 would have been the first programme plans to reflect the impact of the COVID-19 pandemic, confirming the protracted nature of the biennial budget period and the more static biennial programme plans.

57. With respect to the resource estimates of the annual programme budget, the shorter cycle also enabled faster adjustment of resource proposals to newly emerging demands and changing operational conditions. For example, an additional \$1.88 million in resources for section 28, Global communications, was proposed in the programme budget for 2021, in response to the outbreak of COVID-19 early in 2020 and the proliferation of misinformation regarding the pandemic. The additional resources were proposed to support evidence-based campaigns and news aimed at providing authoritative information while equipping global audiences to counter misinformation, including that related to the pandemic. Under the biennial budget period, the proposed programme budget for 2022–2023 would have provided the first opportunity to reflect those additional requirements.

58. The liquidity situation needed to be carefully monitored and managed, most acutely during the implementation of the 2020 and 2021 annual programme budgets, irrespective of the budget cycle, because there was no change to the issuance by the Secretariat of assessment letters to Member States, which continues to be done early in January each year. However, given that the annual budget cycle allows for more realistic programming and is formulated closer to the point of implementation, the Secretary-General is able to propose more realistic budget levels with an annual budget cycle and, by using technology such as Umoja and within the regulatory framework, to more effectively manage expenditure to maintain all critical operations. The annual budget cycle also incentivizes greater budget discipline and contributes to greater predictability in expenditure and, subject to the liquidity situation, is expected to result in a more even expenditure pattern during the budget period compared with the biennium. For example, in the biennial budget expenditure in 2016–2017 and 2018–2019, for which there are available data, the last quarter expenditure experience was, on average, 6.9 percentage points higher than that of the first quarter of the biennium. Even with cash conservation measures in place in 2018 and 2019, there was higher expenditure of 5.6 percentage points in the last quarter compared with the first quarter. This is compared to higher expenditure of 1.1 percentage points in the last quarter (for available 2021 data) compared with the first quarter in the annual budget cycle. While there needs to be further annual programme budget expenditure data to extrapolate this relationship, it shows a positive indication that, with an annual cycle, there is increased discipline by programme managers to utilize available funds, which incentivizes programme managers to programme those funds throughout the period, resulting in more predictable expenditure patterns compared with a biennial cycle.

59. Notwithstanding the benefits of the annual budget cycle, the full and efficient implementation of the programme of work depends on the financial support of Member States through the adoption of realistic budget levels and the provision of timely contributions to ensure a stable and predictable financial situation throughout the year. Owing to liquidity constraints and a lower-than-expected pattern of collections, between 2020 and 2021 the Controller and programme managers

dedicated additional time and resources to manage the liquidity crisis, which usually comes at the expense of the focus on efficient, effective and timely programme delivery. For example, temporary interventions, including progressive restrictions on regular budget funds to align with projected, yet unpredictable cash inflows, the deferment of payments to United Nations system partners, containment of/restrictions on staffing costs and the late commitment of funds, were utilized to limit the outflow of cash.

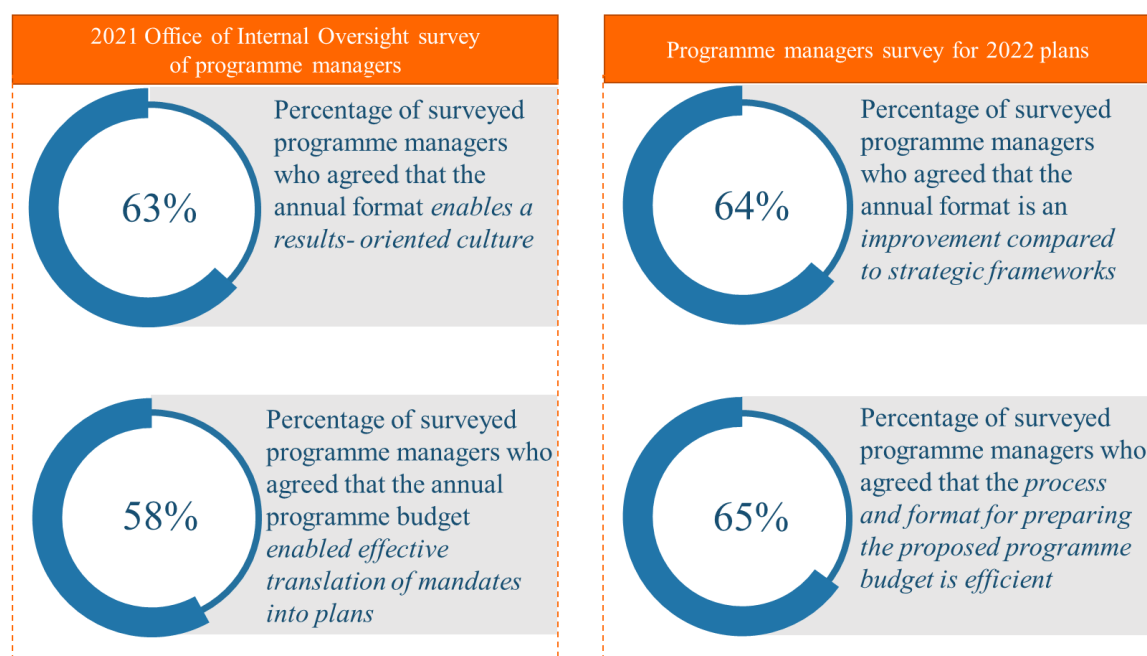
60. With a lower-than-expected pattern of collections, the resultant higher collections in December 2020 and with limited time to commit funds, unspent funds were surrendered to Member States and resulted in a corresponding reduction in liquidity in the following period, when these funds were offset against Member States' new assessments. By comparison, in the biennial budget cycle any underexpenditure from the first year of the biennium would be carried forward into the second year of the biennium, reducing the negative impact of later-than-expected collections and giving programme managers an opportunity to use carried-over unspent funds.

61. These examples demonstrate that the annual programme budget, in providing an opportunity to change plans and resource proposals more frequently, reflects more accurately the programme plans and the level of resources, including managing those resources more effectively during implementation that are required to meet the demands during each budget period.

C. Presentation format of the annual programme budget that balances the need for more transparency and accountability demanded by Member States with a preparation process that is efficient and sustainable and that allows for alignment with the operational realities of Departments

Figure XVII

Programme managers' feedback on the annual programme budget format



62. The presentation format of the annual programme budget has been progressively adjusted since 2020 in response to the guidance of the General Assembly in its relevant resolutions on the annual proposed programme budgets for 2020, 2021 and 2022 (see annex I to the present report, which consolidates the guidance from the Assembly during the annual cycle).

63. The proposed programme budget for 2020 was shorter and contained two concrete examples in the subprogrammes to demonstrate progress towards the objectives of each of the subprogrammes and included more visual information, with a view to communicating the workplans and programmatic results more clearly. In accordance with the guidance of the General Assembly in its resolutions [74/251](#), [75/243](#) and [76/236](#) on programme planning, the presentation and format of the programme plans (part II) has been adjusted and refined in subsequent cycles.

64. On the basis of the provisions in resolution [74/251](#), additional programmatic information was included in part II of the proposed programme budget for 2021, namely, the full lists of legislative mandates and deliverables that were presented in supplementary documentation in the 2020 cycle; strategies at the subprogramme level, in addition to the strategy presented at the programme level; additional results narratives, including carry forward results, which enhanced the link between the preceding programme plans and the proposed future plans, with a view to ensuring consistency and continuity; and expanded performance measures that cover a period of five years. This ensured that Member States received more information on how legislative mandates were being translated into programmatic activities. The additional information also allowed for more recent programme performance information to enable an assessment of measures taken to improve performance in 2022, where appropriate. Programme managers were also able to reflect the initial impact of COVID-19 on programme planning for 2022.

65. Pursuant to resolution [75/243](#) and on the basis of the recommendations of the Committee for Programme and Coordination endorsed by the General Assembly, the proposed programme budget for 2022 reflected the additional quantification of deliverables, whenever practical, and information on the impact of the COVID-19 pandemic on the implementation of the programme plans in 2021 and adjustments required for planning in 2022. In enhancing the information provided as a list of deliverables and quantifying substantive and enabling deliverables, whenever practical, approximately 96 per cent of all programmes (27 of 28) presented quantification for deliverable categories C (substantive), D (communication) and E (enabling).

66. Following the adoption of resolution [76/245](#) and on the basis of recommendation of the Advisory Committee on Administrative and Budgetary Questions endorsed by the General Assembly, a further enhancement was introduced to present more deliverables using the tabular format used for deliverable categories A and B, which quantifies deliverables using a standard unit of measurement over a three-year period. Following consultations with programme managers and Member States, the deliverables presented under fact-finding, monitoring and investigation missions, as well as the deliverables under humanitarian and electoral assistance missions, were, in the context of the 2023 proposed programme budget, moved to deliverable category B and were consistently quantified to provide comparable information across three budget periods.

67. With regard to the presentation of post and non-post resource requirements and on the basis of the provisions of resolution [74/262](#) on the first annual programme budget for 2020, the proposed programme budget for 2021 included tables containing aggregated information on post and non-post resources, disaggregated by object of expenditure, component and subprogramme, and by funding source at the section

level. In addition, in response to the recommendation of the Advisory Committee on Administrative and Budgetary Questions endorsed by the General Assembly, the proposed programme budget for 2021 reflected more information in tabular format and a more judicious use of charts and figures.

68. On the basis of the provisions of resolution [75/252](#), the proposed programme budget for 2022 included expanded information on extrabudgetary resources, including the functions of the posts, the planned use of the resources and the oversight mechanisms of such resources. The information relating to the planned use of extrabudgetary resources and the functions of the posts was provided at the subprogramme level. More detailed information on the implementation of the requests and decisions of the General Assembly is presented in annex I to the present report, while annex II provides information on the implementation of the recommendations of the Advisory Committee on Administrative and Budgetary Questions that were endorsed by the Assembly.

69. The presentation format of the proposed programme budget for 2023 shows the cumulative improvements resulting from the implementation of the guidance from the General Assembly during the annual cycle.

70. The presentation format was also applied to the special political missions (presented as addenda of section 3 (Political affairs)). The presentation format was well suited to special political missions. For example, programme managers introduced qualitative performance measures that allowed them to provide a greater depth of information and explain progress that was difficult to quantify, as is often experienced with conflict prevention, peacemaking and post-conflict peacebuilding efforts. In addition, and in accordance with the recommendation of the Advisory Committee on Administrative and Budgetary Questions ([A/72/7/Add.24](#), para. 59), endorsed by the General Assembly, the Secretariat prepared and submitted the proposed programme budget for special political missions to the Committee alongside the rest of the annual budget (as opposed to submission in October), allowing for a more integrated budget and for related reports to be submitted for the consideration of the Assembly in a timely manner. This calendar change addressed concerns raised by the Assembly regarding the late submission of reports with estimates for special political missions under the biennial cycle.

71. Implementing a major cultural shift, the most significant change to budgeting in the United Nations in several decades, in an organization as vast and diverse as the United Nations required additional time and effort from programme managers, in particular in preparing the first annual budget when the format changed for the first time. Following the guidance of the General Assembly for the 2020 and 2021 annual programme budgets, consultations with some 1,500 programme managers were conducted, in which they expressed their views on how best to implement such guidance, in order to maximize efficiency in preparing the budgets, optimize alignment with their operational realities and contribute to the more effective implementation of mandates. By comparison, with the biennial budget, the plans and resource proposals were, in general, prepared centrally by budgeting staff who were familiar with the budgetary processes and therefore yielded administrative efficiencies and reduced effort to prepare. In the discussions with programme managers held by the Secretariat in preparation of the present report, approximately half of programme managers noted that the production of annual budgets and the related support for the intergovernmental review process entailed more pressure and effort.

72. However, as the format stabilized and as a return on the investment in training, programme managers became more familiar with the methodology and the process. With increasing stability by 2021, the Secretariat was able to stagger and tailor early engagement and support to programme managers in preparing the 2022 and 2023

programme plans (part II) and resource requirements (part III). As shown in figure XVII, a survey among programme managers conducted during the preparation workshops for the 2022 programme plans indicated that 64 per cent of respondents strongly agreed or agreed that the format was an improvement compared with the biennial strategic frameworks of the past, and that 65 per cent of programme managers indicated that the process and format for preparing the proposed programme budget was efficient, with only 4 per cent disagreeing (31 per cent neutral). With the increased familiarity and capacity of programme managers built over the past four years, the annual cycle has now stabilized. Major changes in the process would be counterproductive, and a period of stability is needed in order to continue to realize the return on investment and benefits of the reform.

73. The annual budget cycle also demonstrates a productivity increase in preparing budgetary documentation. In the biennial budget cycle, programme plans, programme performance and detailed resource proposals were prepared separately, in alternate years, over a period of approximately four months each. In the annual budget cycle, the programme plans, the programme performance information and the resource requirements are produced every year over a similar combined period of approximately six months. The Secretariat therefore provides Member States with more budgetary information on a more frequent basis, within a more compressed period, thus increasing transparency and accountability for programme delivery and the use of resources.

74. While the process under the biennial budget period was easier and less time-consuming, the programme plans remained more static and triggered less engagement of programme managers, notwithstanding the multiple changes in mandates, demands and operational conditions that unfolded over time. The static and more passive approach taken during the biennial budget period was one of the main reasons for the Secretary-General's reform proposals. The annual programme budget reforms helped to bring about and demonstrate a more nimble, agile and responsive Organization that revitalizes and asks itself every year what difference it makes for those whom it serves and that transparently accounts for concrete and tangible results.

75. With the annual budget process, programme managers engage with and reflect on the effectiveness of more recent mandate implementation while formulating plans. Some programme managers with large and complex programmes already leveraged other planning processes to continuously improve the implementation of mandates and therefore were less convinced of the value and more conscious of the possible overlap of this approach to planning. However, prior to the annual budget process, many other programme managers did not dedicate sufficient time to identify ways to implement mandates more effectively. In discussions with those programme managers, they agreed that the annual programme budget process enabled a more frequent and systematic strategic discussion among programme managers and senior management about programme performance and lessons learned, new performance targets and new planned results. Evaluation information was also included more systematically in planning. In this way, the annual budget process is not only about preparing a budget report, but also about identifying steps towards more effective mandate implementation and, ultimately, bringing about a more results-oriented culture, as explained in paragraphs 36 to 49 above and demonstrated in the examples presented in figures III to XII. In a recent Office of Internal Oversight Services evaluation reflected in the "capping report", programme managers indicated that the annual programme budget process was results-oriented (63 per cent agree) and enabled the effective translation of mandates into programme plans (58 per cent agree), as shown in figure XVII.

76. The budgetary documentation has also been complemented by near real-time information made available through online tools and portals. The budget information

portal launched in 2020 and iteratively expanded following its launch provides up-to-date budgetary information, including monthly expenditure, vacancy data (vacancy rates, vacant posts and gender statistics), travel plans, and post and non-post resource requirements. With regard to the programmatic segment of the budget, a budget results dashboard (results.un.org) was created and is maintained to present all results in the proposed programme budget in an accessible and user-friendly manner.

D. Increased comprehensiveness for a single holistic review by Member States: programme plans, performance and resource requirements integrated into one report and considered in one main session of the General Assembly

Figure XVIII

One integrated document for a holistic review and budget predictability



77. Under the biennial programme budget, the programme performance report was issued separately after the relevant budget period, creating a four-year gap between programme performance information and programme plans (e.g., the 2014–2015 programme performance report was considered in the same session as the proposed strategic frameworks for 2018–2019), which did not facilitate the planning by programme managers nor the assessment by intergovernmental bodies of how past performance influenced future plans when preparing and approving those plans. Furthermore, the different presentation formats of the proposed programme budget and the programme performance report posed additional challenges for the comparison between past performance and future plans. The annual programme budget addresses these limitations by consolidating information on the programme plans, programme performance and related resource proposals in one budget document, which consistently uses the same format for plans and actual performance for each of the subprogrammes. As shown in figure XVIII, the annual programme budget proposals are therefore more comprehensive and enable the General Assembly to carry out one holistic review, within the same session, on the basis of one report. This process enables the Assembly to better assess the link between resources and results, as well as between programme performance, lessons learned and future plans, as requested by the Assembly in paragraph 15 (d) of its resolution [74/251](#).

78. The annual programme budget also aligns with the financial period from January to December, allowing for a comparison of the proposed programme budget with the financial statements prepared in compliance with the International Public Sector Accounting Standards, the budget resolutions and the financial performance report, with the same numbers being reflected across all three documents. This contributes to more comprehensive information and improved alignment between budgetary and financial reporting. Under the annual cycle, which is aligned for both budgeting and financial reporting, the financial performance report is also able to reflect figures from the audited financial statements.

79. An example that demonstrates an improved assessment of the link between resources and results was observed during the year of the outbreak of COVID-19

when the General Assembly and its advisory committees were informed of the impact of the pandemic on programme plans and resource estimates and reacted promptly. Specifically, at its seventy-fourth main session, in 2020, the Assembly requested that additional information on the impact of the pandemic be presented in the budget proposals for 2022 and decided to adjust the resources for 2021, notably for travel, supplies and hospitality, given the anticipated continued impact of the pandemic into 2021. The annual programme budget, by proposing and considering yearly resource estimates, allows for both resource proposals and Assembly decisions on such proposals to comprehensively and quickly incorporate all operational conditions and external factors and therefore be more realistic.

80. The annual programme budget period contributed to greater budget predictability. It has facilitated the “frontloading” of estimates as guided by the General Assembly, given that, for example, it is easier to identify cost estimates for upcoming construction projects for a more immediate period of one year (for information purposes), and, similarly, it is easier to determine which mandates are likely to be renewed. Under the biennial budget cycle, it would be difficult to anticipate and incorporate reliable preliminary estimates of resource proposals to be prepared more than one year later. For example, the 2023 proposed programme budget includes requirements to implement one-time mandates adopted by the Human Rights Council and full-year estimates to implement mandates of a renewable nature established by the Council, or expected to be extended in a future session preceding the budget period. These requirements would otherwise have been included in the revised estimates report resulting from resolutions and decisions adopted by the Council.

81. The comprehensiveness of the annual programme budget is also demonstrated by a reduced number of scenarios that require the issuance of separate programme budget implication reports. For example, if the biennial budget cycle would have continued, there would have been a period of more than two years between the issuance of the 2022–2023 biennial programme budget, in April 2021 and the second resumed General Assembly session, in 2023, during which new mandates would potentially trigger programme budget implications for the budget period 2022–2023. With the annual cycle, however, applying the same scenario of issuing the 2022 annual programme budget in April 2021, any potential programme budget implications for 2023 resulting from new mandates emerging between April 2021 and April 2022 would be incorporated into the 2023 annual programme budget and would therefore not necessitate a separate programme budget implication report. Owing to the increased comprehensiveness resulting from the annual cycle, there has been a reduction in the amounts covered by revised estimates appropriated outside of the proposed programme budget, which has thereby contributed to more predictability of the overall appropriation. For the biennium 2018–2019, the additional appropriation totalled \$29,473,200, which exceeded the combined additional appropriation of \$19,257,600 from three annual programme budgets for 2020, 2021 and 2022 (these amounts exclude regularized revised estimates of the Human Rights Council).

VI. Conclusions and recommended action of the General Assembly

82. The evidence presented in the present report illustrates how the annual programme budget has continued to evolve to serve the interests of the United Nations, on the basis of the following achievements:

(a) The annual programme budget ensures the engagement of programme managers and contributes to more effective mandate implementations and a

results-oriented culture in the Secretariat, as demonstrated in paragraphs 36 to 49 above;

(b) The annual programme budget adjusts faster to new mandates, changing demands and conditions, and past programme performance, as demonstrated in paragraphs 50 to 61 above;

(c) After the Secretariat has implemented all extensive guidance from the General Assembly, the annual programme budget is presented in a format that balances the need for more transparency and accountability demanded by Member States with a preparation process that is efficient and sustainable and that allows for alignment with the operational realities of departments, as demonstrated in paragraphs 62 to 76 above;

(d) The annual programme budget is comprehensive and enables the General Assembly to better assess the link between performance and plans, and between resources and results, prior to making its decision on the budget, as demonstrated in paragraphs 77 to 81 above.

83. The General Assembly is requested to:

(a) Take note of the present report, which includes the review of the changes to the budgetary cycle;

(b) Lift the trial period effective from 2023.

Annex I

Guidance from the General Assembly on the presentation of format of the annual budget and corresponding action taken by the Secretariat

<i>Paragraph</i>	<i>Guidance</i>	<i>Action taken</i>
Resolution 74/251		
13	Notes the repeated reference “in the context of the 2030 Agenda for Sustainable Development, the purposes stipulated in Article 1 of the Charter are embodied by the Sustainable Development Goals”	No such references included in the proposed programme budget from 2021
15	Also requests the Secretary-General, while still considering further areas of improvement, to apply the following guidelines:	
15 (a)	Adhering to a programme plan that contains the required level of detail and information, in particular keeping the objectives, results and corresponding performance measures at the subprogramme level	Required level of detail has been included. Objectives, results and performance measures are shown at the subprogramme level
15 (b)	Including a detailed list of deliverables in the proposed programme budget and ensuring that resources are justified in terms of the requirements to implement deliverables [for] the planned results	Detailed lists of deliverables have been included, justifying resource requirements of subprogrammes
15 (d)	Enhancing the link between the preceding programme plans and the proposed future plans, with a view to ensuring consistency and continuity	Performance measures cover a five-year period, systematic reporting on evaluation findings and lessons learned link preceding with future plans, and deliverables show both actual performance and future plans at a detailed level
15 (e)	Incorporating more general information on programmes and subprogrammes ... [including] activities and ... strategy that encompasses a comprehensive overall account of the actual and planned results	Comprehensive strategy for each of the subprogrammes has been included
15 (f)	Presenting performance information on a comprehensive set of results, which would allow for enhanced oversight, transparency and accountability in the implementation of all activities	Performance information on a comprehensive set of results has been included, as part of the strategy and through four performance measures for each subprogramme
15 (g)	Providing, in the context of performance measures, at least three prior years of actual performance information to facilitate a better understanding ... of progress made	Five years of actual and planned performance information has been included in the performance measures

<i>Paragraph</i>	<i>Guidance</i>	<i>Action taken</i>
15 (h)	Including a strategy at both the programme and subprogramme levels	Strategies have been included at both the programme and subprogramme levels
15 (i)	Incorporating the list of legislative mandates into the published official document	List of legislative mandates has been incorporated into the proposed programme budget
15 (j)	Replacing the proposed section on alignment with the Sustainable Development Goals with concrete information regarding contributions ... by relevant programmes and subprogrammes in accordance with their specific related intergovernmental mandates	The section on alignment with the Sustainable Development Goals has been replaced by concrete information in strategies and results narratives, as applicable, in accordance with specific mandates
15 (k)	Using simplified and identifiable numbering to improve the readability and referencing of the proposed programme plan	Numbering of the planned activities and expected results was introduced in the subprogramme strategies
15 (l)	Reducing the use of accompanying photographs in the foreword	Photographs have been discontinued

Resolution [75/243](#)

- 12 *Endorses* the conclusions and recommendations of the Committee for Programme and Coordination on the proposed programme plan for 2021 and programme performance for 2019, contained in its report on the work of its sixty-first session

Report of the Committee for Programme and Coordination (sixtieth session) ([A/75/16](#))

- 26 Continue to enhance the presentation of the proposed programme plans in line with the following guidelines:
- | | | |
|--------|---|---|
| 26 (a) | Improve the structure and consistency of subprogramme strategies in order to achieve greater clarity with regard to different categories of activities and related expected results | Introduced separate segments for planned activities and expected results, including numbering of expected results |
| 26 (b) | In the subprogramme strategies, replace the information on “past results” with “planned activities” in the next budgetary cycle | Information on past results in the strategies was removed |
| 26 (c) | Enhance the information provided as a list of deliverables, including by quantifying substantive and enabling deliverables, whenever practical | Quantification of substantive and enabling deliverables introduced, whenever practical |

Paragraph Guidance

Action taken

Resolution 76/236

17	Notes the increased size and volume of documentation that forms the proposed programme budget, and notes with appreciation that the Secretary-General continues his efforts to enhance the quality, clarity and usability of the proposed programme budget in consultation with Member States, while maintaining the level of information provided to Member States	<p>Duplication and overlap avoided, including removing standard text, without loss of content</p> <p>Consistency and continuity of text ensured (resolution 74/251, para. 15 (d))</p> <p>Improved structure and consistent presentation, including numbering of planned activities in the strategy (A/75/16, para. 26 (a), and resolution 74/251, para. 15 (k))</p>
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Annex II

Recommendations from the Advisory Committee on Administrative and Budgetary Questions on the presentation of format of the annual budget and corresponding action taken by the Secretariat to address it

Brief description of the recommendation

Action taken to address the recommendation

A/74/7

The Advisory Committee considers that this has been exacerbated by difficulties arising from the fragmented presentation of budgetary information, the absence of information on the variances between the proposed resources for 2020 and the appropriation for 2019 (para. 33).

Furthermore, aggregated programme-level comparative information by object class is not presented, making it difficult to analyse overall changes and trends (para. 36).

With regard to the presentation of financial information, while noting the inclusion in the budget fascicle of a bar chart on the variances between the proposed resources for 2020 and the appropriation for 2019, the Advisory Committee points out that the accompanying narratives are mostly of a very general nature, devoid of specific financial information. [...] The supplementary information, which previously included, for each component/subprogramme and object of expenditure, detailed financial information on the proposed post and non-post resources and on the variances, includes explanations of the changes in the proposed level of the resources in only a very few cases (para. 36).

While it considers that the use of figures and charts can be useful in illustrating trends and aggregate-level comparative and analytical data, the Advisory Committee is of the view that such presentational methods, which now take up considerable additional space in the main budget fascicle, should be used more judiciously [...] the Committee is of the view that it would be more useful and informative to present data on the distribution of resources for 2020 and the variance between those proposed resources and the appropriation in the form of a table, including actual figures, rather than as a bar chart which presents only the variance and percentage change (para. 37).

Starting with the proposed programme budget for 2021, the presentation includes four aggregate tables, two on financial resources and two on posts, aimed at providing an overall summary of the regular budget resource proposals at the section or entity level

Starting with the proposed programme budget for 2021, one aggregate table on financial resources is presented by budget class and shows the evolution of resources across a three-year period, including the budget period and the two preceding periods

Starting with the proposed programme budget for 2021 the presentation contains a more detailed narrative explaining the variances between the proposals and the previous appropriation for the section or entity in a standardized manner

The variance analyses for the regular budget are presented by resource change factor (technical adjustments, new/expanded mandates, other changes), by component and/or subprogramme and by budget class

The presentation and explanation of variances by subprogramme and object of expenditure is included in the supplementary information

Budget proposals starting with the proposed programme budget for 2021 include more tables and fewer figures and charts

Budget proposals include details on the breakdown of resources in tables and charts at the component and subprogramme levels

The chart on variances by budget class was discontinued. The presentation of variances by budget class in tabular format is included in the supplementary information for each fascicle

Brief description of the recommendation

Action taken to address the recommendation

A/75/7

The Advisory Committee considers that more transparency is required to ensure that resources are aligned with mandated programmes and activities. The Committee recommends that the General Assembly request the Secretary-General to include in future proposed programme budgets detailed information, by section and subsection, on the use of extrabudgetary resources compared with regular budget resources; the functions of posts funded by extrabudgetary resources; and the oversight mechanisms in the Secretariat in relation to extrabudgetary resources (para. 74).

Budget proposals starting with the proposed programme budget for 2021 include information by section and subsection, on the use of extrabudgetary resources; the functions of posts funded by extrabudgetary resources; and the oversight mechanisms in the Secretariat in relation to extrabudgetary resources