



BIENNIAL PROGRAMMING WITHIN THE FRAMEWORK OF ANNUAL BUDGETS

Note by the Director General

1. At the request of the Government of South Africa, the Director General herewith submits, for the information of the General Conference, a memorandum embodying proposals for the introduction of biennial programming by the Agency which was presented by the Governor from South Africa to the Board of Governors in June 1962, [1] together with the Director General's own comments on the subject.
2. The Governor had first introduced the subject to the Board in February of this year in connection with a discussion of a long-term plan for the Agency's activities. [2] The Board had some discussion of the subject in June and decided to continue its consideration thereof in September.
3. The proposal would initially provide for the preparation of a programme and budget document in 1963 which would cover a programme for the two years 1964 and 1965. The financial requirements for the execution of this programme would, however, be divided into the estimated needs for each of the two fiscal years. During 1963 normal review of the draft programme would take place by the Board's Administrative and Budgetary Committee and by the Board itself, covering the two-year period. The General Conference would, in 1963, be requested to appropriate funds only for the first year, i. e. 1964. At its next session, in 1964, the General Conference would then be called upon to appropriate funds for the implementation of the approved programme for the second year, i. e. 1965.
4. This method is not in contradiction with any provision of the Statute, which gives the Board the authority to carry out the functions of the Agency, [3] but requires the General Conference to approve the Agency's annual budget. [4] In addition, there seems to be no inconsistency in the adoption of both a long-term plan and a biennial programme.
5. One advantage of a biennial programme would be an increase in flexibility; during the first year the Board could take into account unforeseen circumstances which might necessitate adjustments in the programme, although it would be expected that such adjustments would normally be of a minor nature and possible of accommodation within the total

[1] See Annex.

[2] See Resolution GC(V)/105.

[3] Article VI. F.

[4] Articles V. E. 5 and XIV. A.

approved budget for that year. In addition, the first year would provide the Board with an opportunity to give guidance on the execution of the programme during the second operating year as well as on the planning of the programme for the next biennial period.

6. The proposal for a biennial programme would also seem to offer considerable opportunity for economies, both in the Secretariat, on the preparation of the draft programme and budget, and in the Board and its Administrative and Budgetary Committee on its subsequent examination. The pattern of programming would be similar to that now used by the United Nations Educational, Scientific and Cultural Organization (UNESCO), except that in that organization funds are appropriated for the two-year period, with a limitation on expenditure for each year laid down by UNESCO's General Conference. The Director General of UNESCO is, however, with prior approval of the Executive Board and in order to carry out the approved programme for the two years, authorized to obligate during the second year any unobligated balances remaining from the first year.

7. In examining the South African suggestion it might be appropriate to consider whether a long-term plan for the Agency's activities should not be based on either four or six year cycles, so that it would reflect either two or three biennial programme periods. Consideration might also be given to the possibility of fitting the Agency's biennial programmes into the present two-year programme cycles under the United Nations Expanded Programme of Technical Assistance; in that case, the first two-year programme which the Agency would develop would cover the years 1965-1966. This would allow another year for discussion and preparation. If biennial programming were to be initiated for the period 1964-1965, however, a decision to that effect would have to be taken at the beginning of 1963.

ANNEX

The case for biennial programming

Memorandum by the Governor from South Africa

1. The Agency has now become firmly established and has surmounted most of the organizational problems which inevitably beset the establishment of a new international organization. Apart from special projects, the broad pattern of its activities has become more clearly delineated. The size of the Secretariat and the nature of its duties have been defined in general terms and, unless there is a spectacular breakthrough in the harnessing of atomic energy for power purposes on a much more economically competitive scale than is at present expected, the growth rate of the Organization has become a fairly predictable quantity.
2. This is the background against which the case for biennial programming should be considered.
3. There is little doubt that the nature of the Agency's scientific programme lends itself more easily to planning on a biennial than on an annual basis. This is readily apparent in the case of nearly all the more important scientific activities. The research contract programmes are already planned on a two or three year basis. The programming of scientific conferences, symposia and seminars is more easily undertaken on the basis of a two year cycle. The same is true, although to a lesser extent, of scientific information programming. Owing to the link with the United Nations Expanded Programme of Technical Assistance, all forms of technical assistance programming are also more readily geared to biennial planning. The activities of the Laboratory would be more effectively tied to a two year than to an annual programme. The administration of the fellowship programme would be simplified if not cramped within the confines of the present twelve-month budgetary schedule. The tasks of the Scientific Advisory Committee would be eased if its advice were sought in relation to a two year programme rather than the present annual or half-yearly review.
4. Administratively and budgetary-wise, it should be possible to achieve important economies if programming took place on the basis of a two year schedule, and the resultant savings could be utilized to increase the range of the Agency's scientific effort. The annual exercise of detailed planning of the programme, which absorbs so much of the Secretariat's manpower for three to four months of each year, would take no longer if the programming covered a two year period. The saving in time and manpower could be utilized constructively in other directions by all members of the Secretariat, from the Director General downwards. The Board, as well as its Administrative and Budgetary Committee, should be able to shorten its meetings (when considered over a two year period) or alternatively would be able to devote more time to other tasks which at present receive insufficient attention. Similarly the Programme and Budget Committee of the General Conference would be in a position to allocate its time at every second session of the Conference to more detailed consideration of longer term projects and to suggestions and proposals of a more scientific content, instead of devoting so much of its energy, as at present, to arguing and discussing administrative and budgetary details of the programme for the year ahead. It is conceivable, for instance, that on the basis of biennial programming the General Conference could play a more active role in programme initiation, for in the alternate years, when it is not called upon to approve the programme for the immediately ensuing year, it could devote its time and attention to the discussion and examination of the desired trends of development to be embodied in the next biennial programme cycle. In this way it could play a more positive and constructive role than at present, thus giving wider satisfaction to the great majority of States not represented on the Board.

5. While it is not possible to give a precise monetary assessment of the savings that would result from the institution of biennial programming (these would be mainly in the form of released energy and manpower for more productive purposes), it is nevertheless estimated that the monetary savings on such items as documentation and meetings would be appreciable.

6. The experience of two other members of the United Nations family which have adopted biennial programmes (viz. the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Food and Agriculture Organization of the United Nations (FAO)) has amply demonstrated that this system leads to greater efficiency as well as to very real economies. [1] The pattern of the Agency's activities undoubtedly lends itself to biennial programming, even more effectively than is the case with UNESCO or FAO. Neither of these two organizations has ever had cause to regret the change.

7. The institution of biennial programming in the Agency could be achieved without any amendment to the Statute. The Statute requires the General Conference to approve the budget annually [2] and there would be no departure from the Statute, provided the requirement of annual appropriations is maintained. The mechanics of the arrangement would be comparatively simple. For example, if a biennial programme is presented to the General Conference involving an expenditure of US \$20 million over the two year period, the expenditure would be presented in two parts, say US \$9.75 million for the first year and US \$10.25 million for the second year. The General Conference would discuss the whole programme, but would be called upon to approve the appropriation only for the first year. The appropriation for the second year would be approved at the next session; at that session, however, the General Conference would not be called upon to discuss the second part of the programme in any detail and could devote the time saved to other matters. Any changes becoming necessary in the second year which could not be accommodated by the normal process of re-allocation (with Board approval) among the budgetary sub-heads could always be catered for by the existing device of a supplementary appropriation.

8. It should be emphasized that biennial programming is not to be regarded as a substitute for long-term planning, the importance of which has been recognized by the Board and the General Conference. Long-term planning is concerned primarily with policy issues (both scientific and otherwise). Biennial programming is concerned essentially with the implementation of policy. At the same time it could be a tool which might help to facilitate long-term planning. Although biennial programming could thus perform this auxiliary service with respect to the problem of long-term planning, the system fully would retain the essential element basic to the General Conference's authority as defined in the Statute, viz. the power to approve the Agency's budget. This power would continue to be exercised each year, and the financial competence of the General Conference would therefore remain unquestioned and in practice would undoubtedly be exercised more effectively and more efficiently than is the case with annual programming.

[1] These two specialized agencies have gone much further than is here proposed, inasmuch as they have adopted the practice of biennial budgets, as well as biennial General Conferences.

[2] Articles V. E. 5 and XIV. A.