**GC**

International Atomic Energy Agency

# GENERAL CONFERENCE

GC(XXXVIII)/INF/5  
12 August 1994GENERAL Distr.  
Original: ENGLISH

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Thirty-eighth regular session  
Item 10 of the provisional agenda  
(GC(XXXVIII)/1)

## HARMONY AND COMPATIBILITY OF PROGRAMME AND BUDGET AND ACCOUNTS DOCUMENTS

1. In General Conference Resolution GC(XXXVI)/RES/581 of 1992, the Director General was requested to ensure that there is harmony and compatibility between the Agency's programme and budget documents, its annual reports and its accounts documents so as to facilitate their comparison for purposes of effective evaluation.
2. In document GC(XXXVII)/INF/322, dated 27 August 1993, the Secretariat informed the thirty-seventh regular session of the General Conference of the steps towards harmonization that had been taken by that time. These included the introduction of the Programme and Budgetary Performance Report (PBPR) and a change in the format of the Annual Report to follow more exactly the project structure of the Agency's programme.
3. At the request of Member States, a summary version of the PBPR was introduced as an official document (GOV/INF/732) for the meeting of the Administrative and Budgetary Committee in May 1994.
4. The Secretariat also submitted to the Administrative and Budgetary Committee in May 1994 a document (GOV/INF/734, copy attached) on a further action that could be taken to implement the requests contained in Resolution GC(XXXVI)/RES/581 in relation to the structure of the appropriation sections used in the Agency's budget and accounts, i.e. whether these should be based on programmes or organizational units. As a result of the discussion at the Administrative and Budgetary Committee and at the meeting of the Board of Governors in June 1994, the Secretariat was requested to continue work on the process of converting from an organization based to a programme based appropriation system and to submit to the Board at its September session an estimate of the costs and benefits involved. The report of the Secretariat on this subject is contained in document GOV/INF/751 (copy attached).





GOV/INF/734  
14 April 1994

International Atomic Energy Agency

## BOARD OF GOVERNORS

RESTRICTED Distr.  
Original: ENGLISH

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### **HARMONY AND COMPATIBILITY OF PROGRAMME AND BUDGET DOCUMENTS AND ACCOUNTS DOCUMENTS**

1. In 1992, in resolution GC(XXXVI)/RES/581, entitled "Harmony and compatibility of programme and budget and accounts documents", the General Conference requested the Director General

- (1) "to ensure that there is harmony and compatibility between the Agency's programme and budget documents, its annual reports and its accounts documents, so as to facilitate their comparison for purposes of effective evaluation",
- (2) "to consult Member States in order to ensure that such Agency documents, transmitted to the General Conference by the Board, are prepared and submitted in accordance with this resolution as early as possible, and at the latest in time for consideration by the General Conference at its thirty-eighth regular session", and
- (3) "to inform the General Conference at its thirty-seventh regular session about the action taken".

2. Also in 1992, in paragraph 19 of his report on the Agency's accounts for 1991, the External Auditor stated that "the basis and level of reporting of achievements in the Agency's principal accountability documents should be consistent with that presented in the budget document, with explanations of significant variances."

3. As was reported in GC(XXXVII)/INF/322 entitled "Harmony and compatibility of programme and budget and accounts documents" of 27 August 1993, progress has been made as follows:

- (1) The programme and budget document: Programme descriptions and estimates follow the major programme/programme/subprogramme/project structure. In addition, information at the Division level is included in Part II for internal management purposes.
- (2) The Programme and Budgetary Performance Report (PBPR), introduced in 1993 in respect of 1992, has the same format as the programme and budget document.

- The summary PBPR (see GOV/INF/732) deals with major programmes/programmes/subprogrammes (corresponding to Part I of the programme and budget document).
  - The detailed report on task implementation is based on the project information sheets in Part II of the programme and budget document.
  - Information on budgetary implementation by item of expenditure is now provided at the Division and the appropriation section level, primarily for purposes of internal management.
- (3) The Annual Report has been modified so as to conform to the programme structure. It reflects the same basic data as the PBPR and the underlying analyses.
- (4) The Accounts document in its present form is a set of financial statements in the strict sense (balance sheets; income and expenditure statements) and of budgetary information contained in 'A' statements (for expenditures as compared to the budget) and 'B' statements (for resources as compared to the budget). It has not been restructured but, if the External Auditor agrees, budgetary information could be removed and included in the PBPR.

4. The present document contains information on a further action which could be taken by the Secretariat to implement the requests contained in resolution GC(XXXVII)/RES/581 in relation to the structure of appropriation sections - i.e. whether they too should be based on programmes or, as in the past, on organizational units.

#### Present Situation

5. The appropriation sections at present represent groups of Divisions. The internal budget controls are based closely on the organizational structure of the Secretariat, with the Division as the primary organizational unit. Budget allotments are issued and controlled at the Division level. Directors are provided with periodic reports on the financial performance of their respective Divisions to enable them to control expenditure and programme implementation in accordance with resource availability.

6. The Agency's expenditure accounts are maintained in accordance with the organizational structure of the Secretariat, and this forms the basis for the preparation of the budget-related expenditure statements for inclusion in the annual accounts. The PBPR is based both on the expenditure accounts and on additional information provided by the Divisions.

#### Appropriations by Programme

7. Appropriations by programme would involve the issuing of budget allotments, the control of expenditures and subsequent reporting - both internal and external - by programme.

8. At present, the programme structure is as follows:

- (1) Nuclear Power, Fuel Cycle and Radioactive Waste Management (Major Programme 1)
- (2) Nuclear Applications (Major Programme 2)
- (3) Nuclear Safety and Radiation Protection (Major Programme 3)
- (4) Safeguards (Major Programme 4)
- (S) Direction and Support

9. The present appropriation structure, which reflects the Secretariat's organizational structure, is as follows:

- (1) Technical Assistance and Co-operation
- (2) Nuclear Energy and Safety
- (3) Research and Isotopes
- (4) Safeguards
- (5) Policy-making Organs
- (6) Executive Management, Administration and General Services
- (7) Unallocated Services
- (8) Reimbursable Work for Others

10. In the light of its preliminary consideration of possible programme-based appropriation structures, the Secretariat has concluded that the following would be the most practical, as it would be the most compatible with the present programme structure:

- (1) Nuclear Power, Fuel Cycle and Radioactive Waste Management (Major Programme 1)
- (2) Nuclear Applications (Major Programme 2)
- (3) Nuclear Safety and Radiation Protection (Major Programme 3)
- (4) Safeguards (Major Programme 4)
- (5) Technical Co-operation Servicing and Co-ordination (S.3)
- (6) Policy Making Organs (S.1 - part)
- (7) Administration and Support Services (S.1 - part, S.2, S.4, S.5 and S.6)
- (8) Reimbursable Work for Others

### Problems and Issues

11. If the appropriation structure were changed from one reflecting the Secretariat's organizational structure to one based on the present programme structure, extreme care would have to be exercised in order to ensure that budgetary control is maintained in an efficient and practical manner.

12. An analysis of the implications of a switch to a programme-based appropriation structure (including the implications with regard to budgetary allotments and budgetary control, accounting and reporting) indicates the following:

#### A. Flexibility

13. At present, there are eight appropriation sections, including Reimbursable Work for Others. Generally, an increase in the number of appropriation sections would mean that they become smaller than they are at present. Given the financial regulations relating to the transfer of funds between appropriation sections, management flexibility would be reduced to the detriment of programme implementation. It is at present possible to transfer funds from one programme to another within an appropriation section in the light of circumstances (changes in priorities, delays in one programme as opposed to good progress in another, etc.). Programme changes in the past have been minimal, and the Secretariat has always exercised utmost care in order to ensure that the original programme objectives are not significantly modified. Nevertheless, the existing flexibility should be preserved by keeping the number of appropriation sections to a minimum. Alternatively, should the Board decide on the establishment of a larger number of appropriation sections, it might be necessary to provide the Director General with some limited authority to transfer funds between appropriation sections in order to maintain flexibility and ensure smooth programme implementation.

#### B. Issuance and Control of Allotments - Accountability of Allotment Holders

14. With the exception of the Department of Nuclear Energy and Safety and the Department of Research and Isotopes, there would generally be a one-to-one relationship between programmes/activities and the organizational structure at the Division level. In the two aforementioned Departments, however, all Divisions would be responsible for more than one programme and, conversely, responsibility for all programmes would rest with more than one Division.

15. This can be seen from the following two lists, which show that most programmes are shared among a number of Directors and all Directors are responsible for more than one programme (see the Attachment for explanations of Division name abbreviations):

	<u>Programme</u>	<u>Directors</u>
	- A Nuclear Power	DIR-NENP / DIR-RIPC
	- B Nuclear Fuel Cycle	DIR-NENF
	- C Waste Management	DIR-NENF / DIR-RIML
	- X Comparative Assessment.	DIR-NENP / DIR-NENF / DIR-NENS
RIHU	- D Food and Agriculture	DIR-RIFA / DIR-RIAL / DIR-
RIML	- E Human Health	DIR-RIHU / DIR-RIAL / DIR-
	- F Industry and Earth Sciences	DIR-RIPC / DIR-RIAL
	- G Physical and Chemical Sciences	DIR-RIPC / DIR-RIAL / DIR-RIHU / DIR-RITP
	- H Radiation Safety	DIR-NENS
	- I Safety of Nuclear Installations	DIR-NENS

<u>Directors</u>	<u>Programmes</u>
DIR-NENP	responsible for part of A and part of X
DIR-NENF	for B, part of C and part of X
DIR-NENS	for H, I and part of X
DIR-RIFA / DIR-RIAL	for D
DIR-RIHU / DIR-RIAL	for part of E and part of D
DIR-RIPC / DIR-RIAL	for F, G and part of A
DIR-RIML	for part of C and part of E.

16. Ideally, for efficient management of the budget it would be preferable to have a one-to-one relationship between organizational structure and programme structure, but this would not be possible in these two Departments. For purposes of budgetary control, allotments would therefore have to be issued at the subprogramme level - or even at the project level in some cases. This would mean:

- (a) A substantial increase in the number of allotments to be issued and controlled;
- (b) A substantial increase in the number of requests for transfers of funds between subprogrammes (at present, subject to certain limitations, Directors can transfer funds within their Division allocations);
- (c) Substantial increases in the amount of codification and classification of transactions (e.g. a purchase order, which is at present simply charged to a Division, might have to be charged to more than one subprogramme).

17. There would accordingly be an additional workload, particularly for the Division of Budget and Finance but also in the Department of Nuclear Energy and Safety and the Department of Research and Isotopes. Additional resources would be required in order to deal with this additional workload.

C. Basis of Accounting and Accuracy of Charges to Appropriation Sections

18. At present, for budgetary control purposes the Divisions are relatively independent. With the exception of general shared costs (e.g. for translation and record services), all expenditures chargeable to a Division are charged to one budget allocation. With the need to establish accountability at the subprogramme level, a significant percentage of expenditures (approximately 30%) in the Department of Nuclear Energy and Safety and the Department of Research and Isotopes would have to be apportioned on the basis of estimated usage. Some staff in these Departments are engaged in more than one subprogramme. Similarly, other costs - such as those relating to equipment procurement and to travel - might in some cases have to be apportioned to subprogrammes. While the Secretariat does not envisage the use of an elaborate time-recording system to apportion staff costs, there would have to be mechanisms for estimating and apportioning costs to the correct subprogrammes as accurately as possible. The reasonableness and acceptability of such mechanisms would have to be discussed with the External Auditor, in particular as regards the accuracy of the charges to the programme-based appropriation sections.

D. Stability and Comparability Over Time

19. The Secretariat's organizational structure has been stable. The programme structure, on the other hand, is intended to change according to requirements and priorities, and has indeed changed in the past with every two-year programme cycle. As can be seen from document GOV/2712 (the "White Book"), a sizeable number of subprogrammes and projects will change in 1995-96 as compared to 1994. It will be necessary to find a way, within the framework of the budgetary accounting structure, of dealing with the consequences of such changes.

E. Computer Operations

20. The present computerized accounting system was configured to enable accountability and budgetary control of organization-based budget appropriations. A switch to programme-based appropriation would require some reconfiguration of the system, particularly in the way budget controls are established and also the way in which reports are made. While no significant technical problems are envisaged, additional effort and resources would be required in order to reconfigure the system and test it. The resources required would very much depend on the structure of the appropriation sections and the level at which accountability is to be established.

#### F. Retraining of Staff

21. Although the Agency has had a programme budget for several years, actual budgetary control and operations have been governed by the organization-based appropriations. Although the staff are familiar with the programme structure, some reorientation training across the board would be required for both managerial and clerical staff, particularly with regard to the control of programme-based allocations and the system of apportionment of costs to be established in the absence of a time-recording system. Also, all decisions on allocations of indirect expenditures to subprogrammes (which are now taken at the reporting stage - i.e. when the PBPR is being prepared) would have to be taken at the implementation stage.

#### G. Timing

22. The implementation of programme-based appropriations would have to start with a new financial year. The Secretariat considers the switch to programme-based appropriations a major change, which would require considerable time (at least a year) for the planning and establishment of appropriate computer, accounting and control mechanisms and for staff training. As the Board is aware, the Secretariat is in the process of revising the Financial Regulations and the Interim Financial Rules and is also grappling with the problem of returning to normal programme implementation (after a period of programme deferral). Therefore, the earliest time when a switch to programme-based appropriations could be implemented would be 1996. The first three months of 1996 would be a crucial period, owing to the fact that the Secretariat would be closing the accounts for 1995 using the old accounting system and two systems could not be operated simultaneously.

#### Conclusion

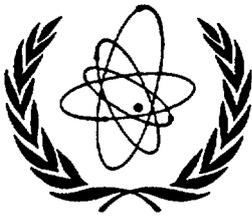
23. Progress has been made towards harmonizing the Agency's programme and budget documents and accounts documents. Further steps to harmonization can be achieved by converting the organization-based appropriation system to a programme-based appropriation system. However, the problems and issues mentioned above have to be addressed. Additional resources would be required, particularly in the preparation and initial implementation phases. It is difficult to predict the long term, but it is envisaged that some additional staff resources might also be required on a continuing basis, particularly in the Division of Budget and Finance.

24. In the light of the above, the Board is invited to provide the Secretariat with further guidance, and in particular to indicate whether it wishes the Secretariat to proceed with preparatory work based on the appropriation structure shown in paragraph 10 above and in accordance with the timetable in paragraph 22.

## ATTACHMENT

### Abbreviations of Division names

NENP	Division of Nuclear Power
NENF	Division of Nuclear Fuel Cycle and Waste Management
NENS	Division of Nuclear Safety
NESI	Division of Scientific and Technical Information
RIFA	Joint FAO/IAEA Division of Nuclear Techniques in Food and Agriculture
RIHU	Division of Human Health
RIPC	Division of Physical and Chemical Sciences
RIAL	Agency Laboratory, Seibersdorf
RIML	IAEA Marine Environment Laboratory, Monaco
RITP	International Centre for Theoretical Physics, Trieste

**B**GOV/INF/734/Corr.1  
29 April 1994

International Atomic Energy Agency

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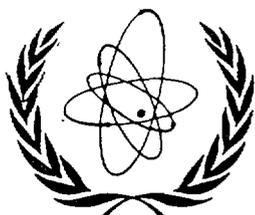
**HARMONY AND COMPATIBILITY OF PROGRAMME AND  
BUDGET DOCUMENTS AND ACCOUNTS DOCUMENTS****Corrigendum**

The two lists in paragraph 15 on page 5 of document GOV/INF/734 should have been reproduced as set out below:

<u>Programme</u>		<u>Directors</u>
- A	Nuclear Power	DIR-NENP / DIR-RIPC
- B	Nuclear Fuel Cycle	DIR-NENF
- C	Waste Management	DIR-NENF / DIR-RIML
- X	Comparative Assessment	DIR-NENP / DIR-NENF / DIR-NENS
- D	Food and Agriculture	DIR-RIFA / DIR-RIAL / DIR-RIHU
- E	Human Health	DIR-RIHU / DIR-RIAL / DIR-RIML
- F	Industry and Earth Sciences	DIR-RIPC / DIR-RIAL
- G	Physical and Chemical Sciences	DIR-RIPC / DIR-RIAL / DIR-RIHU / DIR-RITP
- H	Radiation Safety	DIR-NENS
- I	Safety of Nuclear Installations	DIR-NENS

<u>Directors</u>	<u>Programmes</u>
DIR-NENP	responsible for part of A and part of X
DIR-NENF	for B, part of C and part of X
DIR-NENS	for H, I and part of X
DIR-RIFA / DIR-RIAL	for D
DIR-RIHU / DIR-RIAL	for part of E and part of D
DIR-RIPC / DIR-RIAL	for F, G and part of A
DIR-RIML	for part of C and part of E.





GOV/INF/751  
10 August 1994

International Atomic Energy Agency

## BOARD OF GOVERNORS

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Sub-item 5(i) of the provisional agenda  
(GOV/2748)

### **COSTS AND BENEFITS OF CONVERTING FROM AN ORGANIZATION BASED TO A PROGRAMME BASED APPROPRIATION SYSTEM**

1. In June 1994, the Board of Governors adopted the report of the Administrative and Budgetary Committee contained in document GOV/2734. The report included the recommendation that the Secretariat be requested to continue work on the process of converting from an organization based to a programme based appropriation system and be asked to submit to the Board at its September session an estimate of the costs and benefits involved.
2. This document contains the response of the Secretariat to the request for a report on estimated costs and benefits. It should be read in the context of document GOV/INF/734, which was presented to the Administrative and Budgetary Committee in May. It should also be seen as part of the ongoing process of harmonization, i.e. the move towards consistency between the Agency's planning and accounting documents. It may be recalled that a number of steps have already been taken in this direction, including the introduction of the Programme and Budgetary Performance Report (PBPR) and its summary, and the modification of the Annual Report to follow more exactly the project structure of the Agency's programme.

#### **METHOD OF MAKING THE CONVERSION**

3. At present, the budget Appropriation Sections are based on Departments or groups of Divisions within Departments. For the conversion to a programme based system it is assumed here as a working hypothesis that the new Appropriation Sections suggested in paragraph 10 of document GOV/INF/734 would initially be used (although these Sections may be reviewed in due course in consultation with Member States). These Appropriation Sections are:

- (1) Nuclear Power, Fuel Cycle and Radioactive Waste Management
- (2) Nuclear Applications
- (3) Nuclear Safety and Radiation Protection
- (4) Safeguards
- (5) Technical Co-operation Servicing and Co-ordination
- (6) Policy Making Organs
- (7) Administration and Support Services
- (8) Reimbursable Work for Others.

4. Internal budget controls at present follow the Secretariat's organizational structure, with the Division as the primary organizational unit. Budget allotments are therefore issued and actual expenditures are accounted for at that level. In addition, special reports are produced at the programme/subprogramme level (as has been done, for example, in the PBPR). The process of producing such reports, however, requires a sizeable effort at the end of the year to regroup to a programme format expenditures accounted for on an organizational basis.

5. Appropriation according to programme would involve the issuing of budget allotments, the control of expenditures and subsequent reporting — both internal and external — on a programme/subprogramme basis. At present, to ensure that organizational units (mainly Divisions) do not exceed their allotments, and hence that appropriations are not exceeded, there is a system in place to verify that funds are available before expenditures are incurred. Similarly, under a programme based approach a system would have to be established to ensure that the new appropriations are not exceeded; a new control methodology based on programme allotments would have to be maintained to verify that funds are available before expenditures are incurred.

6. It is assumed here that accounting and allotment control under the new system would be made at the programme/subprogramme level. (An example of the allotment structure is given in the Annex.) In the Departments of Nuclear Energy and Safety and Research and Isotopes — the Departments most affected — this would result in an increase in the number of allotments. Given the more tightly focused nature of these allotments, it is expected that, in order to maintain the existing level of flexibility, the number of transfers between allotments would necessarily increase.

7. During the accounting process expenditures directly assignable to a particular programme/subprogramme (certain staff costs, research contracts, meetings, etc.) would be identified by the Department concerned. Expenditures which are not directly attributable to a particular programme/subprogramme would be allocated using an appropriate cost distribution formula.

8. The conversion process might need to be accompanied by certain changes to organizational elements in the Agency and to the programme structure so as to bring them more closely into line with each other where this is possible and justifiable. In other cases, where this is not feasible and where more than one Division participates in a particular subprogramme (see the example in the Annex), the designation of a "programme manager" to ensure both programme and budget control may be useful. Further study would be required to identify the most appropriate arrangements in this regard.

## COSTS AND BENEFITS OF CHANGING TO A PROGRAMME BASED SYSTEM

### Costs

9. A change to a programme based system would necessarily involve certain costs and, indeed, it is for this reason that, as pointed out by a number of Member States, the conversion process must be approached with care. It is worth noting in this context that the Agency would be the first United Nations organization to introduce a full programme based budget and accounting system. This necessarily means that there is no previous easily comparable experience on which to base estimates of costs of the conversion process and of the operation of the new system. Therefore, any estimates are subject to considerable uncertainties.

10. In what follows, conversion costs have been estimated on the basis of the implementation of the methodology described above. However, additional expert analysis of the conversion process is still required and the estimates are therefore subject to change. Moreover, there will be additional operating costs in connection with the new appropriation system. However, since a definite proposal detailing the new harmonized allotment and accounting system is not yet available, definite estimates cannot be made. Much would depend, for example, on the degree to which the new control and monitoring procedures can be automated. These limitations notwithstanding, the general workload requirements are presented below (in addition to the conversion costs) to illustrate the effort that would be required. Finally, it should be noted that in the longer term the benefits of the new approach would help to offset some of the additional operating costs.

### *Conversion costs*

11. The conversion costs are primarily associated with the modification of the computerized accounting system and the purchase of computers. It is not only the centralized accounting system that would need modification but also both the manual and computerized systems which feed it. While the new payroll system would need minimal modification,

because it was finalized when harmonization was already being discussed, the personnel system and interfaces with Departmental information systems would require more extensive review.

12. The conversion costs relate to the purchase of computers (\$120 000) and development work on the financial control system (\$230 000). This development work would include the temporary running of parallel systems, software modifications, the amendment of production reports and the validation of new cost centres. Some temporary assistance (\$30 000) would be required for work associated with the assignment of staff in the personnel system to programmes/subprogrammes in addition to their current Divisional assignment.

13. Other costs would be incurred in connection with the training of staff to deal with a programme based system and the new control and monitoring procedures. It is believed that a reasonable sum to cover this training would be \$70 000.

14. The total conversion costs would be approximately \$450 000.

*Workload requirements for operating the new system*

15. It would be necessary in the Department of Administration for more professional staff time to be devoted to handling the additional allotments, controlling and reporting on programmes/subprogrammes, monitoring and controlling all documents for proper authorization to contract, reviewing the coding of documents, checking that the proper currency codes are used and providing other budgetary control services.

16. Clerical staff time would be needed to input and validate the increased line item requirements. There would also be an increased number of corrections and fund transfers. Extra staff time would be needed to ensure control of expenditures, timely detection of potential financial overruns and accurate overall financial/budget reporting and to maintain the indirect cost allocation mechanisms. Similarly, additional effort for the monitoring of staff assignments at the programme/subprogramme level would be required.

17. An increase in clerical workload for the Departments of Nuclear Energy and Safety and Research and Isotopes would be needed for monitoring of the costs of programmes/subprogrammes and of the implementation rates of each programme. Because programmes cross Divisional lines, closer monitoring and extra negotiation will be required to identify the programme/subprogramme which is to be charged in any particular case. The individual programme managers would assign direct costs to their programmes and would carry out more detailed analyses of programme/subprogramme achievements in relation to objectives. This would require greater administrative support.

## Benefits

18. The benefits to be derived from a programme based system stem essentially from the fact that since the budget consultation and preparation process is centred on the programme it is logical that the apportionment and control of funds follow the same format. Various aspects of the advantages of a programme oriented approach are considered below.

### *Transparency*

19. The apportionment of costs to programmes/subprogrammes would make the monitoring of and reporting on the actual operational costs clearer and would facilitate decision making. In turn, the implementation of the programme would become more readily comprehensible to Member States. Budget performance data for each programme/subprogramme would be constantly available in the computer system and could be supplied upon request throughout the year. Although there would be a temporary loss of historical comparability when the new system was introduced, eventually a stable historical database of budget figures and budget performance on a programme basis would become available.

### *Management*

20. The management of programmes would be facilitated if there were strict accord between responsibility for budget and responsibility for programme implementation. Better comparison between actual achievements and the use of resources on the one hand and the planned programme and budget on the other hand should lead to more rational spending and programme implementation and greater focus on the mission of the Agency. Moreover, under a programme based system managers would be in a position to account more precisely in terms of their programme. This would further enhance the Agency's effort in implementing programme evaluation.

### *Harmonization*

21. The conversion would apply not only to the planning and accounting processes but also to the relevant documents presented to the Policy Making Organs. In this way, the final stage of harmonization would be reached.

### *Control of documentation*

22. Conversion to a programme based appropriation scheme would mean that there would be no further need for the information currently supplied on "reconciliation", i.e. explaining the differences arising between the programme and the organizational approaches. Moreover, there would be no need in planning and reporting documents to provide information broken down according to Divisions. All relevant information would be available and easily retrievable from the financial control system.

## CONCLUDING REMARKS

23. The conversion from an organization based to a programme based appropriation system should be viewed, not as a bureaucratic exercise (another accounting requirement), but as a new methodology in monitoring progress towards planned and approved objectives, a process in which financial resources constitute only one part. The costs of the conversion process are estimated to be about \$0.5 million. The increase in operational costs resulting from the conversion is more difficult to quantify. The change would take time and would require the involvement of experts to train supervisory and managerial staff in the new approach. However, it would bring benefits in transparency and management effectiveness and would result in even closer harmonization between the Agency's planning and reporting documents as requested by the General Conference.



