

APPENDIX

PLANNING, PROGRAMMING, BUDGETING SYSTEM\*  
IN THE UNITED STATES GOVERNMENT

In August 1965, the President of the United States announced the introduction of what he termed a "new and revolutionary system of planning, programming, and budgeting throughout the Government". Behind that announcement lay his conviction that the methods of programme development and budget preparation previously used to choose among the variety of claims made upon Federal resources needed substantial improvement.

The resources of the U.S. Government, great as they are, are like those of nearly all public institutions, finite. They are insufficient to meet all the claims which are made upon them. Choices must be made-- choices as to which programmes to carry out, and choices as to the level at which to support them.

For many years, the Bureau of the Budget and a number of the departments and agencies of the Government have been working together to improve the methods for making such choices. The new Planning-Programming-Budgeting System is designed to improve that situation. Its objectives, are to enable us to:

1. identify our national goals with precision and on a continuing basis;
2. choose among those goals the ones that are most urgent;
3. search for alternative means of reaching goals most effectively at the least cost;
4. inform ourselves not merely on next year's costs--but on the second, and third, and subsequent year's costs--of our programmes;
5. measure the performance of our programme to ensure a dollar's worth of service for each dollar spent.

The means of achieving these ends centre on the formulation of individual agency budgets. As the first step, agencies will present their budgets for fiscal year 1968 (July 1, 1967, to June 30, 1968,) in categories representing the main objectives or missions of the agency. Under these categories will be grouped the various operations and activities undertaken to meet those objectives. Such a grouping will make possible the

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