



# General Assembly

Sixty-eighth session

Official Records

Distr.: General  
15 November 2013

Original: English

---

## Fifth Committee

### Summary record of the 12th meeting

Held at Headquarters, New York, on Tuesday, 29 October 2013, at 10 a.m.

*Chair:* Mr. Taalas ..... (Finland)  
*Chair of the Advisory Committee on Administrative  
and Budgetary Questions:* Mr. Ruiz Massieu

## Contents

Agenda item 134: Proposed programme budget for the biennium 2014-2015 (*continued*)  
*Introduction of the proposed programme budget for the biennium 2014-2015  
(continued)*

---

\* Reissued for technical reasons on 20 January 2014.

---

This record is subject to correction. Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (<http://documents.un.org/>).

13-53591\* (E)



Please recycle



*The meeting was called to order at 10.05 a.m.*

**Agenda item 134: Proposed programme budget for the biennium 2014-2015 (continued)**

*Introduction of the proposed programme budget for the biennium 2014-2015 (continued) (A/68/6 (Introduction), A/68/6 (Sects. 1-3), A/68/6 (Sect. 4) and Corr.1, A/68/6 (Sect. 5) and Corr.1, A/68/6 (Sect. 6) and Corr.1, A/68/6 (Sect. 7) and Corr.1, A/68/6 (Sects. 8-21), A/68/6 (Sect. 22) and Corr.1, A/68/6 (Sects. 23-25), A/68/6 (Sect. 26) and Corr.1, A/68/6 (Sect. 27) and Corr.1, A/68/6 (Sects. 28 and 29), A/68/6 (Sects. 29A-G), A/68/6 (Sect. 29H) and Corr.1, A/68/6 (Sects. 30-36), A/68/6 (Income sects. 1-3), A/68/7, A/68/16 (chap. II, sect. A), A/68/75, A/68/86 and Corr.1, A/68/92, A/68/214 and A/68/507; A/C.5/68/10)*

1. **Mr. Sahebzada Khan** (Pakistan) said that the Committee would examine the Secretary-General's budget proposals to ascertain whether they conformed to approved mandates and the Charter; adhered to the established budgetary procedures and methodologies and the Financial Regulations and Rules of the United Nations; represented the international character of the Organization; and allocated resources in accordance with the priorities set by the General Assembly. His delegation shared the concern of the overwhelming majority of Member States that the proposed budget did not fully comply with those requirements. In particular, further explanation was needed of the technical departure from the established budget methodology, as there appeared to be no basis for using the revised estimates for the biennium 2012-2013 as the resource base against which to calculate the rate of growth of the proposed programme budget for 2014-2015. In the absence of a decision by the Assembly to change the methodology, the proposed resource requirements should be based on the revised appropriations for the previous biennium. In its resolution 66/246, the Assembly had reaffirmed the established budgetary procedures and decided that no change to those procedures should be implemented without its prior review and approval. The Assembly should conduct a review in order to address the confusion and reach a common understanding of the budget methodology. During its deliberations, the Committee should also resolve the issue of recosting, which was having a detrimental effect on vacancy management and the Organization's financial health.

2. A number of the programme narratives had been changed without the Assembly's approval. Under the programme planning rules, such changes must be reviewed by the Committee for Programme and Coordination; the narratives should be revised to make them identical to those approved by the Assembly in its resolution 67/236.

3. It was a matter of concern that a policy of zero budgetary growth was being pursued without a formal decision by the Assembly. The real increase of only 0.2 per cent in the proposed level compared to the programme budget for the biennium 2012-2013 would adversely impact the implementation of mandates, particularly those related to development. A no-growth budget lacked flexibility and undermined fiscal accountability and discipline.

4. The proposed resource reductions would negatively affect the Organization's ability to deliver on its substantive mandates. The abolishment of 261 posts, in many cases proposed without a review of the continuing need for the related functions, would disproportionately affect the lowest grade levels and thereby limit the Organization's ability to attract young talent. The proposals also seemed to indicate that post costs were being shifted from regular budget to extrabudgetary funding.

5. Extrabudgetary resources for the biennium 2014-2015 were estimated at \$14.1 billion. While some delegations had expressed the view that the reliance on such resources was necessitated by the fact that a large percentage of the regular budget went to finance salaries and common staff costs, what it really indicated was the need to increase funding under the regular budget for the Organization's core mandates, such as human rights. Moreover, the reporting and accountability procedures for extrabudgetary resources lacked transparency; the same level of intergovernmental oversight that applied to regular budget resources should apply to extrabudgetary resources.

6. The failure to increase funding for development activities was a major impediment to tackling the underlying causes of conflict, such as poverty and inequality, and therefore to achieving the larger objective of international peace and security. Strengthening the Organization's development pillar was paramount; adequate resources should be allocated to development-related programmes, such as those of

the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development and the regional commissions. Moreover, the level of the Development Account was far below the \$200 million anticipated upon its establishment; indeed, there would be a 2.9 per cent decrease in the resources allocated to the Account in 2014-2015. His delegation wished to discuss further in informal consultations the implementation rate of projects funded under the Account, the practicality of its framework and the possibility of strengthening the Account through additional appropriations.

7. Of the 971 outputs to be discontinued, 350 related to economic and social affairs and 161 related to regional cooperation for development. He wished to receive further information on discontinued outputs deemed obsolete or of marginal usefulness and any linkage with proposed new outputs.

8. Equitable geographical representation in the Secretariat was extremely important and the recruitment of female candidates from developing countries must be improved. The Secretary-General should use all relevant human resources tools to achieve gender and representation targets.

9. Lastly, his delegation would welcome information on the elements of the change management plan incorporated in the budget document and an update on the implementation of the plan and how it related to the Assembly's resolution [66/257](#) on accountability.

10. **Mr. Ashwani Kumar** (India) said that, in addition to approving a budget that balanced allocations among the Organization's priority activities, the Committee should also resolve the deferred issues of recosting and staff compensation.

11. Although funding for special political missions had increased steadily in the previous decade and substantial investments had been made in information and communications technology and renovation and reconstruction projects, in real terms there had been zero growth in the regular budget over several bienniums. The widening gap between initial appropriations and revised estimates was an indication of weakness in the current budget process. The expectation that unforeseen expenditures would always be absorbed within existing resources was ill-advised and unsustainable from a budgetary perspective.

12. Considerable sums had been spent on reform initiatives and innovative projects at Headquarters in recent bienniums; Member States' meagre resources should instead go to the poor. At a time of great constraint on resources, the Organization should refocus its attention on the core priorities of development and peace and security. The Secretary-General's proposal to reduce posts under the development pillar was therefore a matter of great concern, as it would aggravate the neglect of development needs.

13. The continued growth in extrabudgetary contributions belied the notion that the current fiscal climate had adversely affected Member States' ability to contribute to the regular budget. An excessive shift towards such contributions prevented a judicious and consultative allocation of resources. The regular budget should not fund the Organization's administrative expenses alone while extrabudgetary resources funded programme expenses.

14. The Organization's staff should reflect its global character; he expressed the hope that the Secretary-General's proposals on staffing would correct the geographical imbalance in the composition of the Secretariat.

15. Streamlining the budget and backstopping processes for special political missions would make those missions more nimble and cost-effective.

16. Programme delivery was the sole yardstick for measuring the success of the budgetary process. Proposals for efficiency gains and resource reductions were no substitute for the field-based assessment of the implementation of mandates. Resources must be used judiciously, but freezing budget levels in advance would curtail United Nations action as the biennium unfolded.

17. Greater transparency and strict monitoring would be crucial in keeping reform initiatives on track. Administrative expenses at Headquarters must be reined in so as to enable the Organization to discharge its primary responsibility of caring for the poor and underprivileged. At the same time, an overly cost-conscious approach to the budget discussions, dominated by a few major contributors, would be detrimental to deliberations on the programmatic elements of mandates and would weaken the collaborative nature of the United Nations. Member States must ensure that the Organization acted

equitably in striving for global peace and inclusive development.

18. **Mr. Chumakov** (Russian Federation) said that his Government would continue to support United Nations efforts to achieve its goals in the areas of peace and security and development, and those set by major conferences and meetings, while also maintaining its focus on reforms aimed at enhancing the effective implementation of mandates. In the current climate of financial and economic crisis, the United Nations budgetary process must be highly disciplined; it was therefore disappointing that the current budget proposal involved a departure from rule 102.2 of the Financial Regulations and Rules that had already caused difficulty in its analysis.

19. His delegation would pay close attention to questions relating to human resources — which accounted for over 72 per cent of expenditure under the regular budget — with a view to ensuring more effective and flexible personnel management. He welcomed the proposal to abolish 396 posts; however, the structure of the proposed cuts was a cause for concern, given that it involved a reduction of staff at the junior level and an increase at the senior level. Consequently, the proposals to establish the post of Under-Secretary-General for Partnership and other senior posts would require further study, as that trend entailed risks and was likely to be detrimental to the Organization's effectiveness.

20. It was also a matter of concern that the Secretary-General's change management initiatives, which had required major investments of money and time, had not yet yielded tangible results. Noting that the report on change management measures requested by the Assembly in its resolution [66/257](#) had not been submitted, he wondered whether the Secretariat had decided to temporarily halt its activities in that area. It might be advisable for work to be completed on the many reform initiatives under way before new ones were discussed; in any event, all such initiatives must be well developed, including in respect of their financial and administrative implications, before being presented to the Member States.

21. The proposed programme budget was close to the level of the budget outline, but it did not include a number of additional requirements. With respect to recosting, the Member States should examine in detail the amounts proposed by the Secretariat rather than

approve them automatically. He stressed the need to restrain the growth of the budget and enhance budgetary discipline. At the same time, efficiency measures must not lead to breaches of the fundamental principles of the United Nations, including the Secretariat's obligation to implement all mandated activities and the central role of the Member States and the intergovernmental bodies in setting goals and priorities.

22. The Advisory Committee's first report on the proposed programme budget for the biennium 2014-2015 ([A/68/7](#)), especially the recommendations and comments on the need to reduce the number of long-term vacancies, cut expenditure on travel and consultants, and improve work processes without further financial outlay, constituted a good basis for the Fifth Committee's deliberations. The recommendation that a Universal Periodic Review Section should be established in the Human Rights Council Branch using available resources was well advised. His delegation concurred with the Advisory Committee that not all of the proposed post reductions could be made without affecting the implementation of mandates, but was also prepared to engage in a process aimed at identifying activities that were no longer required or had lower priority.

23. **Mr. Tommo Monthe** (Cameroon) said that the deferral of recosting should not be taken as an excuse to deviate from the established budget methodology; the Secretary-General should return to that methodology, which had resulted from lengthy negotiations by Member States and had stood the test of time. The budget outline was not a ceiling, as some delegations seemed to suggest, but a base for the formal budget proposals.

24. The fact that many reports entailing further resource requirements were still to be introduced prevented the Committee from taking informed decisions about the programme budget as a whole and led to the bad practice of incremental budgeting. Furthermore, in a departure from the programme planning rules, some programme narratives had not been reviewed by the Committee for Programme and Coordination, which raised the question of whether they complied with the decisions of intergovernmental bodies.

25. It was a matter of concern that change management initiatives involving considerable

investment of resources had failed to produce tangible results. It was disconcerting to note that various elements of the change management plan had been included in the Secretary-General's budget proposals without the Assembly's prior approval. A paper outlining all of those elements should be provided for the Committee's informal consultations so that a proper decision could be made prior to the adoption of the budget for the biennium 2014-2015.

26. Efficiency gains were unevenly distributed across the different budget sections, some of which had been exempted entirely. Reductions would have detrimental effects on programmes and there was no certainty that the savings would be directed to the Development Account.

27. With respect to posts, the Advisory Committee had pointed out that the proposed reductions would have a negative impact on the rejuvenation of the staff and would lead to a top-heavy staffing structure. In addition, the Assembly's decisions concerning posts had not been implemented and disproportionately large cuts were proposed in areas relating to economic and social activities, including the regional commissions, which were highly important to developing countries. During its deliberations, the Committee should seek to remedy the negative effects of the proposed cuts.

28. Recalling that the business continuity procedures in place had proven inadequate during Hurricane Sandy, in 2012, he called on the Secretary-General to ensure better management of the business continuity programme.

29. The estimated figure for extrabudgetary resources — \$14.1 billion — raised once again the issue of the potential effects that such resources could have on the established priorities. Unless Member States remained vigilant, extrabudgetary resources might alter the direction and implementation of programmed activities, which could result in certain countries exerting control over United Nations structures, resources, programmes and even leadership. He recalled the guidelines on extrabudgetary posts and resources set out in General Assembly resolution [64/243](#).

30. The existing guidance on organizational nomenclature should be applied consistently throughout the Secretariat and deviations from the rules should be clearly justified. Any proposal aimed at

updating the guidance should be submitted to the Assembly for its approval.

31. In adopting the Organization's budget, the Assembly approved not only its financial and human resources but also its administrative structures, which must be highly coherent if they were to use resources and implement mandates effectively. The programme budget was the key instrument chosen by the Assembly to ensure an integrated management process of planning, monitoring and evaluation. Good coordination and communication among all the entities involved, including administrative and intergovernmental structures as well as internal and external advisory and monitoring entities, were the sole means of guaranteeing effective management of the entire United Nations system. The observations and recommendations set out in the report of the Advisory Committee ([A/68/7](#)) provided a good indication of the clarifications required on the Secretary-General's proposals and a good basis for the Committee's deliberations on the programme budget for the biennium 2014-2015.

32. **Ms. Mørch Smith** (Norway) said that her delegation supported the Secretary-General's reform agenda, including in respect of staff mobility. It also believed that there must be a balance between the resources allocated to the United Nations and the mandates approved by the Member States.

33. By its resolution [67/248](#), the Assembly had approved a budget level for the biennium 2014-2015 that represented both a nominal and a real budget decrease. The current financial situation of many Member States made it all the more imperative for the Secretariat to make unceasing efforts to seek efficiencies and find creative ways to implement mandates in new and less costly ways. At the same time, the Member States should ensure that the budget process resulted in a United Nations that was better equipped for the tasks and challenges of the future. Cuts should not be made across the board — an approach that would disproportionately affect the already minimal allocations for human rights activities — but instead should be strategically targeted. The low number of entry-level posts in the Secretariat was also a matter of particular concern.

34. In more general terms, the budgetary process, with the thousands of pages of documents it involved, was too unwieldy and complicated for the Secretariat



and Member States alike. Her delegation would welcome ideas on how the process could be simplified and made more effective. The Committee's role should be to provide strategic guidance and not to micromanage the Secretariat.

35. **Ms. Casar Perez** (Controller), responding to delegations' statements, said that it was important to recall the background for the decision to use the revised estimates rather than the revised appropriations for 2012-2013 as a starting point for the proposed programme budget for the biennium 2014-2015. Pursuant to General Assembly resolution [41/213](#), the Secretary-General submitted a budget outline on the basis of a decision by the Assembly. In the first performance report on the programme budget for the biennium 2012-2013 ([A/67/592](#)), the Secretary-General had stated that the revised estimates for 2012-2013 would form the base for the proposed programme budget for the biennium 2014-2015; the Assembly, by its resolution [67/248](#), had approved the budget outline accordingly. In informal consultations, she would provide further detail to show that, had that step not been taken, the budget for the biennium 2014-2015 would have had a substantial shortfall in resources at the outset.

36. On the matter of the presentation of the budget proposal, under rule 102.2 of Financial Regulations and Rules and General Assembly resolution [47/212](#), the Secretary-General was invited to continue improving the presentation of the programme budget, notably in terms of facilitating a comparison of appropriations and actual level of expenditure by object. In the interests of transparency and in order to provide the Assembly with a clear picture of the impact that its decisions had had on the proposed programme budget, resource changes had been broken down in the budget presentation rather than being shown as a single figure.

37. Noting that recosting had become a major issue, she said that the Secretariat, if given a mandate to do so, would undertake a review of the methodology. When the financing of special political missions was excluded, the level of the regular budget had been stable in real terms over the previous five bienniums; the increase in nominal terms had been due to recosting to account for exchange rate fluctuations and inflation.

38. On the question of how outputs had been affected by the successive reductions in the proposed programme budget of \$63 million and \$100 million,

she said that the budget proposal clearly indicated those outputs that had been discontinued as part of the normal review process. In total, 0.2 per cent of outputs had been affected by the cuts implemented during the biennium 2012-2013.

39. With respect to the concerns expressed that the development pillar had been disproportionately affected by the reductions, she noted that the Secretary-General had been guided by General Assembly resolution [67/248](#), which instructed him to ensure the fair, equitable and non-selective treatment of all budget sections when making proposals for savings. Consequently, all sections had been subject to a 2.9 per cent reduction in resources so as to remain within the envelope of \$5.392 billion, and managers had had the freedom to allocate resources within their programmes in such a way as to ensure that mandates were implemented as fully as possible. Annex II to the budget outline ([A/67/529](#)) showed all additional requirements, while the budget figure remained at the level of the budget outline approved by the Assembly in its resolution [67/248](#).

*The meeting rose at 11.15 a.m.*