



# General Assembly

Sixty-fourth session

Official Records

Distr.: General  
9 December 2009

Original: English

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## Fifth Committee

### Summary record of the 10th meeting

Held at Headquarters, New York, on Thursday, 29 October 2009, at 10 a.m.

*Chairman:* Mr. Maurer . . . . . (Switzerland)  
*Chairman of the Advisory Committee on Administrative  
and Budgetary Questions:* Ms. McLurg

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*The meeting was called to order at 10.10 a.m.*

**Tribute to the memory of the victims of the attack on personnel of the United Nations Assistance Mission in Afghanistan in Kabul on 28 October 2009**

1. **The Secretary-General** expressed shock and indignation at the recent attack on personnel of the United Nations Assistance Mission in Afghanistan in Kabul, condolences to the families of those who had lost their lives and pride and admiration at the bravery exhibited by staff.

2. *At the invitation of the Chairman, the members of the Committee observed a minute of silence.*

**Agenda item 132: Proposed programme budget for the biennium 2010-2011**

*Introduction of the proposed programme budget for the biennium 2010-2011 (A/63/151 and Corr.1 and Add.1; A/64/6 (Introduction) and Corr.1, A/64/6 (Sect. 1) and Corr.1, A/64/6 (Sect. 2 and 3), A/64/6 (Sect. 4) and Corr.1, A/64/6 (Sect. 5) and Corr.1, A/64/6 (Sect. 6), A/64/6 (Sect. 7) and Corr.1, A/64/6 (Sect. 8-10), A/64/6 (Sect. 11) and Corr.1, A/64/6 (Sect. 12), A/64/6 (Sect. 13) and Add.1, A/64/6 (Sect. 14-16), A/64/6 (Sect. 17) and Corr.1, A/64/6 (Sect. 18-21), A/64/6 (Sect. 22) and Corr.1, A/64/6 (Sect. 23-26), A/64/6 (Sect. 27) and Corr.1, A/64/6 (Sect. 28), A/64/6 (Sect. 28A), A/64/6 (Sect. 28B), A/64/6 (Sect. 28C), A/64/6 (Sect. 28D) and Add.1, A/64/6 (Sect. 28E), A/64/6 (Sect. 28F), A/64/6 (Sect. 28G) and Corr.1, A/64/6 (Sect. 29) and Corr.1, A/64/6 (Sect. 30-36), A/64/6 (Income sect. 1-3), A/64/7, A/64/16, A/64/73 and Corr.1, A/64/74, A/64/86, A/64/89, A/64/201 and A/64/203 and Corr.1 and Add.1)*

3. **The Secretary-General**, introducing the proposed programme budget for the biennium 2010-2011, said that, while he had been only indirectly involved in the budget proposals for the current biennium because they had preceded his assumption of office, he had been directly involved in the strategic framework, the budget outline and the finalized budget proposals for 2010-2011. They were in line with the priorities identified by the General Assembly for the biennium, took account of the global economic and financial crisis and reflected his full commitment to strict budgetary discipline, balancing growth in some

areas with reallocation and realignment in others. In formulating the proposals, programme managers had been requested to scrutinize critically all activities and their related resources, so as to focus on results and on the optimization of those resources.

4. The proposed budget of \$4,887.5 million, before recosting, was broadly in line with the level of the outline approved by the General Assembly in its resolution 63/266. It reflected real growth of \$22.4 million, or 0.5 per cent, over the revised appropriation. It also reflected a net decrease of 24 posts: while there would be 53 more Professional posts, there would be 77 fewer posts in the General Service and related categories. Consistent with established practice, the proposal included a preliminary recosting for inflation, adding \$171.8 million to the original total and bringing regular budget requirements to \$5,059 million. The proposal also included \$829 million for special political missions that were expected to be extended or approved in the course of the biennium. In that connection, the General Assembly would shortly receive detailed proposals to allocate sums for operations in Afghanistan, Iraq and 27 other areas.

5. The Organization faced increasing demands for its services. As chief administrative officer, he was committed to management reform and to greater transparency, accountability and efficiency. To that end, the proposed budget reflected the continuing costs of implementing an enterprise resource planning system and training related to the International Public Sector Accounting Standards. Resources had also been allocated to ensure that staff acquired skills appropriate to the evolving needs of the Organization and an integrated human resources framework was being implemented to strengthen the capacity of the Organization and to support mobility and leadership development.

6. In keeping with established practice, a number of significant requirements had not been included in the proposals but would be presented as necessary to the General Assembly in separate reports at its sixty-fourth session. They included administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board; business continuity management; sums for implementation of enterprise resource planning above the amount already included in the proposed budget; implementation of the enterprise content management and customer

relationship management systems, and a proposal for a unified disaster recovery and business continuity plan; proposed funding for after-service health insurance benefits; possible requirements arising from the follow-up to the Durban Review Conference and the 2009 Copenhagen conference on climate change; matters arising from the deliberations of the Main Committees of the General Assembly at its sixty-fourth session, and mandatory technical adjustments to account for changes in inflation and exchange rates. They also included the strengthened and unified security management system that was of paramount importance to enable the Organization to improve security for its premises, its staff and their dependants. He urged the Member States to consider those proposals favourably.

7. Providing a fully funded budget proposal was a challenge, as the Main Committees and the General Assembly were concurrently considering various other proposals. The Secretariat would inform the Fifth Committee of any funding requirements that might arise, and he would welcome the Committee's advice, guidance and recommendations on ways to improve the budget process. Recalling his advocacy of greater budget flexibility, and the General Assembly's authorization of limited discretion, on an experimental basis, for the previous two bienniums, he said that he intended to propose the continuation of that arrangement, with any necessary amendments to its conditions, in view of its successful implementation and the lessons drawn from it. Informal consultations between the Secretariat and some Member States over the previous 10 months had led to general agreement that the existing process no longer met the needs of the Organization, and that the matter should be addressed at three levels: within the Secretariat, between Member States and the Secretariat, and between Member States.

8. The first of his three top priorities was to end real or perceived micromanagement, creating an environment of trust based on a strong system of accountability, both within the Secretariat and between the Secretariat and Member States. The second was to consolidate the number of budget fascicles, which currently exceeded 40, even though half that number would suffice. That would help to streamline the budget and increase managerial flexibility. The third was to put in place an alternative funding arrangement for special political missions. Those three priority issues and other relevant budgetary considerations

would be addressed in a report to the General Assembly containing the findings of the budgetary review process and offering a preview of forthcoming initiatives planned. The report was intended for submission at the main part of the sixty-fourth session.

9. One final matter remained to be raised: creating a budgeting environment in which major information and communications technology (ICT) projects were considered strategic and distinct from recurring operational expenses, in order to ensure their success. Without such budgeting arrangements, it would be impossible to overcome the systemic under-investment in ICT which had seen the Secretariat fall far behind other organizations in overall effectiveness and efficiency.

10. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the first report of the Advisory Committee on the proposed programme budget for the biennium 2010-2011 (A/64/7), expressed broad agreement with the elements of the proposed budget so far presented, but said that, while the Secretary-General had exercised restraint, the proposals failed to provide a full picture of the resources needed for the forthcoming biennium, having omitted a number of requirements which would be reported on separately. In particular, the Advisory Committee was awaiting the Secretary-General's budget proposals for the Department of Safety and Security.

11. The Advisory Committee was disappointed at the lack of information in the proposed programme budget on major management initiatives and structural changes that would affect resource requirements. The continuous reform effort begun in the 1990s should be given time to take effect before its success could be judged. Accordingly, the Advisory Committee had not commented extensively on the human resources management reform measures approved by the General Assembly at its sixty-third session, intending to revert to them when it reported on human resources matters at the sixty-fifth session.

12. Further, it had refrained from providing a total costing for recommended reductions, since, if accepted by the Assembly, they would be taken into account in the recalculation furnished to the Fifth Committee before adoption of the proposed budget.

13. Information on vacancies was vital for effective workforce and succession planning. However, no

overview of actual vacant posts was available because it would require a manual analysis of data from two disparate systems: Galaxy and the Integrated Management Information System (IMIS). Moreover, a vacant post was defined in two different ways. For budget purposes, a post was considered vacant only if nobody was charged against it, while for human resources purposes, it was considered vacant if it was available for recruitment or placement. Noting also that 5 per cent of the Organization's staff would be retiring in the forthcoming biennium, the Advisory Committee believed that posts falling vacant due to retirement should automatically be re-evaluated to determine if they were still required.

14. For successful integration of central information and communications technology throughout the Secretariat, the leadership provided by the Chief Information Technology Officer and his Office must be effective and backed up by commitment from the Organization's managers, who should work with that Office to draw the maximum benefit from the Member States' significant investment in technology. The Advisory Committee was currently finalizing its report on the Secretary-General's proposals regarding a number of information technology initiatives, including the enterprise resource planning project, which entailed proposed additional resource requirements of some \$35 million for 2010-2011.

15. With regard to construction and maintenance, the Advisory Committee urged a thorough review of the arrangements for planning, approving, managing and monitoring projects. The Organization should put together a forward-looking plan for preventive maintenance of its property.

16. In connection with the activities of the Department for General Assembly and Conference Management, the Advisory Committee once again urged an increase in the number of competitive examinations, as the Department was expected to lose 45 per cent of its language staff through retirement in the following five years. As the Human Rights Council and its subsidiary bodies had placed the Conference Services Division of the United Nations Office at Geneva under considerable pressure, that situation should be monitored and thought should be given, within the integrated global management initiative, to sharing the additional documentation workload among all four conference-servicing duty stations.

17. In connection with the activities of the Department of Political Affairs, the Advisory Committee intended to report separately on the budget proposals for special political missions for 2010. In the case of one such mission, United Nations Truce Supervision Organization (UNTSO), it had examined the Secretary-General's suggested integration of certain functions and assets into the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Disengagement Observer Force (UNDOF), but had been unable to determine whether that measure constituted a transfer of resources from one programme to another or a real reduction resulting from greater efficiency.

18. Recalling the decision of the General Assembly to undertake significant reform of the arrangements for international cooperation for development and regional cooperation for development covered by parts IV and V of the proposed programme budget, the Advisory Committee urged that those reform efforts should be given time to take effect. It was concerned that the High Representative for the Least Developed Countries and Landlocked Developing Countries and Small Island Developing States was responsible for three separate functions, believing that current arrangements could undermine the dedicated high-level attention needed to mobilize international support. The post of Special Adviser on Africa should be filled rapidly, in line with the request of the General Assembly.

19. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that the Group was concerned that efforts to restrain the growth of the budget, including the 2-per-cent cut requested from programme managers in 2008 without the endorsement of the General Assembly, could jeopardize the implementation of mandates. The context of financial and economic crisis in which the budget had been prepared did not provide valid grounds for controlling the growth of the Organization's budget. With trillions of dollars having been spent on salvaging the banking system and international financial architecture in the previous year, it was logical to expect the United Nations, which helped the poorest and most vulnerable, to receive more resources to cope with the global crisis and climate change and to pursue peace and security and the Millennium Development Goals. That had not happened, leaving the developing countries, which should be the main beneficiaries of the Organization's

work, to suffer the effects of a crisis that they had not caused.

20. The proposed programme budget was unbalanced, affecting the Organization's ability to deliver on the mandates built on all three of its main pillars: peace and security, development and human rights. Peace and security were inextricably linked to development. Although the Development Account was eminently suited to coping with evolving development needs, it represented only 0.38 per cent of the regular budget, a share which had declined over two successive bienniums and which fell far short of the General Assembly's original target of \$200 million. An appropriate funding mechanism for the Account, using the regular budget, should be established. The regional commissions' role in implementing the development agenda should also be strengthened.

21. The Organization's role in world affairs was reflected in the growing number of mandates approved by its intergovernmental bodies. In that connection, the Group was concerned at the growing imbalance between assessed and voluntary contributions, with the latter nearly twice the volume of the former. The first effect of the situation was a governance crisis: although legislative bodies approved mandates, the priorities attached to each could be manipulated through the use of voluntary contributions. The second effect was the creation of two classes of mandate: one privileged class, benefiting from a constant flow of resources; and another, neglected and underfunded, class, scrambling for crumbs.

22. The Group maintained that all mandates approved by intergovernmental bodies, particularly those related to development, should receive predictable and adequate funding, and called for greater transparency and accountability in the use of extrabudgetary resources, which — as the Advisory Committee had pointed out — should be administered with no less rigour than regular budget resources. While the current situation of budget imbalance and lack of transparency remained, the Group would be cautious about requests to grant more flexibility to the Secretariat.

23. The allocations for special political missions, part of the regular budget, could reach over \$1 billion by 2010, having grown from \$100 million in 2000 — they now accounted for some 20 per cent of regular budget expenditure. The Group took the view that such a situation distorted the real increase in the regular

budget; it refused to allow priority activities funded under the regular budget to be threatened by the resource demands of special political missions. While recognizing that reform was a normal part of the activity of an Organization that must be adequately equipped for evolving challenges, the Group also believed that the funding of reform initiatives must not displace funding for substantive activities.

24. Reaffirming the central role of the General Assembly and its intergovernmental and expert bodies in planning, programming, budgeting, monitoring and evaluation, the Group was concerned that the Advisory Committee had infringed on the prerogatives of the Committee for Programme and Coordination by making recommendations on the logical framework of the proposed programme budget. The Group also reaffirmed the role of the General Assembly in the approval of posts, the structure of the Organization, human resources policy and the allocation of financial resources under all sections of the programme budget in order to ensure full and effective implementation of all mandates. Accordingly, it requested the Secretary-General to abide by the decisions of the General Assembly regarding the post of Special Adviser on Africa, which should be filled as a matter of priority.

25. Finally, the Group emphasized that negotiations regarding the programme budget should be open, transparent, inclusive and avoid past mistakes. Concluding deals in small groups or linking various parts of the Fifth Committee agenda to the programme budget would only contribute to mistrust and polarization among Member States.

26. **Mr. Lidén** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Iceland, Liechtenstein, Republic of Moldova and Ukraine, said that, at a time of global financial crisis, the resources of the Organization should be used as effectively and efficiently as possible, and with the same degree of budgetary discipline that the Member States were forced to exercise.

27. Although the proposed programme budget appeared to have grown little compared to the revised appropriation for the current biennium and the budget outline adopted in December 2008, it was considerably

larger than the initial appropriation for the current biennium decided on in December 2007 and excluded the full expected costs of a number of forthcoming proposals. Preliminary estimates of the expected additional requirements should, nevertheless, have been provided where possible. As the likely final level of the budget for the biennium 2010-2011 was larger than the European Union, as the Organization's largest contributor, was able to support, the proposed budget should be reduced to a more reasonable level, and the budgetary responsibilities of the Organization should be shared in a fair and more balanced way.

28. He recalled that the General Assembly, in its resolution 62/236, had called upon the Secretary-General to avoid a piecemeal approach to budgeting. Future budget submissions should adhere to the process established by the General Assembly in its resolutions 41/213 and 42/211. In view of the need for budgetary discipline and the need to consider additional requirements, redeployment of resources and cross-cutting savings should be explored, using a non-incremental approach that also encompassed recurring expenditure. In the current financial climate, the Member States' own decisions regarding budget proposals would be made easier if the Secretariat established clear priorities for the use of the Organization's resources. More effective use of results-based budgeting was also critical.

29. **Mr. Camarena Villaseñor** (Mexico), speaking on behalf of the Rio Group, emphasizing the need for responsibility and accountability in managing the Organization's resources, said that the priorities and mandates deriving from its three pillars, peace and security, development and human rights, must be implemented in an effective and balanced way. The Group was concerned at the excessive increase in resources requested for special political missions, regretted the omission from the proposed programme budget of a series of additional requirements, and viewed as unfortunate the selective analysis of those requirements. Future budget proposals should be presented in full.

30. The Group consisted entirely of developing countries whose situation demanded that more resources should be devoted urgently to improving the lives of their inhabitants. It would pay special attention to a range of issues including international and regional cooperation for development, the United Nations Regional Centre for Peace, Disarmament and

Development in Latin America and the Caribbean, the Permanent Forum for Indigenous Issues, the fight against poverty and hunger and the work of the regional commissions. It also emphasized the need for efficient management of human resources, equitable geographical distribution and gender balance, particularly in senior posts.

31. Speaking as the representative of Mexico, he said that the proposed programme budget had once again been presented in piecemeal form, running counter to General Assembly resolution 62/236. It was unfortunate that the Secretariat had failed to profit from the recommendations of the Advisory Committee, having once again presented a proposal in increments, justifying only the new requirements and taking the basis of the budget for granted. That encouraged an escalation of resource requirements and stood in the way of an in-depth analysis of those requirements as a whole.

32. The likely level of the proposed programme budget after taking account of the requirements not yet introduced in the Committee was unacceptable. The global financial and economic crisis had led many Member States, including Mexico, to cut public spending. The Organization's budget did not reflect that austerity. The Secretariat should therefore undertake management reform, identify savings and rationalize posts and structures, taking particular care to examine the salaries and allowances of locally recruited staff in all duty stations. If it proved impossible to identify cost savings, Mexico proposed that consideration of the add-ons of which details were awaited should be deferred to the next biennium, whatever their merits. It understood, and would consider, the need for the Secretary-General to have discretion in budgetary matters in a context of genuine austerity and discipline.

33. The sharp increase in requirements for special political missions raised questions about the balance among the three pillars of the Organization and the fairest and most transparent way of financing the activities concerned. Mexico favoured the establishment of a separate account for such missions. Because of their nature, the account should adopt the scale of assessments used for peacekeeping missions.

34. **Mr. Quinlan** (Australia), speaking also on behalf of Canada and New Zealand, said that the Member States would closely scrutinize the proposed programme budget for the forthcoming biennium, which coincided

with the most significant financial and economic crisis since the 1930s. It was unfortunate that the proposal was incomplete, omitting the add-ons which would include provisions for such vitally important matters as safety and security and the enterprise resource planning project. Some had considerable implications for the future of the Organization and its staff. Piecemeal budgeting undermined discipline, obscured resource requirements and obliged the Member States to take decisions without knowing their effect on the budget.

35. The three delegations looked forward to discussion of and specific proposals regarding the working methods of the Fifth Committee and Advisory Committee, the Advisory Committee's desire for more resources and the Secretary-General's desire for an extension of his existing budgetary discretion. They believed that, after nine years, methods of results-based budgeting should be refined to incorporate better costing, measurement and benchmarking to provide better information on performance and resource implications.

36. **Ms. Pataca** (Angola), speaking on behalf of the Group of African States, said that consideration of the proposed programme budget provided an opportunity for the Member States to renew their commitment to the priorities identified by the General Assembly, in accordance with paragraph 17 of its resolution 63/266.

37. With the proposed budget showing zero nominal growth, the Group was concerned, in view of the requirements of Article 17 of the Charter, that resources might not be sufficient to discharge the mandates established by the General Assembly. The laudable objective of using resources in an effective, efficient, transparent and accountable manner should not be confused with indiscriminate cost-cutting which could starve the Organization of resources to the point of making it ineffective.

38. As the 2005 World Summit had reaffirmed the Organization's central role in promoting development and the General Assembly had formed an open-ended working group to follow up on the issues contained in the outcome of the 2009 Conference on the World Economic and Financial Crisis and Its Impact on Development, the United Nations should be taking the lead in promoting development. However, over 90 per cent of the proposed programme budget was devoted to two of the Organization's three pillars — peace and security and human rights — leaving the third, development, with only 10 per cent.

39. Similarly, the proposals provided for no growth in the Development Account, leaving it far from its original target level of \$200 million, with the related efficiency gains either non-existent or diverted to other uses. An improvement must be sought, as the effects of the crisis had hit developing countries particularly hard, and many in sub-Saharan Africa were unlikely to achieve any of the Millennium Development Goals.

40. Recalling that the Secretary-General, in accordance with General Assembly resolution 57/300, had established, and allocated clear responsibilities to, the Office of the Special Adviser on Africa, the Group was concerned that that post remained vacant. Recalling also that the previous proposal to merge the functions of the Special Adviser with those of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, whether permanently or temporarily, had been rejected by the General Assembly in its resolutions 62/224, 62/236 and 63/260, the Group wished the Secretary-General to supply information on the status of recruitment efforts for the post of Special Adviser and for other positions in the Office of the Special Adviser. It also wished to know the status of proposals to increase the staffing of the five subregional offices of the Economic Commission for Africa.

41. As resources should be allocated equitably among United Nations offices and duty stations in developed and developing countries, and as the General Assembly had decided in its resolution 62/236 that the financial arrangements of the United Nations Office at Nairobi should be brought into line with those of similar United Nations administrative offices, the Group called on the Secretary-General to intensify efforts in that regard and to clarify the inconsistencies in the proposed programme budget and the most recent Secretary-General's Bulletin regarding the structure of that Office. The Group supported the development of a comprehensive, long-term strategy for the construction, improvement and maintenance of United Nations facilities. Progress on the projects under way at the United Nations Office at Nairobi and the Economic Commission for Africa should be maintained.

42. Equitable geographical distribution and gender balance in recruitment and placement remained concerns. Transparency and accountability should be improved and the lack of proper representation of African States in senior positions addressed. The

potential of the national competitive examination should be exploited, and managers instructed to select from rosters of successful candidates when filling vacant posts.

43. The fact that the goal of zero nominal growth had reduced resources for operational activities, combined with the percentage of regular budget resources devoted to personnel and common staff costs, made extrabudgetary resources vital. However, their use had implications for the intergovernmental nature of the Organization, as envisaged in the Charter, and should be approved and reported on in a more transparent and accountable manner. They should not provide an opportunity for donors to facilitate recruitment of their nationals.

44. The Group was committed to open, transparent and inclusive negotiations on the proposed programme budget, and emphasized that the budget-related mandates of the General Assembly, the Fifth Committee, the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions should be adhered to, in line with the provisions of General Assembly resolutions 41/213 and 42/211 and rule 153 of the rules of procedure of the General Assembly.

45. **Ms. Grau** (Switzerland), speaking also on behalf of Liechtenstein, said that it was not difficult to predict that the actual growth in the programme budget for the biennium 2010-2011 would be well above the 0.5 per cent suggested by the Secretary-General. That likelihood was due to a flawed budget process which no longer met the needs of the Organization. Two of the main problems were that the budget negotiations were still largely input-driven rather than results-driven, leading to micromanagement by the Fifth Committee, and that reform proposals were often not connected to the regular budget process, producing piecemeal budgeting and constant add-ons. The joint initiative of the Secretariat and the Member States to improve the budget process should be pursued. But ultimate responsibility for a meaningful budget process lay with the Member States.

46. The guidance on cross-cutting issues provided by the Advisory Committee was valuable, but more specific resource-related recommendations would have been appreciated. The Advisory Committee's impact on the proposed programme budget remained modest in financial terms. Furthermore, the roles of the Advisory

Committee and the Fifth Committee had become blurred, leading to duplication and frustration on all sides. Nevertheless, the two delegations were ready to endorse the economies recommended by the Advisory Committee and invited all other delegations to do likewise and not to demand the initial resource levels requested. That position did not exclude the possibility of bigger cost reductions than those recommended by the Advisory Committee.

47. In the present global financial situation it was more necessary than ever to strike a balance between implementing agreed mandates and restricting unsustainable budget growth. However, radical budget cuts were difficult to make and would probably weaken the Organization. The medium-term objective should be to let the recent reforms unfold their benefits, thereby moderating budget growth.

48. The reform of the system of administration of justice seemed to be on track: sufficient funding must be made available to ensure a smooth transition in what was an important Secretariat function. The likely doubling of the resources of the Office of the High Commissioner for Human Rights was welcome, as were the proposals for strengthening the capacity of the United Nations Office at Geneva to support the new mechanisms of the Human Rights Council. Since oversight was of the highest priority, the Office of Internal Oversight Services must be further strengthened.

49. Many of the important budget proposals to be presented later in the year deserved the Fifth Committee's full attention and should not be put aside for cost reasons. For example, the Organization desperately needed a state-of-the-art enterprise resource planning system and an effective strategy for information and communication technology.

50. **Mr. Liu Zhenmin** (China) said that his delegation endorsed the priorities for improving resource utilization established by the General Assembly for the biennium 2010-2011. The resources of the United Nations should be shared equitably among the three pillars of peace and security, development and human rights, and among the eight priority areas. The Secretariat must keep administrative costs to a minimum in order to release resources for development activities.

51. Budget growth must be kept to a rational and appropriate level, but some growth was essential to the smooth functioning of the Organization and the



provision of adequate funding for mandated activities. A stable and sustainable financial base was also essential if the United Nations was to strengthen its role in international affairs. The Organization should therefore proceed on the principle of matching needs to resources, taking the capacity to pay of Member States fully into consideration.

52. The proposed programme budget should be complete when presented: in recent years the biennial budgets had been open-ended and subject to continual add-ons. As the Advisory Committee had pointed out, the budget proposals did not include a number of requirements which had been or would be addressed in separate reports. Since the Secretariat had been repeatedly requested to avoid a piecemeal approach, it should respond to the concerns raised.

53. Results-based budgeting must be improved. His delegation agreed with the Advisory Committee that results-based budgeting did not at present reflect managerial plans and was not used as an effective managerial tool. There was no need to give an exhaustive list of all outputs in the budget proposals, but sufficient explanation should be given of the relationship of outputs to the required resources.

54. **Mr. Badji** (Senegal) said that Member States had an obligation to support the Organization's expenditure as set out in the proposed programme budget.

55. Senegal remained convinced that one of the essential bases of collective security and well-being, two of the chief focuses of its foreign policy, was a determination to work together to mobilize sufficient resources to eliminate poverty, food insecurity and underdevelopment, particularly in Africa. Accordingly, it invited the Secretary-General to provide for the posts approved under General Assembly resolution 63/260 relating to trade and development and to economic and social development in Africa: it drew attention in particular to budget section 11, United Nations support for the New Partnership for Africa's Development.

56. His delegation welcomed the implementation of the decision to double the budget of the Office of the High Commissioner for Human Rights, which had enabled the High Commissioner to establish several regional offices, including one in Dakar. The strengthening of the human rights pillar also implied adequate funding of the Human Rights Council, in particular to enable it to conduct the universal periodic reviews essential to the monitoring of the application

of the International Bill of Human Rights. It also welcomed the efforts to strengthen multilingualism and considered that the Secretary-General should determine a strategy for filling the vacant posts in all the conference centres, in particular the United Nations Office at Nairobi.

57. The Member States must find new means of financing the Development Account, possibly by cutting spending on consultancy and reducing travel costs through increased use of videoconferencing. If allocated to the Development Account, the savings thus made would facilitate the speedier attainment of the Account's objectives.

58. **Ms. Rice** (United States of America) said that coping with common global challenges would require thought and innovation from the Secretariat, under strong leadership from the Secretary-General, and sustained commitment from the Member States. At the opening of the current session of the General Assembly, President Obama had affirmed that the United States stood ready to begin a new chapter of international cooperation and had called on all nations to join the United States in building the future that all peoples so richly deserved. The United States had already shown its commitment to opening that new chapter by its recent payment of contributions of over \$1.2 billion, dramatically reducing its budgetary arrears and bringing its peacekeeping contributions up to date.

59. Budgetary discipline was imperative in the current global crisis, and the Fifth Committee should be guided by three fundamental principles in that regard. First, the allocation of resources must be governed by results-based budgeting: the Secretariat would have to produce greatly improved indicators of achievement to secure the desired accountability. Second, decisions must reflect real value for money: efficiencies must be found through new technology and simplified procedures. Third, requirements for new resources must be weighed against existing commitments in order to determine appropriate priorities: the Committee must identify, by means of rigorous programme evaluations, resources which could be redeployed from lower to higher priorities.

60. Her delegation welcomed the priority given in the budget proposals to part II, Political affairs, part IV, International cooperation for development, and part V, Regional cooperation for development, for peacekeeping missions were critical priorities and international and

regional development activities were central to the Organization's core function. The significant increase under part VI, Human rights and humanitarian affairs, reflected a need for increased activity on those vital issues.

61. It was essential for the Secretary-General to present as soon as possible a comprehensive and transparent budget for the entire biennium. Piecemeal presentation of the budget undermined the capacity of the Member States to make rational decisions between competing demands. It was also essential for the Member States to adopt a programme budget which was sufficient for the effective achievement of the Organization's priorities.

62. **Mr. Sadouk** (Morocco) said that, if it was to achieve its goals and priorities, the Organization must be provided with commensurate resources for carrying out all mandated activities and be better equipped to cope with today's challenges in peace and security, development and human rights. Yet the imbalance in the distribution of resources among those areas persisted, to the detriment of development activities. The Organization could not undertake additional economic and social activities without increases in its budget. His delegation supported, in particular, the strengthening of the Economic Commission for Africa, which had effectively promoted Africa's development. In that connection, since the Office of the Special Adviser on Africa was an essential tool for minimizing the effects of the financial crisis, the post of Special Adviser should be filled as soon as possible.

63. His delegation fully supported the additional resources requested for the Peacebuilding Support Office and endorsed the Advisory Committee's call for the expeditious appointment of a new Assistant Secretary-General to head the Office. It also supported the management reform process, stressing, in particular, the importance of consolidating the principles of transparency and accountability to the Member States. It reaffirmed the need for equitable geographical representation and for improvement of the gender balance in the Secretariat and urged the Secretary-General to place successful candidates from the national competitive examinations as quickly as possible. It acknowledged the Advisory Committee's heavier workload and agreed that the meeting time allocated to that Committee should be increased by four weeks per biennium.

64. **Ms. Juul** (Norway) said that Norway's aim was to strengthen the United Nations further as an indispensable institution for improving the world's future. The regular budget was the best strategic tool for achieving that end, for only with sufficient and predictable funding could the United Nations carry out its mandates effectively, and the Member States should not expect more from the Organization than they were willing to invest in it. Such investment was even more important at a time when many States were struggling to cope with the financial crisis. Norway was the third largest contributor to the Organization's humanitarian and development activities, and its overall development budget continued to increase.

65. The recent attacks on United Nations field personnel confirmed that their security situation had never been more challenging. Any attack on the United Nations should be seen as an attack on all the Member States and on the Organization's core values.

66. It was vital to continue the reform efforts in order to equip the United Nations better to achieve clearly defined targets. Reform was not a cost-cutting exercise but a means of producing better results from the financial contributions of the Member States.

67. **Mr. Cumberbatch** (Cuba) said that it was unacceptable for the Secretariat to present decisions taken counter to the wishes of the General Assembly as managerial achievements or to raise notions of greater flexibility and other questions requiring serious discussion. His delegation reiterated yet again that there was a clear imbalance among the Organization's priorities as reflected in the budget documents. It was sad to see how the Organization's economic and social activities had been sacrificed over the years. The Development Account was one example: the Secretariat had been unable to secure funding for the Account, which stood at \$18.6 million instead of the agreed level of \$200 million. The lack of neutral multilateral funding was one of the main obstacles confronting the developing countries. Yet instead of strengthening the Development Account the Secretariat was virtually proposing that it should be discarded.

68. It appeared that the Committee was being presented with a budget based on fictional zero nominal growth to placate certain delegations. But the most striking aspect was the absence of any intergovernmental agreement to support that approach, whereas there was agreement that resources must

correspond to the needs of mandated activities. In that context, his delegation was alarmed by the opinion expressed by the Advisory Committee in its first report (A/64/7, para. 9) that a large number of questions would have to be addressed in separate reports.

69. His delegation would oppose any further erosion of the Organization's development mandates. The budgetary consequences of the necessary reform initiatives must be assumed without detriment to other priorities. Any other approach would only result in interminable negotiations. The next budget cycle must produce a clear improvement in the work of the United Nations without the budget falling hostage to the petty geopolitical designs of the most powerful States.

70. **Mr. Sinhaseni** (Thailand) said that his delegation wished to emphasize the importance of the United Nations Conference on Trade and Development (UNCTAD) in assisting the developing countries to attain their development objectives and to state its opposition to any proposal to reduce the resources allocated to UNCTAD which would affect its capacity to discharge its mandate. It also expressed concern that the recommendations of the Trade and Development Board's Working Party on the Strategic Framework and the Programme Budget had not been taken sufficiently into account in section 12 of the budget proposals.

71. The regional commissions made a vital contribution to the attainment of the Millennium Development Goals and the fulfilment of other mandates. The Economic Commission for Asia and the Pacific played a major role in reducing the gap between the region's dynamic performers and its other member countries. The Commission's budget, set out in section 18 of the proposed programme budget and endorsed by the Advisory Committee, reflected the priorities of the Commission's members and merited the Fifth Committee's support.

72. His delegation appreciated the Secretariat's efforts to introduce results-based budgeting, but much remained to be done. At a time when the resources of the United Nations were stretched more thinly than ever before it was the responsibility of the General Assembly to approve a level of expenditure commensurate with the Organization's mandated activities in order to guarantee their effective implementation without undue dependence on unpredictable extrabudgetary resources.

73. **Mr. Park** In-kook (Republic of Korea) said that, given the global economic slowdown, the 16 per cent

increase in the proposed programme budget for the next biennium after preliminary recosting was likely to place a considerable burden on the Member States. The Secretariat should therefore impose financial discipline to improve the budget process and diversify the sources of financial resources. Existing programme expenditures needed to be reviewed and restructured, and inessential and lower-priority spending curbed.

74. The Secretariat's continuing piecemeal approach to the programme budget made it difficult for the Member States to provide useful policy guidance, and prevented it from responding quickly to a rapidly changing economic and social situation. The Secretariat should formulate a comprehensive medium-term financial management plan in order to provide a clearer picture of financial needs and policy priorities. In addition, the budget process should be reviewed in order to strengthen the Secretariat's capacity to respond to unforeseen problems. The Secretariat's efforts to improve the financial situation by attracting extrabudgetary resources were appreciated, as were the Secretary-General's moves to diversify sources of funding. The Republic of Korea was one of the major contributors to the United Nations budget and would continue to support the efforts to improve fiscal discipline and the budget process.

75. **Mr. Shcherbak** (Russian Federation) said that the apparently insignificant increase of 0.5 per cent in the proposed programme budget was not the final figure, for the proposals did not include a whole series of expected expenditures; the actual level of the budget could rise to over \$5.4 billion, representing a significant and worrying increase over the level of the current budget. His delegation called on the Secretary-General to avoid piecemeal budgeting, for it prevented the Member States from taking informed decisions. Great care should be taken to comply with the rules and procedures established by the General Assembly and to harmonize proposed new initiatives with the budget cycle.

76. The Advisory Committee was correct to assert that results-based budgeting was far from being established in all units of the Secretariat and in all missions. Priority should be given to further clarification of the purpose of results-based budgeting and to its improvement. Since personnel costs accounted for \$3 billion of the proposed \$4.8 billion requirement for the regular budget, his delegation intended to give close attention to personnel issues, including the

reform of personnel policy. Close attention should also be paid to spending on travel and external consultants. Despite the slight downturn in spending in those areas, the present economic situation required more vigorous use of the Secretariat's own expertise. There was also some inconsistency in the requests for capital expenditure in connection with the reconstruction of the Headquarters building in New York. The Advisory Committee's recommendations, which contained hardly any reductions in the budget proposals, were not fully consonant with the current economic situation.

77. As in the past, his delegation would advocate containment of unjustified growth in budgetary expenditure and the strengthening of budgetary discipline. It was ready to consider proposals for further improvement of the budget format, but no such changes should entail departure from the fundamental principles of the United Nations: multilingualism, implementation of existing mandates, and the centrality of the role of intergovernmental organizations.

78. **Mr. Rosales Díaz** (Nicaragua) said that his delegation was dismayed at the clear imbalance in the proposed programme budget. Development remained the Cinderella of the regular budget: a total disconnect persisted between the rhetoric of the world's leaders and concrete action through the provision of financial resources. Furthermore, the developing countries, which were the principal collateral victims of an economic crisis which they had not caused, were now paying double for the consequences of that crisis as a result of the attempts by some States to undermine the development role of the United Nations. It was hard to believe that the Development Account represented only 0.38 per cent of what were incomplete budget proposals: a viable mechanism must be introduced for funding the Account from the regular budget; the idea of funding it from leftovers must be abandoned.

79. His delegation rejected any attempt to impose artificial spending limits which would impede the Organization's work without improving its efficiency. The General Assembly had never agreed that the criterion of zero growth should guide the formulation of the budget; it was in fact obvious that the budget would have to grow in step with the approval of new mandates. In that connection, the big increase in the resources allocated to special political missions over the past nine years reflected a serious imbalance in the regular budget which could easily be corrected by creating a special account for such missions.

80. The enormous volume of extrabudgetary contributions should gradually be incorporated into the regular budget, not least because recourse to such funding often led to the creation of posts not mandated by the General Assembly and aggravated the problem of the inequitable geographical distribution of posts. However, his delegation commended the Secretariat's efforts to achieve gender balance and urged it to recruit more women from developing countries. It also wished to draw attention to the need for the Advisory Committee to respect the prerogatives of the Committee for Programme and Coordination.

81. **Mr. Takasu** (Japan) said that the United Nations could not remain isolated from the effects of the global financial crisis: the Member States expected cost-effective performance and strict budgetary discipline. The proposed programme budget for the biennium 2010-2011 should follow five rules.

82. First, in accordance with the procedures established in General Assembly resolutions 41/213 and 42/211, the total budgetary requirements and priorities for the next biennium should be agreed upon by the Member States at an earlier stage and the Secretary-General's proposals in the budget outline should reflect that political understanding. The Member States would thus be able to prepare for their expected overall financial obligations for the next two years.

83. Second, additional requirements arising in the course of the biennium must be kept within the previously agreed level of the contingency fund. If that could not be done, the requirements should be deferred to the following biennium, with the sole exception of urgent requirements relating to international peace and security. Many of the additional requirements indicated in the Secretary-General's introductory statement should have been included in the budget outline. It was also important for the Secretariat to submit revised estimates early enough to allow for their careful examination.

84. Third, new requirements should first be met by means of redeployment; only when redeployment was not feasible should minimum additional resources be requested. Serious efforts had in fact been made by the Secretariat to redeploy 368 posts, and 4,541 outputs were to be discontinued in the next biennium.

85. Fourth, there was a need to adjust for currency fluctuations and inflation, but the recosting methodology

should be applied with flexibility. Full recosting might not be appropriate in the present global crisis. Recosting should be considered at the midpoint of the biennium.

86. Fifth, the Secretary-General should have a degree of discretion to meet unanticipated expenditures by using savings from approved resources. Such discretion was essential to good management. His delegation was ready to revisit the limited budgetary discretion accorded to the Secretary-General for two bienniums by General Assembly resolution 60/283.

87. The principle of zero nominal growth should be applied to the regular budgets of international organizations. That did not imply freezing activities but, rather, carrying out mandated activities in a more cost-effective manner.

*The meeting rose at 1.05 p.m.*