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## Fifth Committee

### Summary record of the 11th meeting

Held at Headquarters, New York, on Monday, 28 October 2013, at 3 p.m.

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

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*The meeting was called to order at 3.20 p.m.*

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

*Introduction of the proposed programme budget for the biennium 2014-2015* (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. **The Secretary-General**, introducing the proposed programme budget for the biennium 2014-2015, said that the budget proposal, which had been prepared on the basis of the priorities established by the General Assembly in its resolution 67/248, reflected a central challenge: how to provide the United Nations with the resources it required when the demand for its work was growing at a time of economic austerity and constraint. Many countries continued to suffer the crippling effects of the financial crisis and Governments and people alike were struggling. At the same time, the world was increasingly turning to the United Nations for help in addressing a broad range of issues and needs. The Organization must live up to the expectations of the world's peoples while also upholding its responsibility to make the most prudent use of the resources provided by the Member States. The proposed budget, which reflected that reality, was the product of a careful exercise in which all programme managers had participated.

2. He recalled that, although he had presented a budget outline of \$5,492 million, the Assembly had invited him to prepare the budget on the basis of a preliminary estimate of \$5,393 million. Efforts had been made to minimize the impact of the reduction and to accommodate new and expanded mandates; it would be unrealistic, however, to think that such a substantial reduction would have no impact. He urged the Committee to consider reviewing mandated activities that might have been fulfilled or overtaken by new developments. He was committed to budgetary

discipline and the implementation of all mandates, and had emphasized to managers and staff the need to continually reassess and improve ways of working, to be accountable to those the Organization served and to uphold the standards of effectiveness requested by the Assembly. He had instructed programme managers to rethink business practices, reduce overlap, embrace innovation, encourage creativity and build synergies. Consequently, the budget proposal reflected a wide range of adjustments based on efficiencies, improvements and investments; all anticipated effects on the volume of outputs and performance targets had been reported in the relevant budget section. Noting that it had been difficult to strike the right balance, he expressed confidence that the proposals would meet the Assembly's expectations.

3. The proposed budget level of \$5,404 million before recosting was 2.9 per cent below the level projected in December 2012 and 0.2 per cent below the expenditures for the biennium 2010-2011. Consistent with established practice, the proposal included a preliminary recosting that had added \$158 million to the original total and brought regular budget requirements to \$5,562 million. The budget reflected a net decrease of 261 posts, to be achieved by abolishing 396 posts, adding 52 new posts and converting 83. In order to bring greater transparency to the budget process, the presentation format included information on resource changes and their impact. In addition, separate reports would be submitted to the Committee at the current session should the deliberations of the other Main Committees give rise to new resource requirements.

4. While the proposal reflected a conscientious effort to gauge the Organization's needs for the coming biennium, the Secretariat would continue to search for ways to adapt and equip the United Nations to better implement its mandates at a time when it was called on to play an increasingly prominent role in the three pillars of its work: promoting peace and security, advancing development and protecting human rights. Just as efforts to achieve the Millennium Development Goals were being accelerated, Member States were also discussing an ambitious post-2015 development agenda. In order to make progress, it would be crucial for the Organization to enhance its capacity to leverage the power of the private sector, civil society and the philanthropic community. He therefore proposed the establishment of a new Partnership Facility that would

seize the potential of multi-stakeholder alliances while ensuring accountability, integrity and transparency in United Nations partnership efforts.

5. Modernization was another imperative for the Organization, which must develop a dynamic management culture focused on excellence and results in a complex and fast-changing world. The budget proposal therefore reflected continued investment in transformative initiatives such as the Umoja enterprise resource planning system and implementation of the International Public Sector Accounting Standards (IPSAS). Those projects, together with the proposed managed mobility policy, would make the United Nations a truly global organization for the twenty-first century.

6. Noting that he and his senior advisors would be available to answer any questions that Member States might have, he said that the decisions taken by the Fifth Committee would shape the ability of the United Nations to advance the well-being of mankind at a time of simultaneous peril and opportunity. He urged the Committee not to forget that, while the subject of its deliberations would be budget figures, what really hung in the balance were the prospects of a future of dignity for people, families and communities around the world.

7. **Mr. Ruiz Massieu** (Chair 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 2014-2015 (A/68/7), said that the Advisory Committee was concerned that some elements of the budget proposal involved a departure from the approved budget methodology; the details, which were technically complex, were set out in the Committee's first report. The Advisory Committee's three main observations were, first, that the level of the revised appropriation for 2012-2013 had not been used as the comparative basis for the proposal, as approved by the General Assembly in its resolution 67/247 A; second, that the format and presentation of the budget document contained elements that differed from the requirements set out in the relevant General Assembly resolutions; and third, that the Secretary-General had distinguished between resource changes proposed in the budget outline (A/67/529 and Corr.1) and those attributed to the Assembly as a result of its resolution 67/248. The Advisory Committee acknowledged that some of those departures stemmed from the

Assembly's exceptional decision to defer consideration of post-related recosting for 2012-2013. For the sake of clarity, its observations and recommendations were based on the resource figures contained in the proposed programme budget. However, it recommended a return to the prescribed methodology for future budget presentations and stressed the importance of strictly adhering to Assembly resolutions on the budget process, including resolutions 41/213, 42/211, 47/212 A and 58/269.

8. On the proposed resource requirements, he recalled that the Assembly, in its resolution 67/248, had invited the Secretary-General to prepare his proposed programme budget for 2014-2015 on the basis of a preliminary estimate of \$5.393 billion. The current proposal amounted to \$5.404 billion before recosting, or 0.2 per cent above the level stipulated in the budget outline. After preliminary recosting, the proposed level of \$5.562 billion was 0.02 per cent below the resources for 2012-2013. The Advisory Committee's recommendations would entail a reduction of \$13.1 million in the Secretary-General's proposal, bringing the overall request for resources to \$5,390.9 million before recosting.

9. With respect to staffing, the Advisory Committee did not support the proposed establishment or conversion of 55 posts, many of them under section 14, Environment. It did, however, support the establishment or conversion of 47 posts under that budget section, as they were justified by General Assembly resolution 67/213 and the outcome document of the United Nations Conference on Sustainable Development (Rio+20 Conference). The proposed abolition of 26 posts was not supported, for two reasons. First, the proposed abolition was based on substituting extrabudgetary for regular budget funding; the rationale was questionable because the substantive need for the posts remained unchanged and the reduction did not represent a saving, but rather a change in the type of funding. Second, given that several of the posts whose abolition was proposed had recently been endorsed or established by the Assembly in its resolution 66/246, the Advisory Committee was of the view that they should be excluded from the proposed reductions for 2014-2015.

10. Effective and efficient mandate delivery must always be the overriding factor in determining resource requirements and the Secretariat's staffing structure. The Advisory Committee was unconvinced that the

comprehensive staffing review requested by the Assembly in its resolution [67/248](#) — with the aim of ensuring that the overall staffing profile was well matched to the Organization's planned tasks and activities — had in fact been carried out. The proposed reductions disproportionately affected the lower grade levels or posts that were vacant or soon to be vacant and the Secretary-General's proposals led to an upward shift in the overall grade level of the staffing table. On the matter of protracted vacancies, the Advisory Committee recalled its view that the continued requirement for posts that had been vacant for two years or longer should be reviewed and justification should be provided for their retention.

11. The Advisory Committee saw merit in the proposed establishment of a new Partnership Facility and recommended approval of the staffing proposals, including for the new position of Under-Secretary-General, on the understanding that the proposed staff would work on partnership issues within existing arrangements. It also recommended that the net increase in resource requirements for 2014-2015 resulting from the proposal should be absorbed within existing resources. There was a need for greater oversight by Member States of partnership activities; the Advisory Committee therefore recommended that the Facility's strategic framework should be reviewed by the Committee for Programme and Coordination. It also underscored the importance of ensuring the continued independence of existing partnership structures.

12. Lastly, the Advisory Committee noted that anticipated additional resource requirements not included in the proposed budget for the biennium 2014-2015 would be presented to the Assembly in forthcoming reports of the Secretary-General.

13. **The Chair** recalled that, at the Committee's 5th meeting, the Chair of the fifty-third session of the Committee for Programme and Coordination had introduced that Committee's report ([A/68/16](#)), which contained, in chapter II, section A, recommendations on the proposed programme budget for the biennium 2014-2015. In addition, he drew attention to the Secretary-General's report on consolidated changes to the biennial programme plan as reflected in the proposed programme budget for the biennium 2014-2015 ([A/68/75](#)), the Secretary-General's eighth progress report on the implementation of projects financed from the Development Account ([A/68/92](#)); the

Secretary-General's report on consultations on consolidating the Secretariat of the United Nations System Chief Executives Board for Coordination at United Nations Headquarters in New York ([A/68/214](#)) and the related report of the Advisory Committee on Administrative and Budgetary Questions ([A/68/507](#)); the report of the Independent Audit Advisory Committee on the Office of Internal Oversight Services on the proposed programme budget for the biennium 2014-2015 ([A/68/86](#) and Corr.1); and a letter dated 22 October 2013 from the President of the General Assembly to the Chair of the Fifth Committee ([A/C.5/68/10](#)).

14. **Mr. Daunivalu** (Fiji), speaking on behalf of the Group of 77 and China, said that the budget document was not merely a financial and accounting tool but also an authoritative statement that should reflect the Secretary-General's strategic vision of how to implement the mandates and priorities decided by the Member States. The Group was deeply concerned at the proposed arbitrary cuts to different budget sections, which would impinge on United Nations development and human rights activities and affect mandate delivery at a time when the Organization's assistance was most urgently needed by the poor and vulnerable. The proposal to abolish 261 posts was unjustified and targeted an indispensable asset of the Organization: its staff.

15. The Member States had made the development agenda a priority, yet the current budget proposal would further aggravate the imbalance in the proportion of regular budget resources devoted to development. It was incomprehensible how a renewed commitment to poverty eradication and a strengthened mandate for the promotion of sustainable development had been translated into proposals entailing a significant reduction in resources and the abolishment of 120 development-related posts. The Group also failed to understand how the regional commissions could be expected to play a strengthened role — including by contributing to the implementation of the Rio+20 Conference outcome — with 80 fewer posts.

16. While management reforms were admittedly needed to equip the Organization to meet evolving challenges, complex and expensive "transformational" projects should not divert crucial resources away from its substantive work. The budget proposal required improvement in order to reflect the priorities set by the Assembly. His delegation would strive to ensure that

development priorities were adequately financed and ensure the fulfilment of the promise made by the Secretary-General a decade earlier that resources made available through budgetary efficiencies and savings would go to the Development Account.

17. It was a matter of concern that a number of the proposed resource reductions were to be achieved by financing posts through extrabudgetary funding rather than assessed contributions, abolishing posts that were critical to mandate implementation and shortening the meeting time of expert bodies without the approval of intergovernmental bodies. The Group would not allow the financial crisis to be used as a pretext for advancing a political agenda under which some mandates were favoured to the detriment of others, nor would it accept proposals that would curtail mandated activities in blatant disregard of the intergovernmental bodies that had approved them.

18. The imbalance between assessed and voluntary contributions continued to grow; voluntary funds had reached a new high of \$14.1 billion even as pressure was being exerted to reduce assessed contributions. The United Nations faced a governance crisis when legislative bodies approved mandates and set priorities, yet certain mandates were funded by both assessed contributions and voluntary assistance from donor countries while others were constantly underfunded through assessed contributions alone. In that context, the Group was of the view that a Partnership Facility whose purpose was to garner increased resources from the private sector should not be established until a solid mechanism was in place to ensure greater transparency and Member State oversight and control in respect of voluntary contributions.

19. The budget process had become dysfunctional when the decision to defer post-related recosting had been interpreted as a way of absorbing costs. The situation had been exacerbated when the Secretariat had decided, for reasons unknown, not to follow the established practice of updating the estimate in the budget outline to include new and expanded mandates approved subsequently. In addition, the Advisory Committee had noted other deviations from the accepted budget methodology. The Group was deeply concerned about creative interpretations of General Assembly decisions, particularly resolutions 41/213, 42/211, 47/212 and 66/257, which had been made without explanation. Member States and the Secretary-General must strictly abide by General Assembly

resolution 66/246, which stated that no changes to the budget methodology, established budgetary procedures and practices or the financial regulations should be implemented without the Assembly's prior review and approval. The Group could not accede to misleading interpretations of Assembly resolutions or claims of an artificial cap on the budget level as justifications for a mandate review conducted through the budgetary process.

20. Recosting was a fundamental element of the budget methodology agreed on by the Member States, yet the Assembly's decisions, in its resolutions 66/246 and 67/246, to defer consideration of post-related recosting had been used as a subterfuge to seek further cuts. Moreover, the Secretariat had engaged in a practice known as vacancy management, whereby it had purposely left posts vacant in order to absorb the costs related to recosting. As a consequence, the Assembly's prerogative in defining the Organization's staffing table had been circumvented, compromising the transparency of the budgetary process and jeopardizing the prerogatives of the Fifth Committee and the role of Member States in deciding the budget. The Group would therefore categorically oppose the adoption of a similar decision on recosting at the current session.

21. The Group of 77 and China, whose Members constituted a qualified majority in the Assembly, would not allow the United Nations budget to be held hostage to the political whims of a few. The size of a Member State's financial contribution was not a gauge of its commitment to the Organization or the sacrifices made at home to contribute to the common good, nor did it confer special prerogatives or veto power in the Assembly. The Organization must have the resources required to carry out the tasks entrusted to it, while also ensuring the effective and efficient allocation of those resources.

22. **Ms. Tan** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the Association was opposed to arbitrary targets for budget cuts, which compromised the Organization's ability to implement its mandates. The increase in its mandates in recent years reflected the international community's growing expectations that the United Nations would address problems of international peace and security, development and humanitarian affairs. Member States must ensure that the Organization had sufficient resources to implement those mandates. The



Organization, for its part, must continue to improve and innovate, make every effort to use resources efficiently and be accountable to the Member States.

23. The initial estimate for special political missions amounted to \$1.1 billion. While that included a reduction of \$32.1 million from the budget outline, the preliminary estimate did not include requirements for missions in Syria, the Sahel and the Great Lakes region of Africa. ASEAN was strongly committed to special political missions and appreciated the sacrifices of staff members who worked in difficult environments in the field, but also observed that the increase in the programme budget in recent years was disproportionately caused by the growth of such missions. Of 38 current missions, 34 had been mandated by the Security Council and only 4 by the General Assembly. The special responsibilities of the permanent members of the Council for the maintenance of peace and security should be reflected in the scale of assessments for the financing of special political missions, just as it was for peacekeeping operations and international tribunals.

24. **Mr. Bamba** (Côte d'Ivoire), speaking on behalf of the Group of African States, said that the Assembly should settle the issue of recosting at the current session and the Secretary-General should ensure that future budget presentations were in strict conformity with the financial regulations and rules and with the mandates approved by the Member States.

25. The African States were deeply concerned at across-the-board reductions that might jeopardize mandate delivery. They were also concerned that mandates approved after the adoption of the budget outline had not been fully included in the budget proposal before the Committee. In informal consultations, he would seek information about the impact that the proposed resource reductions would have on the forecast performance measures.

26. Development in Africa was a priority of the United Nations. Accordingly, the Group would pay particular attention to the resources allocated to economic and social affairs, development in Africa and the Economic Commission for Africa. The programmes on least developed countries, the environment and human settlement would also be scrutinized, as they were connected to the African development agenda. Moreover, the Group would examine how UN-Women had advanced its service delivery in Africa, including

in countries facing conflict situations or emerging from conflict, and would consider how the budget proposals responded to the challenges of humanitarian assistance, disarmament, drug control, and combating crime and terrorism in Africa. He would also seek to learn how the United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law would be financed under the current budget proposal.

27. The Group would carefully examine the issue of abolishment of posts at the junior level and the rationale for the establishment of new structures at the senior level.

28. The root cause of many crises was the collective failure of the international community to live up to people's expectations, particularly those of young people in the developing world. The allocation of more resources for development activities would enable the Organization to respond adequately to the challenges ahead, including the attainment of the Millennium Development Goals.

29. **Mr. León González** (Cuba), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that it was crucial for Member States to ensure that all the priorities set by intergovernmental bodies were reflected in the programme budget and that balance was achieved in activities undertaken under the Organization's three pillars. CELAC shared the Advisory Committee's concern that the impact of proposed budget cuts had not been properly analysed, with possible implications for the Organization's capacity to discharge its substantive mandates.

30. Ensuring adequate resources for the development pillar was essential. The Economic Commission for Latin America and the Caribbean had become a key player in the region's development as the States members of CELAC increasingly sought its knowledge and guidance. The Commission had helped those countries to develop policies in a range of areas that had led to advances towards the achievement of the Millennium Development Goals and would be crucial in promoting the new agenda for sustainable development. CELAC was therefore very concerned at the proposed 3.2 per cent cut in the Commission's resources. It was unfair that, for the second consecutive biennium, the Commission should suffer from such a cut while the resource levels proposed for other

departments were maintained or increased. The Community could not agree to cuts that undermined the Commission's capacity to provide its valuable expertise to the region.

31. Adequate resources for human rights activities were also important; in particular, the Special Representative of the Secretary-General on Violence against Children and her team must have the necessary resources to implement their mandate fully.

32. The level of resources devoted to special political missions had risen sharply in the previous decade, leading to distortion of the regular budget. The current arrangements for the financing of those missions required urgent review, as they did not take into account the special responsibility of the permanent members of the Security Council for maintaining peace and security.

33. Noting the departures from the approved budgetary procedures in the current budget proposal, he stressed that recosting was an essential part of the budget preparation process. CELAC urged the Secretariat and Member States to abide by the Assembly's decision, set out most recently in its resolution [66/246](#), that no changes to the established budget methodology, procedures or practices or to the financial regulations should be implemented without its prior consideration and approval.

34. **Mr. Mayr-Harting** (Observer for the European Union), speaking also on behalf of the candidate countries Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Bosnia and Herzegovina; and, in addition, Georgia, the Republic of Moldova and Ukraine, said that, with respect to the regular budget for the biennium 2012-2013, Member States had looked to the Secretary-General, his managers and staff to adhere as closely as possible to the budget level of \$5.395 billion approved by the Assembly in its resolution [67/246](#). Although new mandated activities added to that challenge, the Organization must, like all national administrations, do more with less and work better and smarter in order to achieve its goals within the agreed budget level.

35. He acknowledged the Secretary-General's efforts to present a budget proposal for the biennium 2013-2014 in line with the budget outline level of \$5.392 billion and engage in a process with programme managers to identify efficiency gains while carrying

out mandates within the overall resource constraints, and his commitment to enhancing the efficiency and effectiveness of the Secretariat. The desire to improve the budget presentation by including information on the impact of resource changes was also welcome, although the European Union considered that certain distinctions made in assessing that impact had been overstated.

36. Given the current difficult economic climate, the same strict budgetary discipline that applied to Member States must also apply to the United Nations. It would not suffice for the Assembly simply to agree to a budget in line with its resolution [67/248](#) on the budget outline; it was necessary to go further and examine whether new approaches could lead to additional savings while still allowing for the full implementation of mandates and a sustainable budgetary path for the Organization. In that regard, he welcomed the proposals to address growing personnel costs through the abolition of posts and better management of vacancies. Innovating, improving working practices and managing resources as efficiently and effectively as possible should be part of an ongoing process; he looked forward to hearing about further innovative approaches identified by the Secretariat since the preparation of the budget proposal.

37. An alternative to recosting must be found in order to better manage the effects of exchange rate fluctuations and inflation on the budget. The advance purchasing of currency by the Controller in 2013 had helped; however, it was imperative to adopt a sounder approach, in line with that followed by national administrations. The States members of the European Union were committed to providing the Organization with the necessary resources but also believed that there was substantial room for improving its efficiency and effectiveness.

38. **Mr. McLay** (New Zealand), speaking also on behalf of Australia and Canada, said that, in the light of the Organization's central role in addressing new regional and global challenges, it was crucial that the Secretariat, as the catalyst for coordinating and implementing its activities, should function as efficiently and effectively as possible. After the progress achieved in modernization initiatives such as the global field support strategy, Umoja and IPSAS implementation, more ambitious steps were needed to transform the Organization by eliminating antiquated

methods and rigid hierarchical structures in order to give the Secretary-General flexibility in the management of resources. To that end, senior management should undertake a review of areas where instructions imposed by the Member States over the years had impaired efficient and effective action by the Secretariat and propose ways of addressing those constraints.

39. The budget process, which had resulted from successive resolutions on the budget presentation, involved the production of thousands of pages of documentation and placed a significant burden on the Secretariat and Member States; it could be improved significantly. In addition, the three delegations for which he spoke had serious concerns about the appropriateness of recosting as part of the budget methodology.

40. Personnel costs, which had risen significantly in recent years, represented the largest share of the Organization's resource requirements. The three delegations would scrutinize them with particular care, as they must be returned to a level that was sustainable in the long term. He shared the Advisory Committee's concerns at the deficiencies in some performance measures and trusted that the issue would be addressed in future budget presentations. If the Secretariat was to be held accountable, performance indicators must be well-defined, realistic and achievable.

41. As the Main Committee responsible for administrative and budgetary matters, the Fifth Committee played a crucial role in ensuring the full, efficient and effective implementation of mandated activities; in order to lead by example, it should address the needed improvements in its own working methods.

42. The Secretary-General's budget proposal, at \$5.404 billion, was 0.2 per cent higher than the level approved in the budget outline resolution. The level of resources requested could not simply be increased; it was in the Organization's interest to make greater efforts to find efficiencies and savings. Member States must build on the current momentum to make the United Nations sustainable, responsive and results-oriented.

43. **Mr. Guerber** (Switzerland), speaking also on behalf of Liechtenstein, said that it was essential to strike a balance between the effective implementation of the mandates entrusted to the United Nations by

Member States and the Organization's efficient use of adequate resources. The current budget process did not, however, establish a link between the allocation of resources and the Organization's performance; Member States did not have a clear overview of the results and impact of activities, and were required to micromanage resources, rather than focus on the overall strategy. The fragmented structure and presentation of the budget further obscured the broader picture. Far-reaching reform of the budget process was therefore necessary to enable Member States to support the work of the Organization better and to improve the management and monitoring of its activities.

44. He welcomed the fact that Member States had begun to take a more active role in defining the budget level and that the Secretariat had made particular efforts to keep to that level. Cost savings however should have been based on efficiency and performance criteria, rather than identical reductions across all budget sections. It was lamentable that further cuts had been imposed on underfunded departments, such as the Office of the United Nations High Commissioner for Human Rights, which was only able to carry out its ever increasing number of mandates by relying heavily on voluntary contributions. That situation was unsustainable and the Office's regular budget funding should be increased. Similarly, the recommendations of the Advisory Committee to limit the increase in regular budget funding for the United Nations Environment Programme undermined the message sent out by Member States during the Rio+20 Conference.

45. In addition to being the most volatile budget component, special political missions had become a main driver of the increase in the regular budget in recent years. Improvements to the funding and backstopping arrangements for those missions, along the lines proposed by the Advisory Committee, would allow for better management of resources and would generate welcome savings. Lastly, the Organization had accumulated considerable after-service health insurance liabilities; it was therefore important that Member States should agree on a sustainable policy to respond to that challenge and examine the Secretary-General's proposals on the subject carefully.

46. **Mr. Zinsou** (Benin), speaking on behalf of the least developed countries, said that as the poorest and weakest members of the international community, least developed countries expected the United Nations to provide adequate resources for the follow-up to the



Istanbul Programme of Action as a matter of priority; yet the regular budget resources allocated to the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States represented only 0.12 per cent of the Organization's total budget and the Office received no funding under the development account or the regular programme of technical cooperation, despite an increase in activities. The Office of the High Representative should be provided with adequate regular budget resources to enable it to carry out its expanded mandates in an effective, timely and sustainable manner, in accordance with General Assembly resolution 67/220.

47. While he welcomed the Secretary-General's proposal to create 10 new posts within the Office of the High Representative, that number still fell short of what was required and was less than the 11 posts promised when resolution 67/220 was adopted. He therefore called on the Committee to create a new post and to specify that all 11 new posts should be used for the least developed countries subprogramme within the Office of the High Representative. Adequate and predictable resources were also needed to facilitate States' graduation from least developed country status by 2020, in accordance with the Istanbul Programme of Action. He called for the Office of the High Representative to be included under sections of the budget that covered programmes and activities of particular import to least developed countries and were therefore directly relevant to the work of the Office. Together with the United Nations Development Group, the Office was responsible for supporting national-level mainstreaming and implementation of the Istanbul Programme of Action, but it had not been given the necessary resources to do so. The least developed countries therefore requested that the Office of the High Representative should be included under section 23, technical cooperation, of the proposed programme budget for the biennium 2014-2015 and that at least 10 per cent of resources under that section should be allocated to the Office. In that connection, in its resolution 2013/46, the Economic and Social Council had recognized the need to further coordinate and consolidate the efforts of the United Nations Secretariat, led by the Office of the High Representative, to monitor and follow up on the Istanbul Programme of Action. The General Assembly should therefore request the Secretary-General to submit to the resumed session specific proposals on

how that would be achieved. Lastly, given that the resources allocated to the least developed countries subprogramme of the Office of the High Representative under the regular budget were meagre, he proposed that a post earmarked for abolishment under the trade and development section of the proposed programme budget should be redeployed to the least developed country subprogramme of the Office of the High Representative.

48. **Mr. Yamazaki** (Japan) said that, while funding must be provided to implement mandates, it should be recognized that resources were finite, particularly when Member States faced financial difficulties. It was time to buck the worrying trend of increasing budget appropriations and devise a sustainable method of funding the Organization. While his delegation welcomed the Secretary-General's efforts to keep his budget proposal below the outline level, further efforts would be needed to reach the preliminary estimate of \$5,393 million agreed by Member States. The tendency to request additional resources for additional mandates must be curbed; the Secretariat should cope with new mandates within the agreed budget level by doing more with less. Recent management reform initiatives, including Umoja, could help in that endeavour, as would a review of obsolete activities. During the budget negotiations, Member States should examine each resource request and provide funding only to those activities that could not be discontinued or deferred.

49. Staff remuneration should also be addressed. In its resolution 67/248, the General Assembly had requested the Secretary-General to carry out a comprehensive review of the staffing requirements for the Organization. The Secretary-General's proposal to abolish 396 posts, resulting in a net reduction of 261 posts, was therefore commendable; however, further efficiencies must be sought and steps should be taken to address the imbalances in the staffing structures, which were disproportionately weighted towards staff at the P-3 level and higher.

50. Lastly, the current recosting methodology was a contributing factor to the budget increases. Many national governments and other international organizations were expected to manage the elements that led to recosting within the approved budget and not to make additional resource requests. However, in the light of the past discussions within the Committee

on the matter, he acknowledged that it would be a challenge to find a better way to account for recosting.

51. **Ms. Colín Ortega** (Mexico) said that while her delegation welcomed the Secretariat's efforts to use the resources provided by Member States efficiently and responsibly, it was concerned that the proposed regular budget for the biennium 2014-2015 was 3.1 per cent above the level of the approved revised appropriation for 2012-2013 and could result in the highest budget in the history of the Organization. It was therefore necessary to come up with a long-term solution to the issue of recosting. In addition to asking the Secretariat to make greater economies, Member States must accept some responsibility for the situation, as they had given the Organization the impossible task of reducing costs while carrying out new and additional mandates. It was essential that the Secretariat should have the necessary tools to fulfil those mandates, but, at the same time, resources must be used in a responsible and disciplined manner. It was also important to distribute resources evenly across the three pillars of the Organization, given the interdependency between international peace and security, development and human rights.

52. Her delegation considered that the benefits of some of the reforms proposed by the Secretary-General had not been properly evaluated and that, in some cases, potential savings were limited. The Committee should examine other budget cuts closely, particularly those that would affect the Economic Commission for Latin America and the Caribbean, which would hinder the Organization's ability to meet the needs of Member States in the region.

53. Special political missions had received inordinate increases in resources and now accounted for almost a fifth of the proposed programme budget. Those missions received the type of support and financing that should be given only to traditional peacekeeping operations. The administrative and budgetary rules for special political missions were fundamentally inadequate and had an adverse effect on the programming of essential activities and on mission governance, accountability and oversight. As special political missions did not follow the biennial budget cycles, it was difficult for the Secretariat to provide them with the necessary human and financial resources with the flexibility that the situation on the ground often required. Moreover, it was unacceptable that, in effect, 188 States were subsidizing the responsibilities of five countries for international peace and security.

Member States should therefore examine the administration, financing and supervision of those missions as a matter of priority and take steps to correct those anomalies in order to ensure continuity, certainty, predictability and transparency, as well as sound management of the Organization.

54. **Mr. Torsella** (United States of America) said that if the Organization did not follow the example of its Member States by doing more with less and holding managers to account, it risked being unable to meet current and future challenges. His delegation therefore welcomed the Secretary-General's budget proposal, which would set the Organization on a new path to sustainability. The meaningful cuts to obsolete posts, overlapping and redundant support functions would make the Organization not only leaner, but ultimately stronger, as they were structural and sustainable reductions, rather than short-term solutions. Moreover, those reductions had been achieved without compromising the Organization's ability to deliver on its mandates; new tasks did not always require new resources and it was more important to focus on outcomes rather than outputs. Should the Organization continue on that new path and rethink its processes, structure and service delivery model, there would be dividends for national taxpayers and for the people around the world who depended on the United Nations. Between 2000 and 2010, the regular budget had grown by an average of 16 per cent from one biennium to the next; therefore, the fact that the regular budget level had stayed at essentially the same level since 2011 was something of an accomplishment and an acknowledgment of the difficulties faced by taxpayers around the world, who ultimately funded the Organization.

55. The General Assembly had approved the initial budget level for the biennium 2012-2013 on the understanding that the Secretariat would make every effort to offset any recosting expenses. Yet since then, a further \$354 million had been added to the budget for 2012-2013 as a result of add-ons and recosting, which included the Organization's spiralling compensation costs. Further increases must therefore be avoided and his delegation expected that all additional recosting expenses would be fully absorbed. Should the Secretariat fail to keep at least part of the bargain made in 2011, there could be truly damaging and unpredictable consequences. Member States should remember that United Nations budgets grew, not just

from one biennium to the next, but what was most troubling, within each budget cycle. As the proposed budget level of \$5.4 billion for 2014-2015 was already subject to \$104 million in potential add-ons and \$158 million in proposed recosting charges, the Secretary-General's recommended economies and cuts were only a starting point.

56. It was clear that much more could be done to achieve greater efficiencies, particularly with regard to training and travel costs; the high ratio of supporting posts to judges at the International Court of Justice; the proposal to fund a significant number of United Nations Environment Programme posts from the regular budget; the upward reclassification of posts; and the top-heavy structures in some offices. His delegation recalled that budgets were not suggestions and that other international organizations managed to live within the budgets approved by their membership. Even in the case of new mandates, pursuant to General Assembly resolutions [41/213](#) and [42/211](#), the Secretariat was required to do its utmost to meet any new requirements from existing resources. Member States should also examine resource and budget implications more closely when considering new or expanded mandates, by demanding more timely information and more meaningful discussions about those implications.

57. The budget envelope should be decided at the beginning, not the end, of a biennium; thereby establishing a real spending cap and mandating true fiscal discipline. Managers would then be required to prioritize activities and control expenditures. Similarly, a comprehensive staffing review, including an assessment of the appropriate distribution of staff to each department and activity across the Secretariat by grade levels and geographic location, should be carried out as a matter of urgency, to ensure that all offices were appropriately staffed and funded. A large proportion of recosting expenses were the result of irresponsible compensation decisions made outside the budget process. The recosting methodology should therefore be overhauled, as it introduced unacceptable levels of volatility into the budget and removed the imperative for fiscal discipline. Rather than blaming the Organization's chronic inability to live within a budget owing to a proliferation of mandates, the Secretary-General should identify steps to rationalize those mandates. One suggestion would be to consider whether a biennial budget truly served the interests of

the Organization and its Member States. An annual cycle would reduce the destabilizing impact of recosting and would allow new programme budget implications to be considered and prioritized correctly. However, if the General Assembly was not willing to consider such sensible reforms, then Member States would continue to be required to compensate for the inevitable add-ons and recosting requests on top of the proposed budget. He urged other Member States to consider the options carefully, as it was unacceptable to allow the current situation to persist. Any decision however must be the result of consensus, in accordance with the principles of the Committee, and not the will of the many imposed on the few.

58. **Ms. Paik Ji-ah** (Republic of Korea) said that, with many Member States facing prolonged economic difficulties, it was imperative that the United Nations should implement its mandates as efficiently and effectively as possible. Her delegation therefore commended the Secretariat for carrying out its mandates in the face of financial constraints and for endeavouring to meet Member States' expectations. Despite a number of new and expanded mandates, the programme budget for 2014-2015 proposed by the Secretary-General did not follow the trend of exponential increases. Analysis of the budget increases over the previous decade revealed that the increases were in large part the result of recosting. Unlike national budgets, the funding of the Organization was particularly vulnerable to exchange rate fluctuations, owing to its two-year budget cycle; an adjustment mechanism was therefore necessary. However, as one of the main drivers behind the average 9.4 per cent increase in regular budgets between the start and end of each biennium over the last decade, recosting was no longer sustainable. Moreover, it deterred the Secretariat from improving efficiency and adopting innovative working methods. The recosting methodology should therefore be reviewed.

59. A comprehensive review of staffing requirements was also needed, given that staffing costs accounted for the majority of the total budget. While her delegation welcomed the Secretary-General's proposal for a net reduction of 261 posts, it queried whether that proposal was the result of a comprehensive review, with a view to securing sustainable efficiency gains. Moreover, it was concerned that many of those posts earmarked for abolishment were lower-grade posts, which could have a negative impact on attempts to rejuvenate the

Secretariat and could lead to further budget increases in the long run. Serious consideration should also be given to finding more innovative and creative business practices to deal with the Organization's increased workload. In that connection, the Secretariat should review obsolete activities, in accordance with regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation; prioritize activities; include additional cost-effective measures in budget proposals; and pursue reform initiatives, such as Umoja, the International Public Sector Accounting Standards (IPSAS) and mobility, more vigorously. It was then hoped that the quantifiable benefits of those efforts would be realized and, in due course, reflected in detail in the budget.

60. **Mr. Wang Min** (China) said that his delegation believed that the guiding principle when establishing a reasonable and appropriate budget level for the Organization should be to match available resources to actual needs. On the one hand, the resources available should be sufficient to carry out mandated activities and programmes effectively. The United Nations had no parallel as an institution and Member States had high expectations of it, as demonstrated by the many mandates they had given it; however, to perform those duties and to live up to those expectations, the Organization needed regular, predictable funding from its Member States, assessed on the basis of their capacity to pay. The current scale of assessment methodology, especially the low-per capita income adjustment, embodied that principle of capacity to pay and should therefore be maintained. On the other hand, the Secretariat should enforce strict budget discipline, develop results-based budgeting tools and maximize savings. Member States should determine the actual resource requirements objectively and rationally in order to establish a reasonable and appropriate budget level.

61. He noted that the Secretary-General's proposed budget level for the biennium 2014-2015, before recosting still exceeded the preliminary estimate approved by the General Assembly, but was 2.9 per cent lower than the budget for the biennium 2012-2013. Even after the inclusion of preliminary recosting, the proposed level of \$5,562.5 million was still below the 2012-2013 resources at revised rates by \$1.1 million. However, that amount did not include

additional disbursements such as the strategic heritage plan. His delegation hoped that Member States would be able to agree on a reasonable and appropriate budget level as a result of careful consideration and extensive consultations. Resources should then be allocated in an equitable manner to those areas designated as priorities by Member States, with precedence being given to development activities. In that connection, it was commendable that the Secretary-General's proposal aimed to reflect the priorities outlined in General Assembly resolution [67/248](#).

62. Over the course of the next biennium, the United Nations would be called upon to coordinate international cooperation efforts to promote development, which were now at a crucial stage. The Organization would have to continue to strive to achieve the Millennium Development Goals, to formulate the post-2015 development agenda and to translate the Rio+20 outcome document into action. The necessary resources must therefore be allocated to the development pillar to eliminate the resource deficit, while every effort must be made to attain development goals in order to address the implementation deficit. In that connection, the regional commissions should also be provided with adequate financing and human resources. He urged the Secretariat to strengthen management structures and to use resources more efficiently in order to maximize output. The Secretariat should make economies, eliminate wastage and use resources wisely. He acknowledged the Secretary-General's commitment to improving efficiency and effectiveness by adopting better working methods, and it was hoped that the various management reforms being implemented by the Secretariat would achieve those objectives and that the resulting savings could then be used to provide resources for development-related projects and activities.

63. **Mr. de Aguiar Patriota** (Brazil) said that while the established budget rules, agreed by Member States, promoted transparency and were central to the pluralistic and democratic governance of the Organization, there was still room for improvement. Any changes however should be the result of transparent and inclusive negotiations involving all Member States. His delegation was particularly concerned that innovative interpretations of the long-standing General Assembly resolutions regulating the budget process could undermine the Committee's deliberations. He therefore cautioned against

politicizing negotiations unduly, as the extreme position of a small group of countries was simply an attempt to cut costs to appease constituencies that did not support the United Nations and its goals. His delegation was among those that valued highly the role played by the Organization and considered that adequate resources must be provided, especially with a view to strengthening the development pillar.

64. The increases in the budget level were not the result of recosting, but rather the resolutions adopted by consensus by the General Assembly to create new posts in areas such as the Department of Safety and Security, the Department of Political Affairs and the Ethics Office, and to provide resources for the increasing number of complex special political missions. The cost of those resources had been made very clear to Member States when they decided to strengthen those crucial areas of the Organization. The current recosting methodology ensured that activities were not negatively impacted by excessive currency fluctuations and inflation, a process that was to be expected in a global organization. The idea that recosting expenses should be absorbed ran counter to that logic and did nothing to address the drivers of cost increases. Calls for recosting to be absorbed, together with the interpretation of the budget outline as an absolute cap on expenses, had been used to continuously reduce assessed contributions for mandated activities and to circumvent the prerogatives of the General Assembly in deciding how to allocate resources. Given that 75 per cent of the regular budget was spent on staff costs, recosting could not be reinterpreted to mean a freeze or a ceiling; the Secretariat could not be put in a position where the only way to make ends meet was to leave posts vacant. Currently, Member States approved posts after exhaustive budget negotiations and the Secretariat prioritized which ones to fill, resulting in an implicit budget sequestration that had disproportionately impacted development activities.

65. Nevertheless, the Secretariat could adopt more efficient and effective working practices and his delegation would examine the programme budget from that perspective. The many questions posed by the Advisory Committee, many of which remained unanswered, were indicative of a process that lacked proper analysis, transparency and credibility. The budgetary process had been distorted to such an extent that cuts were considered to be more important than the

implementation of mandated activities, as demonstrated by the proposal to reduce the meeting time allocated to expert bodies. Mandates agreed by all Member States must not be allowed to suffer as a result of insufficient resource allocations. He recalled that the General Assembly had repeatedly stated that no changes should be made to the established budget methodology, procedures and practices or to the financial regulations without prior review and approval by all Member States.

66. Further to the efforts to strengthen the development pillar of the Organization in recent years, in 2012, the General Assembly had approved the totality of the revised estimates resulting from the decisions contained in the outcome document of the United Nations Conference on Sustainable Development, Rio+20. Member States must therefore not allow the Organization's capacity to implement its mandates to be reduced. In that connection, his delegation was troubled by the proposal to abolish a number of posts in the regional commissions, particularly the Economic Commission for Latin America and the Caribbean, which was an indispensable partner in promoting development in that region, as it would have a direct impact on putting the decisions made at Rio+20 into action.

67. The continuous pressure for reductions in the regular budget had led the Organization to rely increasingly on extrabudgetary fund. While voluntary contributions were an important source of funding, they could not replace regular and predictable financing for core activities and should not be used to shift the priorities agreed by Member States. Mechanisms must be put in place to ensure proper oversight, transparency and accountability over those less accountable elements of the budget; the efficient allocation of resources should not be achieved at the expense of Member States' prerogatives.

68. **Mr. Benmehidi** (Algeria) said that the proposed programme budget was not merely a financial tool, but also reflected the Secretary-General's strategic vision of how to carry out the mandates and achieve the priorities decided by Member States. That strategic vision should therefore be translated into activities for which adequate financial resources were allocated. While his delegation supported efforts to achieve economies by making better use of resources, it was extremely concerned at the proposed cuts, particularly to activities that required greater resources. Once

again, development activities and international and regional cooperation had not been given the resources they deserved. Failing to allocate sufficient resources to any one of the three pillars of the United Nations would have grave consequences for the Organization and Member States.

69. The regional commissions played an important role in implementing the development agenda; it was therefore essential that they be allocated the necessary financial and human resources to enable them to carry out their work without having to rely on extrabudgetary resources. In order to promote development in Africa, the Economic Commission for Africa and the New Partnership for Africa's Development (NEPAD) must be given adequate financial and human resources. Similarly, it was vital that there were a sufficient number of entry-level posts within the Organization, as new, younger recruits contributed to the revitalization of the Secretariat. His delegation was therefore gravely concerned about the proposed reduction in the number of such posts, particularly in connection with the development pillar and in the regional commissions, which would have a negative impact on the implementation of mandates and efforts to rejuvenate the Organization, such as the young professionals programme, which sought to recruit talented, capable young people with new ideas, thereby enabling the Organization to respond to the world's changing needs.

70. **Ms. Malcorra** (Chef de Cabinet, Under-Secretary-General), responding to delegations' observations, said that the Organization was indeed being asked to do more under all three pillars of its work at a time when Member States faced well-known constraints on their resources. Those realities had been reflected in the initial budget outline, which had included a carefully considered reduction. The Secretary-General had proposed reductions in administrative and support services that he judged to be feasible without affecting the implementation of mandates. Subsequently, the Assembly had requested a further reduction of \$100 million; in order to address that request, the Controller had led a review process with all departments, so that the reductions did not result from top-down decision-making but from a negotiation with programme managers. The Secretariat had departed from the customary budget presentation precisely in order to inform Member States of the results of that process, which had been completed

within a very short time. A great deal of work lay behind the proposal, and every effort had been made to minimize the impact of the reductions it included. Nevertheless, every proposal had room for improvement and she and her team would be available at all times to respond to queries and support the Committee in its deliberations.

*The meeting rose at 6.05 p.m.*