



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY  
AMBASSADOR CONROD HUNTE, DEPUTY PERMANENT REPRESENTATIVE  
OF ANTIGUA AND BARBUDA TO THE UNITED NATIONS, ON AGENDA ITEM  
118: PROGRAMME BUDGET FOR THE BIENNIUM 2008-2009 -  
DEVELOPMENT RELATED ACTIVITIES - DEVELOPMENT ACCOUNT, AT THE  
FIFTH COMMITTEE DURING THE MAIN PART OF THE SIXTY-THIRD  
SESSION OF THE GENERAL ASSEMBLY (New York, 21 October 2008)**

Mr. Chairman,

I have the honour to speak on behalf of Group of 77 and China on agenda item 118, in particular on the Development Account.

2. I would like to thank Ms. Sharon Van Buerle, Director of Programme Planning and Budget Division., for the introduction of report of the Secretary-General on the Development Account as contained in document A/63/335.

3. I would also like to thank Ms. Susan Maclurg, Chairperson of the Advisory Committee on Administrative and Budgetary Questions on Development Account document A/63/479.

Mr. Chairman,

4. The Group of 77 and China in its statement on 14 October 2008 in the general discussion under agenda item 118 underlined the Group's position in the context of the strengthening of the United Nations development pillar. Today I would like make a few brief comments on the two reports on the Development Account introduced in the Committee this morning.

5. The Development Account forms an important element of the overall Development Pillar of this Organization. At the time of its creation its establishment more than ten years ago the Account was envisioned to have a fund of \$200 million. It was to be funded through the saving gains from efficiency or the "development dividend". However, after a decade we hardly have one tenth of that amount in the Development Account. Obviously the system of funding originally set out for the Development Account did not work as intended.

6. The General Assembly in paragraph 73 of its resolution 62/236 had requested the Secretary-General to provide a comprehensive proposal with a view to improving the effective and efficient delivery of the mandates of the development-related activities of the Secretariat, including on the Development Account. The Group notes with concern that neither the Secretary-General's report on the Strengthening of the Development Pillar nor on the Development Account addresses the perennial issue of the funding mechanism for the Account. The Secretary-General's report on the Development Account merely states the obvious fact that the current system of financing of the Account has failed to work, and yet at the same time the Secretary-General's report failed to provide any tangible option for the predictable and sustainable funding of the Development Account. .

7. In this regard the Group fully concurs with the observation of the ACABQ that the efficiency gains can be quantified and in fact are calculated for the peacekeeping budgets. The Group is of the view that despite the difference in the nature of the peacekeeping and the regular budget, the same

methodology of saving gains can also be used to develop proper methodology to quantify savings from possible reductions through efficiency as well as resources released from the discontinued activities and outputs. Moreover there is also the need for an effective system which can ensure the transfer of the saving gains thus quantified to the Development Account.

Mr. Chairman,

8. The Group kindly requests clarification from the distinguished Chairman of the ACABQ on the assertion contained in paragraph 4 of the report whereby "the level of funding for the Development Account has been affected by the 2 per cent across the board reduction in non-staff costs, as reflected in General Assembly resolution 62/237 A, which for the Development Account, amounted to \$329,600."

Mr. Chairman,

9. The General Assembly never approved a 2 per cent reduction across the board that would affect the appropriation of \$4,171,359,700 decided upon during the negotiations last year of the budget for the biennium 2008-2009. Hence no reduction of the Development Account was approved. However, in conformity with the current financing mechanism of the Development Account, any efficiency gains, including this imaginary 2 per cent reduction, should be added to rather than being subtracted from the Development Account.

10. The Group will revert to this issue in detail during the informal consultations while reiterating that time has come to address the issue of ensuring sustained and predictable source of funding for the Account and would further elaborate on it during the informal consultations on this item.

I thank you Mr. Chairman.