



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. WALEED ALSHAHARI, PERMANENT MISSION OF THE REPUBLIC OF YEMEN TO THE UNITED NATIONS, ON AGENDA ITEM 129: PROGRAMME BUDGET FOR THE BIENNIUM 2010-2011 - FIRST PERFORMANCE REPORT, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE SIXTY-FIFTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 13 December 2010)**

Mr. Chairman,

1. I have the honour to speak on the behalf of the Group-77 and China on agenda item 129, in particular on the first performance report on the programme budget for the biennium 2010-2011.
2. The Group of 77 and China wishes to thank the Assistant Secretary-General, the Controller, Mr. Jun Yamazaki for introducing the Secretary-General's report on this agenda (A/65/589) and Ms. Susan McLurg, Chairperson of the Advisory Committee on Administrative and Budgetary Questions, for presentation of her Committee's related report(A/65/604).
3. The Group of 77 and China attaches great importance to the effective and smooth functioning of the Organization and values the consideration of the first performance report. The Report gives us an insight into the impact of the resources provided to the Secretary-General enabling him to discharge the several mandates that Members States have collectively entrusted upon the Organisation.

Mr. Chairman,

4. The Group of 77 and China notes that the performance report has identified several adjustments in the level of appropriations required for the 2010-2011 biennium due to variations in costing parameters assumed in the calculation of the initial appropriation, unforeseen and extraordinary items, and additional mandates that are best dealt with in the context of the performance report under the arrangements endorsed by the General Assembly.
5. The Group notes that the revised requirements for the biennium have decreased by 10.3 million and now amount to 5.15 billion. The Group notes that this net decrease has been attributed mainly by factors related to under-expenditure in various sections, change in inflation assumptions and adjustment to standard costs. We also note that the major increase has been attributed by the Special Political Mission (SPMs) and that provisions for SPM, peace and security and human rights remain the only areas of the regular budget that have experienced actual budget growth.
6. The Group of 77 and China attaches great importance to the implementation of the Development Agenda and is concerned by the lack of commensurate growth in this important area.
7. The Group also note that some Programme Budget Implications (PBIs) resulting from the decisions adopted by other Main Committees will be revised to reflect the costing parameters approved by the General Assembly, which will affect the level of the revised appropriations.

Mr. Chairman,

8. The Group is deeply concerned that some sections continue to experience significantly higher

vacancy rates; for example, section 5, Peacekeeping operations, section 11, United Nations support for the New Partnership for Africa's Development; section 17, Economic and social development in Africa, and section 30, Internal oversight. The Group will be seeking detail clarification on the reasons for continuation of high vacancy rates in these areas and specific measures undertaken so far to address these problems.

9. The Group also notes that although no changes has been made in respect of the vacancies to the entire organization, we remain concerned that number of specific sections/programmes might have been affected by potential under-expenditure possibly due to the highest vacancy rates that are above the Organisation average. The Group will be seeking further clarification on these matters during informal consultations.

Mr. Chairman,

10. Turning to the use of experiment of the limited discretion for budgetary implementation, the group is concerned that bulk of the increases of the budget was financed through potential under-expenditures in the development related programmes such as sections 17: Economic and Social Development in Africa, 21: Economic and Social Development in Western Asia. The Group will be seeking details clarifications and justification for under-expenditures and the use of funds from these programmes to finance other activities.

11. The G77 and China wishes to recall the criteria adopted by the General Assembly in its resolution 60/283 for the implementation of the experiment on the limited discretion for budgetary implementation. The G77 and China is also awaiting comprehensive information on the utilization of this experiment and the implications for the human resources management policies, the Financial Regulations and Rules; the impact on programme delivery and on the priorities of the Organization; as well as the criteria used by the Secretary-General to define the evolving needs of the Organization. All this again, reflected in the above mentioned resolution of this august body.

12. The Group would like to assure you of our willingness to engage constructively in the deliberations on this agenda item.

I thank you.