



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. DAYANA RIOS, MINISTER COUNSELOR IN THE PERMANENT MISSION OF THE PLURINATIONAL STATE OF BOLIVIA TO THE UNITED NATIONS, ON AGENDA ITEM 132: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2014-2015, STUDY ON RECASTING AND OPTIONS FOR THE ORGANIZATION IN DEALING WITH FLUCTUATIONS IN EXCHANGE RATES AND INFLATION, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF SIXTY-NINTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 10 December 2014)

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on this agenda item.
2. The Group of 77 and China would like to thank Mr. Johannes Huisman, Director of the Programme Planning and Budget Division, for the introduction of the report of the Secretary-General contained in documents A/69/381, and Mr. Carlos Ruiz Massieu, Chairman of the ACABQ, for introducing the related report of the Advisory Committee under this item.

Mr. Chairman,

3. The Group of 77 and China reiterates its long term position that recosting is a fundamental element of the budgetary methodology agreed by Member States. The existing recosting methodology ensures that activities planned for the biennium are not negatively impacted by exchange-rate and inflation fluctuations, which are an unavoidable reality for an Organization of global presence. Moreover, the current methodology is technically crafted in order to allow that budgetary tools used in the regular budget, such as vacancy rates, are not transformed into budget cutting tools.
4. We reiterate, in that regard, our position that the current methodology is technically sound and integral part of the political agreement on the budgetary methodology.

Mr. Chairman,

5. The Group of 77 and China shares the view expressed by the ACABQ that the analysis conducted by the High Level Panel of Experts contains several limitations which calls into question the utility of its recommendations and of other options presented in the report. Moreover, the Group of 77 and China notices with great concern that the Panel recommendations went well beyond the mandate given by the General Assembly. Resolution 68/246 requested the Secretary-General, and I quote "to commission an independent study on recosting and options for the Organization in dealing with fluctuations in exchange rates and inflation".
6. However, the Group was unpleasantly surprised to see that the report not only exceeds its mandates, but also enter into discussions and make recommendations that directly contradict General Assembly resolutions. The study addresses issues related to the work undertaken by the International Civil Service Commission and make recommendations in contradiction to GA decisions that established the post-adjustment multiplier methodology and conferred to the ICSC the mandate to define it. The Panel also makes a recommendation on the use of vacancy

management, disregarding intergovernmental decisions on that matter. The Group recalls Resolution 66/246, by which the General Assembly reaffirmed that vacancy rates are a tool for budgetary calculations and should not be used to achieve budgetary savings.

Mr. Chairman,

7. The Group of 77 and China deeply regrets that despite commissioning a report by technical experts on fluctuations in exchange rates and inflation, the Panel decided to divert the debate on the accuracy of the budget to enter into the political discussion, which has been promoted by some Member States in the last years, of establishing a cap to the budget. This approach, by itself, disqualifies the report and the recommendations it presents.

8. The G-77 and China reject any discussion related to the implementation of a "cap", which would result in indiscriminate cuts affecting the substantive work of the Organization. Establishing a cap is tantamount to absorbing practices, which have significant impact on the performance of the planned activities of the Organization.

9. The Group will not allow that its flexibility on discussing ways to improve accuracy of the budget be used as subterfuge to seek budget reductions with impact on programmed activities, as it happened with the decision to defer consideration of recosting in the previous biennium.

10. The Group further notes with concern that the report of the Panel suggests "a package of actions" and recommends deadlines for their implementation. These statements put into question the technical nature of the work of the Panel, which seems to have prepared a political deal for the consideration of the General Assembly.

Mr. Chairman,

11. While this Committee faces a heavy workload in the following days, with the responsibility of taking decisions on a great number of time bound issues, it is the Group's view that the report in front of us does not justify any change to the current budgetary process and methodology as established in resolutions 41/213 and 42/211.

Thank you.