

Statement by the Representative of Indonesia, on behalf of the Group of 77 and China, on the issue of the Development Account before the Fifth Committee at the Fifty-third Session of the General Assembly

New York, 6 October 1998

Mr. Chairman,

1. Allow me first of all, on behalf of the Group of 77 and China to thank the Under-Secretary-General for Management for introducing the Report of the Secretary-General on the Development Account, as contained in document A/52/1009. We would also like to thank the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for introducing the report of the Advisory Committee as contained in document A/53/7/Add.1.

Mr. Chairman,

2. We take note of these reports and welcome the fact that they take into consideration some of the comments and observations made by the Group on previous occasions. However, in some parts, they still remain unclear and sometimes even cryptic, especially where the sustainability of the Account is concerned. In this regard, the Group understands that ultimately the sustainability will be achieved, in its greatest part, through the appropriation process, with obvious onus for the Member States, and not only through savings, as originally envisaged in the reform proposals of the Secretary-General. In this regard, the Group notes with concern that this seems to represent a deviation from the original concept of the Development Account, such as it was first presented to and subsequently approved by the General Assembly. We would therefore appreciate it if Secretariat would provide clarification on this matter.

3. We also take note of the fact that the Secretariat has dropped the concept of non-programme costs and that it has acknowledged that possible efficiency measures and productivity gains will not be limited to any one area or activity of the United Nations, but that they will be sought throughout the Secretariat without affecting the full implementation of mandated programmes relating to development in other sections of the budget. Furthermore, we take note that in his present report, the Secretary-General makes no mention of the originally proposed target of US\$ 200 million, recognizing that the level of the Account is to be determined by Member States and that no time frame should be specified for reaching any target.

Mr. Chairman,

4. We welcome that both the report of the Secretary-General and the ACABQ recognized that the result of the introduction of efficiency measures are achieved if costs are reduced without negatively affecting the level and quality of service. However, it remains to be demonstrated that the introduction of such measures would not adversely affect the full implementation of mandated programmes and activities.

5. We are of the view that the development account should only be used to fund the United Nations development projects and activities for the developing countries. Therefore, the Group reserves its position to revert to the question of Programme Objectives and Direction of the Development Account under section VI B.

6. We would also like to reiterate our understanding that the Account will be used solely to complement rather than substitute for the existing development activities, as stated in document A/52/848. In this

connection, the Group reserves its right to pronounce itself on the Secretary-General's report on the utilization of the development dividend, contained in document A/53/374, after receiving the respective comments by the ACABQ and the Second Committee.

Mr. Chairman,

7. We remain concerned with the inevitable impact of the proposed efficiency measures on the level of posts as staff costs account for 70 to 80 percent of the budget. In this connection, we would appreciate receiving detailed information from the Secretariat specifying the areas to be affected and the numbers of posts to be abolished.

8. We are concerned with the proposal of the Secretariat that the productivity gains will only be submitted for the approval of the General Assembly in the context of the performance report. In other words, in a post facto basis, after the efficiency measures have already been implemented. The Group of 77 and China is of the view that the Secretariat should submit a report every six months on the impact of efficiency measures after the approval by the General Assembly in the context of the Development Account in the implementation of mandated programmes and activities.

9. Finally, let me express our regret that the ACABQ in its consideration of the report A/52/1009 has not been able to take up the annexes of this report, which deal with the types of efficiency measures, which are a crucial element to this discussion. The Group looks forward to the comments of the ACABQ on these annexes to enable the Committee to take a well-considered and comprehensive decision on the matter.

Thank you.