

STATEMENT BY AMBASSADOR S.R. INSANALLY, PERMANENT REPRESENTATIVE OF THE REPUBLIC OF GUYANA, ON BEHALF OF THE THE GROUP OF 77 AND CHINA ON AGENDA ITEM 121: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2000-2001, IN THE FIFTH COMMITTEE OF THE 54TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

New York, 27 October 1999

Madame Chairman,

I have the honour to speak on behalf of the Group of 77 and China.

At the outset, we would wish to thank the Secretary-General for his introduction to the proposed programme budget for the biennium 2000-2001. We welcome his presence in the Fifth Committee as a clear indication of his personal commitment to such important matters.

I would also like to take this opportunity to express the Group's appreciation to the Chairman of the Committee on Programme and Coordination for his presentation of to the Committee's report contained in document A/54/16.

We also thank the Chairman of the Advisory Committee on Administrative and Budgetary Questions for his introduction to the report of the Committee contained in document A/54/7.

Madame Chairman, the proposed programme budget for the biennium 2000-2001 must be considered in the context of the serious financial crisis facing the Organization as a result of the non-payment of the assessed contributions, particularly by the major contributor. The Group firmly believes that the expenses of the Organization shall be borne by the Member States in accordance with the principles of the Charter and the decisions of the General Assembly.

The non-fulfilment of the financial obligations under the Charter by some Member States, particularly the major contributor, has made it very difficult - if not impossible for the United Nations to implement the decisions and mandates of the General Assembly. We therefore urge all Member States to fully respect the decisions of the General Assembly in accordance with the Charter to enable the Organization to meet the daunting challenges which it will face in the next millennium. All Member States must honor their legal and contractual obligations under the Charter in full, on time and without conditions. Of course, as we have said before sympathetic consideration has to be given to those Member States, in particular developing countries, which are temporarily experiencing genuine economic difficulties. This is the only way to demonstrate the political commitment by Member States to the Organization and to enable the Secretary-General to effectively carry out all its mandated programmes and activities.

We recall, in this context the Declaration of the Foreign Ministers of the Group of 77 and China adopted in September 1999 which made it clear that "there shall not be any ceiling on the budget of the United Nations and that resources proposed by the Secretary-General should be commensurate with all mandated programmes and activities in order to ensure their full implementation." A bankrupt Organization cannot meet the challenges it has to face in the new millennium.

The Ministers of the Group of 77 and China also expressed concern on the decrease in the Secretary-General's budget proposal for the biennium 2000-2001 in relation to the budget outline approved by the General Assembly in its resolution 53/206, which was the result of a very delicate balance of the interests of

all Member States. The Ministers stressed the need to carefully review the budget proposal in light of the approved budget outline taking into account all the legislative mandates approved for the biennium 2000-2001. The approval of the budget outline in resolution 53/206 was based on political compromise among Member States which should have been respected by the Secretariat. We will have to review the Secretary-General's proposal taking into account the mandates the Organization has to carry out in the biennium 2000-2001. Nevertheless, it is our considered view that the minimum level of \$ 2.545 billion, before recosting, will have to be restored as a basis for the calculation of the budget in light of the various reports considered by this Committee and the statements of the representatives of the Secretariat.] In this regard, we share the concern expressed by ACABQ in paragraph 130 of its report A/54/7, where the Advisory Committee expressed the view that there were in fact "several areas where additional resources could be required under certain sections of the proposed programme budget".

The Group of 77 and China will consider carefully the different sections of the proposed programme budget in order to propose increases in resources in those sections where the comments of the ACABQ are deemed to be valid.

Further, the Group of 77 and China insists strict compliance with the provisions of the Medium-term Plan and approved legislative mandates. It is most important that the Secretariat complies fully with the provisions of the Medium-term Plan which is the principal policy directive of the Organization. This calls for careful scrutiny by the Secretary-General or by an external oversight body to examine and evaluate the reasons for non-compliance with legislative mandates and to suggest remedial measures. In the context of the proposed programme budget for the biennium 2000-2001, it is our responsibility to make sure that the proposed programme budget narratives are in compliance with the approved mandates.

The Group considers that the budgetary process, as adopted by the General Assembly in its resolutions 41/213 and 42/211 and reaffirmed by subsequent resolutions, remains valid and must be fully followed.

We greatly appreciate the work done by the Committee on Programme and Coordination. It is a matter of satisfaction that most of the recommendations of the CPC are adopted by the General Assembly without any changes. This signifies the important role played by the CPC.

The Group of 77 and China, however, is concerned at the interference with the budgetary process by entities which have no role in the approved budgetary procedures. In this regard we recall that the ECOSOC has adopted resolution 1999/57 on the CPC report on the programme budget 2000-2001. In our view the CPC report on the programme budget has to be considered by the General Assembly in accordance with resolution 41/213 and regulations and rules of the Organization. We, however, seek a clarification from the Secretariat as to under which regulation and rule the ECOSOC was authorised to consider the programme budget of the United Nations.

The Group of 77 and China reaffirms that the programme budget of the United Nations shall be considered under the existing regulations and rules. Any departure from these regulations and rules and the attempts to implement proposals like results-based budgeting and sunset provisions, without the approval of the General Assembly, will only be counter-productive. Such proposals need to be thoroughly examined by the CPC, ACABQ and the Fifth Committee in detail before any action is taken by the Secretariat on them.

The Group of 77 and China emphasizes the need for the proposed programme budget to be considered in the fascicle form as decided by the General Assembly in resolution 41/213. The document should be issued in its final form only after its approval by the General Assembly.

The Group of 77 and China considers that the inclusion of the phrase "within existing resources" in resolutions adopted by subsidiaries bodies, ECOSOC, and Main Committees of the General Assembly, is not

in conformity with General Assembly resolution 41/213 and as such, is a serious violation of current budgetary practices and procedures, as well as of General Assembly resolution 45/248B. Usage of such phraseology has a negative impact on the implementation of mandated programmes and activities. We are of the view that all other main committees should refrain from the inclusion of the phrase "within existing resources" in draft resolutions since this has budgetary implications.

The Group of 77 and China reaffirms its support for the inclusion of \$86.2 million for expenditures related to special political missions. The inclusion of such provisions can certainly facilitate the approval of such political missions.

We wish to draw attention to the provisions of paragraph 10 of General Assembly resolution 53/206, whereby Member States decided that additional requirements in this area should continue to be treated in accordance with the provisions of General Assembly resolution 41/213.

The Group of 77 and China considers that the current provision for the treatment of exchange rates and inflation should be maintained, in accordance with the above-mentioned resolution.

The Group of 77 and China reiterates that the level of the contingency fund is over and above the level of the budget approved for the biennium.

The Group considers that mandates approved by Member States should be financed in accordance with Article 17 of the Charter. There should not be heavy reliance on the extra budgetary resources to finance the mandated programmes and activities. Once the mandates are approved, it is the collective responsibility of the Member States to provide the necessary resources as apportioned by the General Assembly, to enable the Secretariat to carry out its responsibilities.

The Group of 77 and China regrets that the proposed programme budget does not accurately reflect the priorities approved by General Assembly resolution 52/219. In our view more resources should be requested for sections related to economic and social development.

We wish to request the Secretariat to further elaborate the basis for the substantial increases in budget sections which are not considered as priority by the General Assembly, while substantial resources are allocated for other sections that do not satisfy the priorities of the General Assembly.

The Group of 77 and China reiterates that vacancy rates cannot, and should neither be used as an instrument to achieve savings nor to decrease the level of the budget. Vacancy rate is strictly a management tool for budgetary calculations and should not be used for any other purpose. In this regard, we concur with the Secretary-General's proposal for overall vacancy rates should not exceed 2.5 percent for general services and 5 percent for professionals.

There is a need to accelerate the recruitment process in order to provide the Secretariat with the human resources needed to fully implement all mandated programmes and activities. In this regard, the Group of 77 and China reiterates General Assembly resolutions 51/243, 52/234 and other relevant resolutions.

The Group of 77 and China shares the concern expressed by the ACABQ in paragraph 52 of its report A/54/7 regarding the use of General Temporary Assistance (GTA) to perform functions of a continuing nature. This practice is a contravention of current budgetary practices and procedures and must be discontinued.

We endorse the request made by the ACABQ and expects the Secretariat to provide information on the use of GTA, in particular, in the sections outlined in paragraph 52 of the report of the Advisory Committee.

The Group reiterates that the use of consultants should only be resorted to where in-house expertise is not

available. Moreover, consultants and contractors can and should only be accepted in accordance with section VIII of resolution 53/221. We would also stress that the use of consultants and contractors must reflect the international character of the Organization. Consultants and individual contractors should be hired on as wide a geographical base as possible.

We further point out that the delegation of authority should comply with the provisions of the General Assembly resolution 53/221. There has to be a system of responsibility and accountability before delegating such authority, including the necessary internal monitoring and control procedures, as well as training.

The Group of 77 and China attaches great importance to the provisions of the Charter regarding the role of the General Assembly and in this regard expresses concern about referring to the role of the General Assembly as "micro management" or "overadministration" by Member States.

The Group is seriously concerned at the non-compliance with the provisions of the resolutions 52/214 and 53/208 regarding the format of reports. It is of utmost importance for the small delegations to have the reports in accordance with the decisions of the General Assembly and its Rules and Procedures. We have stated earlier our reluctance to consider the reports that are not submitted in conformity with the decisions of the General Assembly.

Finally, the Group of 77 and China considers that all provisions of General Assembly resolution 41/213 and its annexes, including those related to the adoption of the budget, remain valid and should be fully respected in order to facilitate negotiations on this item. To conclude, the Group of 77 and China is firmly committed to work in a spirit of mutual understanding and close cooperation with our partners in order to achieve the broadest possible agreement.

Thank you, Madame Chairman .