

STATEMENT BY THE REPRESENTATIVE OF INDONESIA ON BEHALF OF THE GROUP OF 77 AND CHINA ON THE ISSUE OF THE UTILIZATION OF THE DEVELOPMENT DIVIDEND BEFORE THE FIFTH COMMITTEE OF THE 53RD SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

New York, 7 December 1998

Mr. Chairman,

1. On behalf of the Group of 77 and China I would like to thank the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Ambassador Mselle for introducing the report of the Advisory Committee on the Utilization of the Development Dividend as contained in document A/53/7/Add.4. I would also like to thank the Assistant-Secretary-General for Economic and Social Affairs, Ms. Angela King, for her presentation of the report of the Secretary-General as contained on document A/53/374.

Mr. Chairman,

2. The Group of 77 and China notes that the ACABQ has not analyzed the project costs annexed to its report A/53/7/Add.4. We would have welcomed the valuable comments of the ACABQ which facilitates consideration of allocation of resources for various activities. However, the Group is of the view that a considerable amount is proposed to be spent on consultants and contractual services. Proposed consultancy fees of approximately 25 percent of the available amount needs justification. The Group would like to suggest appropriate guidelines for utilization of resources for the approved projects. We also note too much emphasis has been given to carry out studies for several projects. The Group believes that the United Nations has already done such studies that can be used for developing and implementing projects under the Development Account.

3. The position of the Group of 77 and China on the Utilization of the Development Dividend from a programmatic point of view has been reflected in document A/53/664. In this context, the Group of 77 and China would like to highlight some of the elements.

4. The Group is of the view that the resources appropriated under section 34 should be used to fund new projects only for developing countries clearly related to development priorities set in the medium-term plan. In this regard, we emphasize that the following criteria should guide the formulation of the above-mentioned projects:

- a) Projects should have a multiplier effect and promote capacity-building for developing countries only, responding to their needs and priorities;
- b) Projects should promote regional and interregional economic and technical cooperation between developing countries.
- c) Projects should complement and not substitute existing programme activities;
- d) Projects should relate to new activities not already mandated under the programme budget;
and
- e) Projects should not involve transfer of resources from the regular budget to extra-budgetary activities.

f) Projects should have a strong South-South Cooperation content.

Mr. Chairman,

5. In relation to the Secretary-General's project proposals, as described in his report A/53/374, we note that some of them do not conform to the criteria indicated above. The Group would also like to request the Secretary-General to review and reformulate, as appropriate, the proposals contained in document A/53/374 so as to ensure full conformity with the criteria indicated above, and to report thereon to the General Assembly no later than March 1999. However, the Group is ready to consider the activities envisaged in the project proposals a), b), d) and e).

6. The Group is of the view that the monitoring of the implementation of approved projects and performance evaluation of the activities to be financed through the Development Account should be strictly in accordance with the Regulations and Rules Governing Programme Planning, Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. We should not contemplate a new procedure for the Development Account as it is a part of the regular programme budget.

7. Finally, Mr. Chairman, I would like to assure you that the Group of 77 and China attaches great importance to the Development Account and is ready to continue to actively and constructively participate in the work of this Committee.

Thank you Mr. Chairman.