



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
AMBASSADOR DUMISANI S. KUMALO, PERMANENT REPRESENTATIVE OF
SOUTH AFRICA TO THE UNITED NATIONS,
ON AGENDA ITEM 117: FIRST PERFORMANCE REPORT OF THE
PROGRAMME BUDGET FOR THE BIENNIUM 2006-2007, IN THE FIFTH
COMMITTEE OF THE GENERAL ASSEMBLY (New York, 18 December 2006)**

Mr. Chairman,

I have the honour to speak on the behalf of the Group-77 and China on agenda item 117, in particular on the first performance report on the programme budget for the biennium 2006-2007.

The Group of 77 and China wishes to thank the Controller, Mr. Warren Sach, for introducing the report of the Secretary-General on this agenda item (A/61/593) and Mr. Rajat Saha, Chairman of the Advisory Committee on Administrative and Budgetary Questions, for his presentation of the Advisory Committee's report.

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 first performance report gives us an insight into the impact of the resources provided to the Secretary-General enabling him to discharge the numerous mandates that Member States have collectively entrusted upon the Organisation. The Group consequently believes that Member States would have benefited from receiving the first performance report and the related report of the Advisory Committee in a timely manner.

Mr. Chairman,

The Group of 77 and China notes that the performance report has identified several adjustments in the level of appropriations required for the 2006-2007 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 at its thirty-second session.

The Group notes that the revised requirements for the biennium have increased by \$112.3 million and now amount to \$3.9 billion. We also note that some Programme Budget Implications resulting from the decision 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. The Group of 77 and China notes that the bulk of the increases relate to the implementation of the decisions adopted at the World Summit in 2005. As stated before, reform comes at a cost and we wish to caution against the notion that it could be resourced at the expense of other important activities and mandates of the Organisation. It is for this reason that we support the request by the Secretary-General for the level of the Contingency Fund to be increased.

We also note the increase in the resource requirements for special political missions, due to the fact that the provisions for SPMs for the biennium 2006-2007 have almost been depleted by the end of the first year of the biennium, which will further increase the level of the initial appropriations. Provisions for special political missions, peace and security and human rights remain the only real areas of the growth in the regular budget. The Group of 77 and China attaches great importance to the implementation of the Development Agenda and is concerned by

the lack of growth in this important area. It is for this reason that we regret the apparent breakdown in negotiations over the weekend on the Development Account resolution. For us, this breakdown in negotiations indicates a breach of faith on the agreement that was already reached at the time when we were negotiating the budget. This change of mind by our negotiating partners leaves us no alternative but to seek other measures to uphold this commitment. The Development Account is vital for developing countries and it was one of the first reform measures proposed by the Secretary-General and accepted by everyone until now.

It is therefore of great concern to the Group of 77 and China that the Performance Report has once again not responded to paragraph 4 of its resolution 54/15 whereby it is decided that "savings to be achieved as a result of the efficiency measures can be identified in the context of budget performance reports and shall be transferred to the Development Account section with the prior approval of the General Assembly". The Group of 77 and China notes that the Performance Report does not contain any information on such savings. It should be clear by now that the funding mechanism is not functioning as envisaged in 1997 and that concrete action is required from the Assembly. We therefore believe that a firm decision is required in the coming days to increase the Development Account by the \$5 million dollars, which was agreed to in principle by the Assembly in 2005. We once again appeal to all Member States to honour this commitment.

Mr. Chairman,

Turning to the experiment of the limited discretion for budgetary implementation approved by the General Assembly in its resolution 60/283 by which it authorized the Secretary-General to enter into commitments for up to USD 20 million in each biennium for posts and non-post requirements for meeting the evolving needs of the Organization, the Group of 77 and China notes that this authorization has so far not been utilized by the Secretary-General. We also note that the Secretariat is presently in the process of establishing criteria by which it would define the 'evolving needs' of the Organization. The Group would like to stress that the implementation of the above-mentioned experiment should be consistent with the principles and guidelines set forth in section III of General Assembly resolution 60/283.

The Group of 77 and China notes with concern that the Secretariat once again was unable to identify posts to be redeployed, as part of the experiment approved by the General Assembly at its 58th session. It will be recalled that the experiment will be terminated at the end of the current biennium, in accordance with General Assembly resolution 60/283. The Group is concerned by indications that the Secretariat has not utilised the experiment to provide for the 3 posts in the United Nations Conference on Trade and Development and 1 post in the Department of Economic and Social Affairs, as requested by the Assembly in paragraph 8 of its resolution 60/246.

Having realized six-months later that the Secretariat did not comply with resolution 60/246, the Assembly, in paragraph 12 of its resolution 60/283, requested the Secretary-General "to expeditiously" implement its previous request. At this moment, after almost one year, we realize that the decision of the Assembly has not yet been fulfilled. The Group of 77 and China once again wishes to stress that it attaches great importance to the related functions. We consequently would appreciate receiving a formal elaboration of the steps taken by the Secretariat to identify the 4 posts to be redeployed to the DESA and UNCTAD.

Mr. Chairman,

The Group of 77 and China notes the reference in paragraphs 29 and 30 of the report to the costs related to procurement reform measures that are currently being considered by the Fifth

