

Statement by Ambassador Bagher Asadi, Chairman of the Group of 77 (Islamic Republic of Iran), at the Fifth Committee on Agenda Item 123: Proposed Programme Budget for the Biennium 2002-2003

New York, 15 October 2001

Mr. Chairman,

Having listened to the statement by the EU Presidency, I wish I could compete with Ambassador Ruyt on the brevity of his statement as well as in the number of members in his group family. Alas, I cannot. We are almost six times larger, but, my statement will not be proportionately longer.

It is indeed a great honour for the Chairman of the Group of 77 to address the Fifth Committee at this rather early stage of its work, and particularly on such an important subject. It is so close to everybody's heart. But, before taking up the substance of the matter at hand, which I have to admit, may sound somehow sober and prosaic and not as lively as our other discussions on economic and social issues, let me seize the opportunity to extend, on behalf of the Group of 77 and China, our most sincere felicitations to you, Mr. Ambassador, and to other distinguished members of the Bureau for the high office you have assumed. We are confident that your experience and diplomatic skills will steer the work of the Committee to the best outcome. You can all rest assured of the full cooperation of the Group of 77 and China towards a good, consensual outcome of the work of the Committee in the weeks and months ahead. For us in the Group of 77 – and for myself personally – consensus is the name of the game ; both within the Group as well as in within the whole intergovernmental body.

Mr. Chairman,

Today, if I may venture to say, is the day of Ghana in the Fifth Committee, where we also have the pleasure of having the Secretary-General with us. Let me first of all thank Mr. Annan for his introductory remarks on the proposed programme budget for the biennium 2002-2003, and also for his presence here, which, given all other burning issues on the UN hands, is clearly indicative of his personal commitment to this important matter. Now that I have the floor and the Secretary-General is here, I should also take the opportunity to offer my best congratulations to him and through him to the Organization for the Nobel Peace Prize. Let us all hope that this important development would as well help further buttress the legitimate mandate of the Organization and its Chief Executive Officer in this critical and yet perilous field of the activities of the United Nations.

Turning to the substance of the agenda item under consideration, I should register our deep appreciation to the distinguished Chairperson of the Committee on Programme and Coordination for her excellent work last June and also for the presentation of the Committee's report contained in document A/56/16.

I should as well thank the distinguished Chairman of the Advisory Committee on Administrative and Budgetary Questions for his introduction to the report of the Committee contained in document A/56/7. We are confident that the ACABQ's conclusions and recommendations are of use and interest to the Fifth Committee in considering the proposed programme budget.

Allow me also to place on record our commendation for the excellent work of the Secretariat, including for the improved timeliness of the submission of the proposed programme budget. Of course, we expect this good work to continue towards ensuring submission of programme budgets, as also other documents of the Organization, in a timely manner. Moreover, in order to avoid the difficulties faced by all delegations due to the very late submission of programme budget implications at the end of the consideration of the programme budget for the biennium 2000-2001, it is of utmost importance that all such programme budget implications

be submitted well in advance in accordance with the provisions of paragraph 13 of the General Assembly decision 34/401. We note with satisfaction the clarity of the introduction of the budget through providing organizational charts and endorse, in this regard, the opinion of the ACABQ as contained in paragraph 7 of its report that in presenting these charts care should be taken to ensure that complete information on proposals for additional posts and reclassifications is reflected. Also, staffing information in the main part, which is presented only in a summary form, should continue to be presented in the traditional manner in order to maintain transparency.

Mr. Chairman,

1. The proposed programme budget for the biennium 2002-2003 must, of course, be considered in the context of the financial situation of the Organization and the payment of the assessed contributions. The Group firmly believes that the expenses of the Organization should be borne by the Member States in accordance with the principles of the Charter and the decisions of the General Assembly. All Member States must honour their legal and contractual obligations under the Charter in full, on time and without conditions. 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. And simultaneously, sympathetic consideration should continue to be given to those Member States, in particular developing countries, which are temporarily experiencing genuine economic difficulties.

2. The Group notes the new presentation of the proposed programme budget. We emphasize the need to present the programme budget in accordance with the provisions of the General Assembly resolution 55/231 and other relevant resolutions. In the consideration and implementation of results-based budgeting procedure all the provisions of the resolution 55/231 should be adhered to. The Group believes that results-based budgeting is not an end in itself and that the measures approved by the Assembly should be implemented in a gradual and incremental manner, bearing in mind the intergovernmental, multilateral and international character of the United Nations, which should be taken into account in the formulation and application of the results-based budget format, in particular with regard to indicators of achievement. Indicators of achievement should be used, where appropriate, to measure the performance of the Secretariat and not of the Member States.

3. The Group stresses that the Medium-term Plan (MTP) is the principal policy directive of the Organization and the basis for the elaboration of the proposed programme budget. Let me express our concern that some of the proposed budget sections are not consistent with the MTP for the period 2002-2005. In this context, the Group requests the Secretary-General to ensure that in the preparation of the next biennial programme budget programme managers fully comply with the provisions of the Medium-term Plan for the period 2002-2005 as adopted by the General Assembly in its resolution 55/234, in particular with regard to the expected accomplishments and indicators of achievement.

Mr. Chairman,

4. The Group reaffirms its position that resources approved by the General Assembly should be commensurate with all the mandated programmes and activities in order to ensure their full implementation. There cannot be any arbitrary decision to lower the level of resources or to impose an artificial ceiling which could have an adverse impact on effective programme delivery. There is a strong 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 2002-2003. The Secretary-General's proposals shall be reviewed taking into account the mandates the Organization has to carry out in the biennium 2002-2003.

5. The Group reiterates that the budgetary process, as adopted by the General Assembly in its resolutions 41/213 and 42/211 and reaffirmed by subsequent resolutions, continues to be valid and should be fully

adhered to. We welcome the consideration of the proposed programme budget in the fascicle form as reiterated by the General Assembly in its resolution 54/249 and we would like to stress that the document should be issued in its final form only after approval by the General Assembly.

6. The Group considers that the inclusion of the phrase “within existing resources” in some budget sections is in violation of current budgetary practices and procedures, as well as of General Assembly resolutions 41/213 and 45/248B. The Group wishes to reaffirm the role of the Fifth Committee under rule 153 of the Rules of Procedure of the General Assembly, by which the Fifth Committee is entrusted to consider all administrative, financial and budgetary questions. We are of the view that all other Main Committees should refrain from the inclusion of the phrase “within existing resources” in their decisions/resolutions. The Group does not accept the inclusion of this phrase in the proposed programme budget by the Secretariat and requests that this be avoided in the future.

7. The Group welcomes the inclusion of expenditures for the special political missions in the budget. We wish to draw attention to the provisions of paragraph 10 of the 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 the General Assembly resolution 41/213.

8. We believe that the current provision for the treatment of exchange rates and inflation should be maintained, in accordance with the provisions of resolution 41/213. The Group also reiterates that the level of the contingency fund should be maintained at 0.75 per cent over and above the level of the budget approved for the biennium.

9. We note an alarming trend in the use of extrabudgetary funds for activities that should be funded under the regular budget. Our concern stems from the fact that these funds are more often than not tied, and used to implement donor-driven policies and programmes. The Group considers that the mandates approved by Member States should be financed in accordance with Article 17 of the Charter. There should not be a heavy reliance on the extra budgetary resources to finance 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 in order to enable the Secretariat to carry out its activities.

10. We are concerned with the number of reclassifications and new posts at senior levels indicated in the proposed programme budget. While some justification could be found for supporting increases in the number and reclassification of posts at the P-2 level, it is more difficult to support similar proposals at higher levels. Increases in senior level posts could lead to a further distortion in the pyramid staffing structure and to an Organization that is already top heavy. We share the concern expressed by the ACABQ, stated in paragraph 47 of its report, that any reclassification of posts should be justified in terms of a change in the nature or scope of the work and should not be motivated by the need either to enhance the prospects for recruitment or to provide a promotion for the incumbents. Should there be any requirement for reclassification, full details outlining the increase in responsibility and change in nature and scope of work as well as related workload statistics should be furnished to justify such a request.

11. The Group stresses that resource allocation among the various sections should better reflect the priorities established in the Medium-term Plan. It is also to be noted that resource growth is continually proposed for some sections which are not priority in accordance with the Plan. More resources should be approved for sections related to economic and social development. This is an area of particular importance and priority, and not merely to the developing world. All of us are fully aware of the still on-going globalization process and the challenges emanating from it, not only in the real world out there but also for the United Nations- a genuine concern that the Secretary-General fully shares and has rightly alluded to in the Foreword and Introduction to the budget.

12. The Group reiterates that vacancy rates cannot, and should not, 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 that overall vacancy rates should not exceed 5 per cent for professional posts and 2 per cent for general service posts. There is a need to accelerate the recruitment process, especially in light of the recent resolution of the General Assembly on human resources management, in order to provide the Secretariat with the human resources needed to fully implement all mandated programmes and activities.

13. 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 support the request made by the ACABQ in paragraph 54 of its report that in future, proposals for consultants and expert groups be clearly and separately identified in the programme narratives.

14. The Group of 77 has noted that the report of the Secretary-General on information technology was prepared after the submission of the proposed programme budget, thus necessitating a subsequent separate report on resource requirements to be brought to the attention of the General Assembly. We share the concern of the ACABQ that lack of financial information on what would be required in the short- and long-term to implement the strategy and the time frame for it is a serious weakness of the report. Obviously, greater emphasis on information technology requires increase in the human and financial resources devoted to it. The Group of 77 concurs with the ACABQ view that investments in information technology should result in tangible increase in efficiency and productivity, otherwise the value added of investments in this area is minimally justified.

15. We would like to further point out that any delegation of authority should comply with the provisions of the General Assembly resolution 53/221 and 55/258. 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.

Mr. Chairman,

Having laid out the review of the positions of the Group of 77 on this agenda item – in fact, the most important item in the main part of this session – let me just add that we expect the negotiations on this item to be conducted in an open and transparent manner. Moreover, all provisions of the 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 negotiation on this item.

Mr. Chairman,

I conclude with a word of reiteration of our group disposition to open, frank discussion, with a spirit of mutual understanding, on all matters before us here, as well as our willingness to engage in flexible – albeit principled – negotiation with all other partners towards reaching consensus on the broadest possible agreement. Once again, let me assure you that you have very cooperative colleagues here on the floor. And we rely on your leadership.

And the very last word. I was very happy to hear the Secretary-General refer to the importance of the Financing for Development Conference. I have to leave you right now to rush to a neighbouring conference room to make another group statement on the Financing for Development process.

Thank you very much, Mr. Chairman.

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