



General Assembly

Seventieth session

Official Records

Distr.: General
30 October 2015

Original: English

Fifth Committee

Summary record of the 3rd meeting

Held at Headquarters, New York, on Monday, 12 October 2015, at 11.15 a.m.

Chair: Mr. Bhattarai (Nepal)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

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The meeting was called to order at 11.20 a.m.

Statement by the President of the seventieth session of the General Assembly

1. **Mr. Lykketoft** (President of the seventieth session of the General Assembly) said that the Committee's work at the current session was critical to the functioning of the United Nations under the three pillars of peace and security, human rights, and development. That work included addressing the budget of the Organization, the scale of assessments, the common system compensation package, peace and security, and sustainable development, in particular the financial implications of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the 2030 Agenda for Sustainable Development. He hoped that the constructive spirit displayed by Member States in securing such agreements would inform the Committee's work in the weeks ahead.

2. As a former minister of finance, he was aware of the challenging nature of budget negotiations. During the general debate, he had been encouraged by the commitment of Heads of State and Government to the timely approval of the programme budget, an outcome that was entirely feasible given that, at the sixty-ninth session, the Committee had demonstrated its ability to address pressing global issues by responding swiftly to the Ebola emergency, and the spirit of its negotiations in the first and second parts of the resumed session had been very good. The Committee should build on that momentum and deepen trust among members.

3. The Committee's working methods must be continually improved. Efficiency and effectiveness must be increased, while inclusive and transparent decision-making must be guaranteed. The responsibility for such improvements lay with the Member States. To address the complex issues before the Committee, delegations must work tirelessly to reach a timely consensus. Successful budget negotiations would require commitment and a spirit of compromise, and he encouraged members to use the allocated time wisely, set aside differences, to engage constructively and to focus on addressing common challenges.

4. As President of the seventieth session, his aim was for the United Nations, including the Committee, to demonstrate a new commitment to action. He would

remain engaged throughout the session and would build bridges to ensure the timely conclusion of the Committee's work, particularly in relation to the budget.

Agenda item 134: Proposed programme budget for the biennium 2016-2017

Introduction of the proposed programme budget for the biennium 2016-2017 (A/70/6 (Introduction), A/70/6 (Sect. 1), A/70/6 (Sect. 2), A/70/6 (Sect. 2)/Corr.1, A/70/6 (Sect. 3), A/70/6 (Sect. 3)/Corr.1, A/70/6 (Sect. 4), A/70/6 (Sect. 5), A/70/6 (Sect. 6), A/70/6 (Sect. 7), A/70/6 (Sect. 8), A/70/6 (Sect. 8)/Corr.1, A/70/6 (Sect. 9), A/70/6 (Sect. 10), A/70/6 (Sect. 11), A/70/6 (Sect. 12), A/70/6 (Sect. 13), A/70/6 (Sect. 14), A/70/6 (Sect. 14)/Corr.1, A/70/6 (Sect. 15), A/70/6 (Sect. 16), A/70/6 (Sect. 17), A/70/6 (Sect. 18), A/70/6 (Sect. 18)/Corr.1, A/70/6 (Sect. 19), A/70/6 (Sect. 20), A/70/6 (Sect. 21), A/70/6 (Sect. 22), A/70/6 (Sect. 23), A/70/6 (Sect. 24), A/70/6 (Sect. 24)/Corr.1, A/70/6 (Sect. 25), A/70/6 (Sect. 26), A/70/6 (Sect. 27), A/70/6 (Sect. 28), A/70/6 (Sect. 28)/Corr.1, A/70/6 (Sect. 28)/Corr.2, A/70/6 (Sect. 29), A/70/6 (Sect. 29A), A/70/6 (Sect. 29A)/Corr.1, A/70/6 (Sect. 29B), A/70/6 (Sect. 29C), A/70/6 (Sect. 29C)/Corr.1, A/70/6 (Sect. 29D), A/70/6 (Sect. 29E), A/70/6 (Sect. 29F), A/70/6 (Sect. 29F)/Corr.1, A/70/6 (Sect. 29G), A/70/6 (Sect. 29H), A/70/6 (Sect. 30), A/70/6 (Sect. 31), A/70/6 (Sect. 32), A/70/6 (Sect. 33), A/70/6 (Sect. 34), A/70/6 (Sect. 35), A/70/6 (Sect. 36), A/70/6 (Income sect. 1), A/70/6 (Income sect. 2), A/70/6 (Income sect. 3), A/70/7, A/70/16, A/70/80, A/70/86, A/70/92, A/70/97, A/70/280 and A/70/280/Add.1)

5. **The Secretary-General**, introducing the proposed programme budget for the biennium 2016-2017, said that the seventieth anniversary of the United Nations was a powerful reminder of the need to defend and promote the principles of the Charter of the Organization. The opening of the seventieth session of the General Assembly had been an equally powerful reminder of the relevance of the United Nations in a changing world. The Organization had welcomed presidents, prime ministers, ministers for foreign affairs and the Pope. Its work had attracted leaders from civil society, the private sector, academia and the public at large, who had come together to forge

coalitions for transformative change and sustainable development. That was the founding spirit of the United Nations. He believed that the Organization would, in the face of grave and global challenges, realize the common vision of an effective, efficient and truly global Secretariat that responded to the needs of the peoples and made the world better for all.

6. The Member States had entrusted the Secretariat with resources to translate commitments on paper into change on the ground. He had the honour to introduce the proposed programme budget for the biennium 2016-2017, which supported the implementation of the priorities established by the General Assembly in resolution 69/264 and reflected the Secretariat's commitment to budget discipline and strict financial management.

7. In recent years, progress had been made in such significant initiatives as the International Public Sector Accounting Standards (IPSAS), the Umoja enterprise resource planning system, the mobility framework and the information and communications technology strategy. The Secretariat had presented proposals regarding the global service delivery model and the study on the long-term accommodation needs at Headquarters, intended to improve efficiency and effectiveness in the delivery of mandates. It had made great strides with regard to Umoja, which had been implemented in June 2015 at the Economic and Social Commission for Asia and the Pacific, the United Nations Office at Nairobi, the United Nations Environment Programme, the United Nations Human Settlements Programme and the Office for the Coordination of Humanitarian Affairs. The next phase, cluster 4, would be an even greater challenge, with 71 more entities, including Headquarters, completing the global footprint of Umoja in November 2015. That was no easy task, but the dedication and commitment of United Nations staff in making Umoja a reality was both inspiring and humbling. He looked forward to realizing the benefits of the system through improved administration of resources.

8. The proposed programme budget for the biennium 2016-2017 was built on such progress. It was aligned with the three pillars and based on the priorities set by the General Assembly. In formulating it, he had continued to challenge senior managers to find better ways of delivering mandates, and had urged them to rethink business practices and embrace innovative synergies.

9. He had presented a budget outline level of \$5.74 billion to the General Assembly, which had invited him to prepare the 2016-2017 proposed programme budget on the basis of a preliminary estimate of \$5.56 billion. For the biennium 2016-2017, his proposed budget level of \$5.57 billion before recosting was \$90.8 million, or 1.6 per cent, below the appropriation for the current biennium, and \$10.2 million, or 0.2 per cent, above the budget outline figure set by the General Assembly. The increase resulted mainly from adjustments made in light of recent decisions of the Assembly regarding Umoja.

10. The proposals for 2016-2017 included resources for new and extended mandates, specifically the Secretariat's contribution to the resident coordinator system, the strengthening of the United Nations Environment Programme, public information related to the parity of official languages, the strengthening of the human rights treaty body system, the renovation of the Africa Hall at the Economic Commission for Africa and the United Nations Economic and Social Commission for Asia and the Pacific, and support for the United Nations Conference on Housing and Sustainable Urban Development.

11. The 2016-2017 proposal reflected a net decrease of 56 posts compared to the current budget, primarily owing to the freezing of posts. It included preliminary recosting of \$125 million, which, combined with his proposal of \$5.57 billion, would bring the regular budget requirements to \$5.69 billion. The provision of \$1.12 billion for special political missions whose mandates were expected to be extended during the biennium reflected a reduction of \$120 million compared to his proposal in the budget outline. He was confident that the existing special political mission portfolio and related mandates could be managed within the level set by the General Assembly.

12. The international community had reached a critical moment in shaping the future for succeeding generations. The adoption by Member States of the Addis Ababa Action Agenda and the landmark 2030 Agenda for Sustainable Development, and their commitment to achieving a universal climate agreement in Paris in December 2015, would forge a global development compact to foster economic growth, human dignity and environmental sustainability. His budget proposals did not reflect the possible financial implications of supporting Member States in achieving such goals. The Organization was

working towards the most appropriate framework for implementing the compact at the United Nations. As it assessed the financial implications, he would present any cost estimates to the General Assembly. He looked forward to continuing the joint efforts to achieve the aims of the Organization and meet citizens' high expectations in the broader dialogue in the weeks to come.

13. It was his penultimate year as Secretary-General, and he called on the Committee to help his successor implement the second half of the programme budget for the biennium 2016-2017. He urged the Committee to work with the Secretariat to ensure that the United Nations made the best use of its resources in the service of humanity. He was committed to deploying the United Nations system, including the specialized agencies and Bretton Woods institutions, to implement the comprehensive Sustainable Development Goals established by the Member States.

14. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the first report of the Advisory Committee on the proposed programme budget for the biennium 2016-2017 ([A/70/7](#)), said that Secretary-General's budget proposal for 2016-2017 was broadly consistent with the indicative level established by the General Assembly in its decision on the budget outline in resolution 69/264). The recommendations of the Advisory Committee would entail a reduction of \$54.8 million in the Secretary-General's proposal, including an adjustment for the renovation of the Africa Hall at the Economic Commission for Africa, on which the Advisory Committee would make recommendations to the General Assembly at a later date.

15. The Advisory Committee recognized the Secretary-General's intention to realize the efficiencies expected from Umoja and the uncertainty surrounding the details of the savings to be obtained through specific proposals, and understood the proposed full or partial freezing of 81 established posts in 2016-2017. Nevertheless, the General Assembly had the last word in relation to the staffing of the Organization and must take the final decision on the freezing of posts, their possible abolishment in the future and any changes that might arise in the course of the biennium. The Advisory Committee recommended changes to the proposed list of post freezes where the specific link

with efficiencies arising from Umoja was not sufficiently clear.

16. The Advisory Committee regretted that the Secretary-General's request for \$13 million in support of the resident coordinator system for the biennium 2016-2017 did not include all the details called for in General Assembly resolution 69/262, and could not recommend approval of the proposal. It hoped that the required information would be provided to the Assembly in due time.

17. The Secretary-General had emphasized that his proposal to strengthen the regional presence of the Office of the United Nations High Commissioner for Human Rights was cost-neutral. The Advisory Committee recognized the Secretary-General's intention to strengthen the field presence of the Office, but was of the view that a more detailed proposal, including the location and geographical coverage of the proposed regional hubs and an analysis of the expected workload and staffing needs, should be provided to the General Assembly in the near future.

18. The Advisory Committee recommended approval of almost all the proposals related to the restructuring of the Office of Information and Communications Technology in line with the information and communications strategy approved by the General Assembly, including the redeployment of posts and the strengthening of capacities.

19. There was a degree of automaticity under some budget headings, where certain proposals were not duly justified either in the related requests or in relation to previous bienniums. Budgeting should not be incremental; rather, it should be based on an analysis of the entire quantum of resources requested of the General Assembly.

20. **The Chair** drew attention to the Secretary-General's ninth progress report on the implementation of projects financed from the Development Account ([A/70/97](#)) and the report of the Independent Audit Advisory Committee on internal oversight: proposed programme budget for the biennium 2016-2017 ([A/70/86](#)).

21. **Mr. Biraud** (Joint Inspection Unit), introducing the note by the Secretary-General transmitting the report of the Joint Inspection Unit (JIU) entitled "Records and archives management at the United Nations" ([A/70/280](#)), said that records and archives

management was an essential component of good governance, accountability and efficiency. Informed decisions could not be taken unless the lessons of past experience were learned from reliable sources. Regrettably, the conditions for the proper management of United Nations records were far from being met. The degeneration of the institutional memory of the Organization and of many specialized agencies and institutions was not merely a risk but a pernicious disease that had already set in.

22. Information was the lifeblood of any organization, but the exponential increase in raw data flows jeopardized the quality, integrity and validity of such information. The sorting of information to determine what could be destroyed and what must be preserved was the essence of records and archives management. The Secretariat policy framework was obsolete and should be supplemented on the basis of common rules. Above all, it must be implemented through a simple initiation training programme for all staff. The system-wide success of such a policy depended on proper delegation of authority, the commitment of senior management, and competent specialized staff.

23. Four of the six recommendations in the report were for the Secretary-General and the executive heads of the entities covered. One was for the Secretary-General as Chair of the Chief Executives Board for Coordination. The last invited the General Assembly to request the Secretary-General and the respective executive heads to present a corporate or joint project proposal to enhance records and archives management in a consistent way.

24. The Chief Executives Board for Coordination had supported the recommendations (A/70/280/Add.1), as had the Section of International Organizations of the International Council on Archives, which had formally encouraged United Nations organizations and other members of the Section to take coordinated action on the recommendations. The Joint Inspection Unit hoped that such support would help preserve the most valuable part of the Organization's knowledge and experience.

25. Digital preservation must be urgently addressed, because information was overwhelmingly produced and disseminated electronically, including through messaging. The basic tools of records and archives management must be integrated as a strong and

mandatory component of Umoja. The Member States must give the Secretary-General and the executive heads of the other United Nations entities a robust mandate for such management. The Committee had a unique opportunity to strengthen the capacity of such entities to take better informed decisions for decades to come.

26. **Mr. Herman** (United Nations System Chief Executives Board for Coordination), introducing the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit (A/70/280/Add.1), said that the organizations of the United Nations system considered the report of the Joint Inspection Unit (A/70/280) a valuable contribution to strengthening the records and archives environment, in particular through records preservation and institutional memory. They had some difficulty, however, with specific technical areas of the report. While they agreed that a joint approach to digital records management should be taken, they approached records and archiving in the context of information management as a whole. Although a common approach might be helpful in some areas, each organization needed to address the challenge in its own environment.

27. Organizations were generally supportive of the recommendations in the report. The regulatory frameworks that governed records and archives management should be reviewed. The rapid increase in the number of electronic documents could result in cost and other concerns if left unmanaged. Staff should be trained in records retention policies and practices, subject to the support of legislative bodies. The recommendations provided a road map for improvement in records and archives functions. The topic was of interest to the entire United Nations system, particularly in relation to information management, which was one component of a broader digital agenda.

28. **Ms. Lingenfelder** (South Africa), speaking on behalf of the Group of 77 and China, said that the budget document was not merely a financial and accounting tool but also an authoritative statement that should reflect the Secretary-General's strategic vision of how to implement the mandates and priorities decided by the Member States. The Secretariat and Member States should abide by the decisions of the General Assembly that no changes to the established

budget methodology, procedures and practices or financial regulations should be implemented without the approval of the Assembly.

29. Given the importance and comprehensiveness of the budget proposal, the Bureau should ensure that sufficient time was provided for informal consultations. The Group was satisfied with the amount of time dedicated at previous sessions to recosting, a fundamental element of the budget methodology agreed on by the Member States. The Committee should in the future focus on providing the Organization with adequate resources to implement mandates.

30. The Secretariat had made a series of arbitrary cuts on the basis of a creative interpretation of General Assembly resolution 69/264, even though that resolution stated that the proposed programme budget outline should contain a preliminary estimate of the resources needed during the biennium and reflect resource levels commensurate with mandates for their full, efficient and effective implementation. The so-called efficiency measures were entirely voluntary and the Secretary-General was in no way obliged to implement them. The resolution did not directly call for further reductions but rather stated that they could be proposed wherever possible, without undermining the implementation of mandated programme activities.

31. Of even more concern was the Secretary-General's decision to freeze recruitment against many posts to achieve such reductions, even though those posts had been proposed by him and approved by the Member States to allow the Organization to implement its mandates. Many such freezes were unjustifiably based on the expected benefits of Umoja, which was intended to reduce costs but for which more than \$14 million had been requested in the 2016-2017 budget, in addition to the significant resources allocated so far. According to the Secretary-General's seventh progress report on the enterprise resource planning project (A/70/369), no benefit realization plan for Umoja had been elaborated, despite repeated calls from the General Assembly. Specific information regarding the benefits expected from Umoja in each area should be presented to the Assembly before its consideration of the budgetary impact of benefit realization in order to allow sufficient time for its deliberations and support informed decision-making. In the absence of such information, Member States could do no more than make unfounded conjectures

about possible scenarios, and the capacity of the United Nations to implement mandates was limited.

32. The Group was concerned at the Secretary-General's proposal that managers should be able to change the list of posts to be frozen. The regular budget staffing table was the sole prerogative of the General Assembly, and the Secretary-General should abide by the relevant Assembly resolutions and the financial rules and regulations in implementing the so-called efficiencies. He should honour the commitment he had made more than a decade earlier that resources made available through budgetary efficiencies and savings would go to the Development Account.

33. The Group doubted that the budget proposal gave the United Nations the means to implement the universal sustainable development agenda recently adopted by Member States, which depended on determined effort, political will and financial resources.

34. With regard to international cooperation for development, the Group would seek clarification regarding the ways in which new mandates related to least developed countries, landlocked developing countries and small island developing States were addressed in the budget proposal.

35. The imbalance between assessed and voluntary contributions continued to grow; voluntary funds reached a new high every biennium, even as pressure was being exerted to reduce assessed contributions. The situation undermined the deceptive argument that the United Nations was doing more with less. The work of the Organization was in fact less transparent than in the past, and Member States had less oversight and control. The United Nations faced a governance crisis when legislative bodies approved mandates and set priorities, yet certain mandates were funded by both assessed contributions and voluntary assistance from donor countries while others were constantly underfunded through assessed contributions alone. The Group rejected such a double standard. The United Nations must be given the resources necessary to do the work entrusted to it by Member States, while ensuring that those resources were efficiently allocated.

36. **Mr. Kisoka** (United Republic of Tanzania), speaking on behalf of the Group of African States, said that the Group gave the highest priority to the proposed

programme budget, which was an accountability tool and a barometer of the Organization's effectiveness, and should reflect a resource level commensurate with the implementation of mandates.

37. The adoption of new mandates related to the Sustainable Development Goals and financing for development showed that the world was once again committed to development, including in Africa, one of the eight priorities of the Organization to be reflected in the programme budget for the biennium 2016-2017. The Group would seek further information regarding the ways in which the budget proposal would address challenges in Africa, including the new development agenda.

38. The African States were deeply concerned at across-the-board reductions that might jeopardize mandate delivery in development. The trend of negative budget growth did not take into account the additional mandates received by the Organization. The Group would seek clarification regarding the implementation of mandates related to development for Africa; international peace and security; coordination and humanitarian assistance; disarmament and drug control; crime prevention; and combating international terrorism, in view of the reduction in post and non-post resources in those areas.

39. The Group would scrutinize the budget to ensure that adequate resources were allocated to the implementation of mandates. With the help of oversight bodies, it would identify inefficiencies and propose the redirection of resources to other priorities. It would focus on political affairs, including disarmament, peacekeeping operations, mediation and conflict prevention; international cooperation for development, including United Nations support for Africa's development agenda, least developed countries, landlocked developing countries and small island developing States, international drug control, crime and terrorism prevention, and the empowerment of women; regional cooperation in economic and social development, including support for regional economic integration in Africa; and capital projects, in particular at the Economic Commission for Africa and the United Nations Office at Geneva. It would seek to learn how the Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law would be financed under the proposal, in line with various General Assembly mandates.

40. The Group would carefully examine the proposed staffing changes, including the abolishment of posts at the junior level, the unjustifiable introduction and reclassification of senior posts, the establishment of new structures and the implications for mandate delivery. It would seek to learn the reasons for and impact of the delay in recruiting a new Head of the United Nations Office to the African Union.

41. The proposals regarding new mandates should be presented to the Member States in line with established budgetary procedures. The Group called on the Secretary-General to abide by the principle that no changes to the established budget methodology, procedures and practices, or the financial rules and regulations, should be implemented without the approval of the Member States.

42. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that a balance must be struck between the three pillars of the Organization and that peace and security, development and human rights activities must receive adequate resources from the regular budget to ensure their full, efficient and effective implementation. CELAC was therefore concerned that the regular budget resources requested by the Secretary-General for section 24, Human rights, for the biennium 2016-2017 had been reduced by 5.0 per cent compared with the revised appropriation for 2014-2015. While there was value in achieving efficiencies, any cuts to that end must be preceded by a case-by-case analysis that avoided any adverse impact on the quality and timeliness of mandate delivery. No such analysis had been undertaken.

43. Allocating adequate resources to the development pillar was of the utmost importance, and the Economic Commission for Latin America and the Caribbean (ECLAC) played a key role in promoting development in the region. It provided knowledge and guidance during consultations at the national, regional and subregional levels, and had successfully helped countries in the region to develop policies to reduce poverty, improve access to education and health services and promote the rights of indigenous peoples, migrants and other vulnerable groups. ECLAC would also be indispensable in promoting the new 2030 Agenda for Sustainable Development. As a result, CELAC was extremely concerned at the proposed cuts for section 21, Economic and social development in Latin America and the Caribbean, which reflected a net

decrease of 1.7 per cent compared with the revised appropriation for 2014-2015. It was discriminatory and unfair that, for the third biennium in a row, ECLAC had been one of the most affected by the proposed reductions, which was undermining its capacity to provide expertise in the region. Adequate resources from the regular budget must also be allocated to the human rights pillar and to the work of the Special Representative of the Secretary-General on Violence against Children.

44. CELAC was also concerned at the distortion to the regular budget caused by the existing funding and backstopping arrangements for special political missions. Those missions accounted for a considerable portion of the regular budget and did not take into account the special responsibilities of the permanent members of the Security Council in maintaining peace and security. It was therefore urgent to review those arrangements.

45. The proposed programme budget for the biennium 2016-2017 included modifications to the established budgetary methodology approved by General Assembly resolutions 41/213, 42/211 and others. CELAC urged the Secretariat and all Member States to strictly abide by the resolutions of the General Assembly which stated that no changes to the established budget methodology, procedures and practices or to the Financial Regulations and Rules of the United Nations should be implemented without prior consideration and approval of the General Assembly. In particular, recosting was an essential part of the existing budget methodology as it ensured that planned activities were not affected by currency fluctuations or inflation.

46. **Ms. Richards** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that the regular budget provided core resources for the Organization to implement the mandates agreed by Member States, and the General Assembly played a crucial role in ensuring that a thorough analysis was carried out of the allocation and reallocation of resources to all sections of the programme budget.

47. CARICOM noted that the level of resources proposed for the biennium 2016-2017 amounted to \$5,568.6 million before recosting, which reflected a net reduction of \$90.8 million, or 1.6 per cent. It further noted that the proposals for that biennium were said to be in line with General Assembly resolutions 69/17 and

69/264. However, it questioned whether the budget decisions taken could prevent the full implementation of mandated programmes and activities, and adversely affect service delivery.

48. Member States had set certain development priorities for the Organization derived from United Nations summits and conferences, including the third International Conference on Small Island Developing States and the 2030 Agenda for Sustainable Development. CARICOM expected the associated mandates to be adequately reflected in the budget and maintained that there should be no arbitrary cuts in posts or allocated resources for the sake of efficiencies. The General Assembly should approve resources that were commensurate with mandated programmes and activities. In addition, the proposed programme budget had been prepared before the conclusion of several important processes such as the financing of the Addis Ababa Action Agenda and the forthcoming climate change agreement and, as a result, it did not reflect any additional requirements related to issues emerging from those meetings. CARICOM expected that any additional budgetary requirements would be presented in a timely manner and would be supported by detailed proposals presented in accordance with established procedures.

49. Concerning small island developing States, CARICOM welcomed the preparation of the project proposal concerning the follow-up on the implementation of the mandate to ensure mainstreaming of the Samoa Pathway in the work of the United Nations system, the mandate to enhance coherence of the approach to those States and the establishment of the small island developing States global business network. Efforts should be made to involve Member States in the formulation and implementation of the proposal to ensure ownership of the process. In addition, more oversight was needed to ensure balanced implementation of all mandates and programmes, irrespective of their source of funding.

50. The regional commissions represented the first tier of interface between the United Nations and billions of people around the world, and Member States had a collective responsibility to provide those commissions with adequate resources for the implementation of core mandates without undue dependence on extrabudgetary resources. ECLAC was a key contributor to socioeconomic development in Latin America and the Caribbean and was expected to

continue fostering economic integration at the subregional and regional levels and promoting implementation of the 2030 Agenda for Sustainable Development. CARICOM was therefore concerned at the reduction in resources allocated to ECLAC and at the negative impact that those declining resources would have on the subregional activities of ECLAC in the Caribbean.

51. **Mr. Mayr-Harting** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, the Republic of Moldova and Ukraine, said that, with regard to the regular budget for the biennium 2014-2015, his delegation expected all concerned to adhere as closely as possible to the agreed budget level, which meant that the Organization needed to work better and smarter. The incremental nature of the budget and the piecemeal approach continued to pose challenges to national treasuries in terms of predictability and sustainability, and the Secretary-General should do everything within his power to limit budget growth as much as possible.

52. With regard to the proposed programme budget for 2016-2017, the member States of the European Union acknowledged the efforts of the Secretary-General to present a budget that was in line with the level of \$5.558 billion agreed in December 2014 and recognized the detailed internal processes undertaken with all programme managers to identify efficiency gains while continuing to carry out mandates within the overall resource constraints. They also welcomed efforts to continuously enhance the efficiency and effectiveness of the Secretariat, and to improve the budget presentation by including detailed information on the impact of resource changes, even though they had reservations and concerns about the way that had been made.

53. The same strict budgetary discipline that Member States were applying themselves had to apply also to the United Nations. The countries of the European Union were committed to providing the Organization with the necessary resources to conduct its work, but there was still substantial room for improving its efficient and effective operation. It was not enough simply to aim to agree to a budget in line with the budget outline resolution adopted in December 2014;

instead, the Organization needed to go beyond that by looking for further savings and efficiencies which would allow for a meaningful reprioritization of activities and delivery of results. That was the only sustainable budgetary path for the Organization.

54. To create a sustainable financial future the Organization needed to move beyond incremental budgeting and consider the entire quantum of resources required to carry out its programmes and activities. Budget leaps of 8 per cent or more within the same biennium posed a risk to the credibility of the programme budget. In addition, all United Nations entities should strictly adhere to the provisions of General Assembly resolution 69/262 concerning programme budget implications, and should give priority to the redeployment and reprioritization of resources. However, redeployment and reprioritization were possible only if the Organization managed for results. As a result, all reform processes should be focused on implementing mandates more effectively and efficiently, which would require a rethinking of governance and management. It was important to take full advantage of the potential of a leaner and more effective United Nations through information and communications technology, Umoja and the global service delivery model. Human resources policies, workforce planning and the compensation package would need to be streamlined to create a leaner workforce, but that could not be done without reprioritization and redeployment of mandates and resources.

55. The Organization should address its growing personnel costs by removing obsolete posts and improving its working methods. The Secretary-General should undertake a comprehensive review of the staffing table which focused on the continued grade inflation, the creation of more Professional and higher-level posts and the lack of junior entry-level posts. Action on those issues was long overdue.

56. More budget predictability was needed and recosting remained a perennial problem. Since the adoption of General Assembly resolution 67/246, significant progress had been made in controlling the effects of inflation and currency fluctuation on the United Nations budget but recosting was still having an effect on the budget, and the proposed programme budget for 2016-2017 should have built on the improvements agreed in General Assembly resolution 69/274. The European Union stood ready to address

that issue for both 2014-2015 and 2016-2017 in a comprehensive way. A sounder basis to budget for such costs was urgently needed and it should be in line with the standard practices used in national public administrations. Lastly, the budget was a quantum of limited resources and it was therefore a priority to ensure the sound management of United Nations financial resources and staff. Reform of the United Nations system was needed to make it more fit to address the complex, multisectoral challenges faced today.

57. **Mr. Lauber** (Switzerland), speaking also on behalf of Liechtenstein, said that a strong United Nations was one that was capable of effectively implementing the mandates entrusted to it by Member States, and to that end it must be provided with sufficient resources to be used in the most efficient way possible. Discussions on the budget should be guided by the need to strike a balance between ensuring effective action by the Organization and seeking efficiencies in the use of resources.

58. On the whole, the proposed programme budget for the biennium 2016-2017 reflected the decisions adopted by the General Assembly in 2014 concerning the budget outline. However, a major shortcoming of the current budgetary process was that Member States made their decisions without considering the performance of the Organization's programmes, meaning that the important link between the allocation of resources and past performance was missing. Instead of striving for clear results and guiding the strategic direction of the Organization in an informed way, Member States were bogged down with micromanagement issues such as the creation or abolishment of individual posts.

59. The delegations of Switzerland and Liechtenstein welcomed the cost-saving measures implemented by the Secretariat to stabilize the budget and trusted that the proposed savings were the result of careful consideration of gains in efficiency and performance rather than uniform arbitrary cuts across budget sections. With regard to the proposed freezing of posts, efficiency gains should be permanent irrespective of the benefits of Umoja.

60. Recently, the Committee had tended to underestimate the budget in areas such as special political missions with the sole aim of keeping the initial budget as low as possible. However, budgetary

decisions should be based on the most realistic assumptions possible and on strict budgetary discipline. Underbudgeting resulted in final bills that were much higher than the budgets initially approved, and that practice was poor financial management.

61. The bulk of assessed contributions continued to be allocated to peacekeeping and the proportion assigned to that area was rising. However, the best way to deal with conflict was to prevent it and the Organization was not investing enough of its resources in the promotion of human rights, conflict prevention and mediation capacities. His delegation hoped to see a shift over the biennium and encouraged the Secretary-General to restore the balance in future budget proposals.

62. **Mr. Minami** (Japan) said that, as the second largest financial contributor to the United Nations for the past three decades, Japan attached great importance to the United Nations budget and fully supported the Organization in delivering its mandate. However, given that every dollar spent by the Organization came from taxpayers in Member States the Secretary-General should continue his efforts to do more with less. A more efficient and leaner United Nations would be a much stronger United Nations, and his delegation supported the initiative to freeze 81 posts as part of the realization of the benefits of Umoja. The Secretary-General should identify further posts which could be abolished without compromising the Organization's ability to deliver its mandate.

63. His delegation noted the Secretary-General's efforts in trying to remain within the budget outline of \$5.558 billion agreed in December 2014, but had concerns relating to recosting and add-ons. The preliminary recosting for the 2016-2017 budget was already estimated at \$125 million, but there were better ways to manage exchange rate fluctuation and inflation, which many national Governments and international organizations were already implementing. With regard to possible add-ons, his delegation supported the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and other initiatives, but efforts should be made to absorb any such add-ons to the greatest extent possible. In addition, the Secretary-General should provide information on programme budget implications and revised estimates well in advance of any decision. Furthermore, given that the 2030 Agenda for Sustainable Development and the Addis Ababa Action

Agenda would be implemented not only by the United Nations and its Member States but also by all partners and stakeholders on a much wider scale, the Secretary-General should ensure that any requests for add-ons related strictly to the mandates given to the United Nations.

64. **Ms. Coleman** (United States of America) said that the Secretary-General had made an effort to present a budget that promoted efficiency but the Committee must acknowledge the constraints of the process itself. The Committee continued to consider only the changes made from one biennium to the next, which resulted in a lack of strategic prioritization and prevented a long-overdue impact assessment. It was frustrating that political will to change the budget process was lacking, but the Organization must do better and could not return to the days of unsustainable budget growth. Continued efforts must be made to promote a sustainable budget that balanced Member States' financial constraints with the need to ensure that the Organization had the means to carry out its missions. The only viable United Nations was an affordable one.

65. With Umoja the Secretariat would for the first time have in place a powerful tool for analysing effectiveness and prioritizing resources across the Organization, but that enormous opportunity would be realized only if leadership at the highest levels moved the Organization to new, more effective ways of doing business. Her delegation welcomed the proposed freezing of the equivalent of 68 posts under the 2016-2017 budget but regarded it as a down payment on much deeper reforms to come. The potential efficiency gains of Umoja demanded much bolder action than the freezing of just 0.5 per cent of posts. Realizing the benefits of the significant investment made to date of time and money in Umoja should be a high priority over the next year.

66. Efforts had been made to improve the presentation of the budget and streamline the layout of performance measures and outputs, which had increased budget transparency and strengthened oversight. However, more remained to be done to ensure greater transparency in budgeting, as the current presentation of the regular budget made it very difficult to identify all of the cost and planning assumptions that were factored into its design. Ongoing improvements should be made to the presentation of budgetary information so that Member States could make timely

and well-informed decisions about how best to resource the operation. Some of those improvements would come from the implementation of Umoja and the use of the International Public Sector Accounting Standards (IPSAS) in budgeting, which together provided comprehensive information on costs and could help drive strategic decision-making and deliver mandates more cost effectively.

67. Her delegation noted the reductions in the budget proposal in addition to the freezing of posts, but was aware that the proposal was a work in progress with many unknown costs and potential add-ons. To achieve true budget discipline over the course of the biennium, the Organization needed to use the tools and guidance already in place to ensure that budgets stayed within approved levels. Under General Assembly resolution 41/213 additional resource requests must be fulfilled either by a contingency fund or met within existing resources by reprioritizing activities and, if neither of those two options was available, the activity should be postponed to a later biennium. Exceptions to that rule were reserved for extraordinary expenses, including those related to peace and security. Member States should enforce General Assembly resolutions 41/213 and 42/211, and when additional mandates emanated from subsidiary bodies they should insist that those bodies retire outdated mandates and reprioritize existing resources to accomplish new goals rather than requesting new resources. An approved budget should be treated as a ceiling not to be breached except in extraordinary circumstances, which meant that resolutions from subsidiary bodies should no longer be turned into resource requirements without the reprioritization of existing activities. That applied also to the sustainable development goals, which represented an agenda for the world, but were goals to be achieved by Member States themselves. As a result, any related budget requests should be closely scrutinized to avoid duplication of effort.

68. Her delegation was concerned that the budget did not include a provision for recosting, although it in any case objected to that ongoing practice. The Secretariat should manage within its budget without recosting, just as other organizations did. Good management required reprioritizing and cutting expenditure when necessary, and when a budget was adopted in December every manager should live within that budget. The practice of recosting undermined the very principle of budget discipline and must be abolished.

69. In addition to reducing overall budget levels and administrative costs, Umoja coupled with IPSAS would enable the Organization to analyse unit costs across a whole spectrum of functions and track them over time, which would allow for benchmarks and performance management on a unit cost basis. That would in turn transform how managers viewed and reacted to productivity measures. The current system of approving a staffing table and debating whether a mandate should be fulfilled by a P-2 or a P-4 position diminished the Committee's critical role in providing strategic oversight. There should be a move away from the concept of posts and managers should instead be provided with a budget envelope for a given mandate.

70. As the Secretariat became more modern and its operations became more efficient, forward-looking workforce planning needed to progress beyond the infancy phase. The Secretariat had not developed an effective scenario analysis for changing demands and was unable to project workforce demands as a result of the changing landscape of Umoja and the global service delivery model. Budgetary discipline, unit costs, budget envelopes and workforce planning were all needed as part of a system that allowed managers to manage strategically, exercise efficiency in their work and plan accordingly for the demands placed on them. Without those capabilities even effective managers who promoted change and efficiency would lack the tools needed to perform their job. Her delegation hoped that Member States would approve a budget level that appropriately balanced the financial reality that many of them faced with the need to ensure that the Organization had the resources it needed to perform its mission in key areas.

The meeting rose at 1.10 p.m.