

STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY AMBASSADOR DAUDI N. MWAKAWAGO, PERMANENT REPRESENTATIVE OF THE UNITED REPUBLIC OF TANZANIA TO THE UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77, IN THE GENERAL ASSEMBLY AT ITS INFORMAL CONSULTATIONS ON AGENDA ITEM: 157: UNITED NATIONS REFORM

November 17, 1997

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Mr. President,

On behalf of the Group of 77 and China, I would like to express our appreciation for your dedication and efforts in this reform process. Last week we unanimously endorsed the resolution mandating the Secretary-General to implement the Actions contained in his report - UN document A/51/950 - with the caveat that the views of Member States and groups of Member States, as well as the United Nations Charter, legislative mandates, financial rules and regulations, should be fully taken into account.

Today we are witnessing the initiation of the second phase of the General Assembly informal consultations on Recommendations. In this regard, on 14 October 1997, the Group of 77 and China issued a document containing the preliminary position of the Group on the Report of the Secretary General - A/51/950 - Renewing the United Nations: A Programme for Reform. Although we shall recirculate the Group's comments relating to Recommendations as contained in the Group's document of 14 October 1997, in order to facilitate the negotiations I should like to recapitulate the important aspects in our position paper in the following areas:

- In the introductory part, it is stressed that the reform proposals and measures must be fully consistent with the Medium Term Plan, existing legislative mandates and financial rules and regulations.
- On the recommendation to appoint a Deputy Secretary General, the Group of 77 and China expressed its general support for this measure but would like clarification on the duties to be performed by this official. In this regard, the Group suggests that development issues should be the main responsibility of the Deputy Secretary General. Furthermore, the financial implications related to the establishment of the Office of the Deputy Secretary General should be considered by the Fifth Committee.
- Regarding the recommendation on enhancing strategic direction from the General Assembly, the Group stressed that the action on these proposals should be in accordance with the provisions of General Assembly resolution 51/241.
- Concerning the recommendation on organization and methods of work of ECOSOC, the Group of 77 and China would like to underscore that ECOSOC reform measures should be in accordance with Chapter X of the Charter of the United Nations. Furthermore, the role of ECOSOC has been enhanced in the context of resolution 50/227 and in the Agenda for Development.
- On the recommendation that the ECOSOC considers holding its various segments at different pre-established periods during the year, it is not acceptable to the Group, inter alia, because it has financial implications for the United Nations as well as to the Member States. The Group, however, supports the suggestion to extend the duration of ECOSOC's operational activities segment but this should not be done at the expense of shortening the duration of other segments.

- On the recommendation concerning the reform of the subsidiary bodies, the Group of 77 and China reiterates its position that the issue of reform of the four ECOSOC subsidiary bodies, namely, the Committee on New and Renewable Sources of Energy and Energy for Development, the Committee on National Resources, the Committee on Science and Technology for Development and the Committee for Development Planning, should be discussed in accordance with resolution 50/227. In this context, the position of the Group of 77 and China at the 1997 ECOSOC substantive session in Geneva and as contained in the Group's position paper of 14 October 1997, should fully be taken into consideration.

- The views of the Group of 77 and China concerning the Commission on Crime Prevention and Criminal Justice and the Commission on Narcotic Drugs; the Intergovernmental Group of Experts on International Standards of Accounting and Reporting, the International Tax Matters and the Committee on Economic, Social and Cultural Rights are also contained in the Group's document of 14 October 1997.

- Regarding the recommendation of Regional Commissions, the Group of 77 and China notes that the review of Regional Commissions is already taking place in accordance with General Assembly resolution 50/227. The Group is asking for further clarifications on measures relating to the division of labour, rationalization and consolidation of Regional Commissions and other regional bodies as alluded to in the Secretary General's report. Moreover, the role of UN Regional Commissions in the technical assistance field should be strengthened.

- Concerning the recommendation on the governance of funds and programmes, the Group of 77 and China generally supports the proposal aimed at achieving closer integration of the governance oversight of UNDP, UNFPA and UNICEF, but the Group needs further clarification on the proposed joint meetings of the existing Executive Boards and Joint Committees of these funding organizations.

- On the recommendation concerning fundraising, while the Group of 77 and China welcomes the suggestion to consider innovative ways of raising new and additional resources for development activities, the Group, however, stresses that Member States should be closely consulted in the mobilization of particularly private sector resources and that the Fifth Committee should be involved in the allocation and accountability of these resources. Further clarification in that regard from the Secretary General on this issue would be appreciated.

- Regarding the eighth recommendation, the Group of 77 and China generally supports the proposal to discontinue the High-Level Advisory Board on Sustainable Development but requests the Secretary General to provide further clarification on how the functions of this body will be absorbed in the structure of the Commission on Sustainable Development. The Group of 77 further suggests that the involvement of civil society in the new arrangements for consultations, as indicated in paragraph 178 of the Secretary General's report - A/51/950 - should be transparently discussed at CSD.

- Concerning the ninth proposal on the transfer of the Emergency Relief Coordinator's responsibilities related to the coordination of natural disaster mitigation activities to UNDP, the Group of 77 and China would like to be assured that the resources for disaster mitigation activities will be separate from and additional to UNDP's resources for development activities. In that regard, the Group of 77 and China supports the proposal to establish a humanitarian affairs segment of ECOSOC.

- Regarding the recommendation on Financing the Organization the Secretary General's proposal

for establishing a Revolving Credit Fund initially capitalized at a level of \$1 billion through voluntary contributions or other means of financing that Member States may wish to suggest, needs to be further examined taking into account the following points:

- a. The Charter determines that the expenses of the Organization shall be borne by the Members as apportioned by the General Assembly. Therefore, the Secretary General has acknowledged that the only way to finance the Organization is through assessed contribution, and it is imperative that all Member States pay their contributions in full, on time and without imposing conditionalities. Thus, such a proposal cannot be a substitute for financial obligations as enshrined in the Charter and for resolving the financial situation of the Organization which is due to the non-payment of assessed contributions by Member States and especially by the major contributor.
- b. The Secretary General should submit detailed proposals to the General Assembly on the proposed establishment of the funds, including its financing, its management and operation, purpose and related rules, taking into account the experience of similar past proposals of the Secretary General in the context of the financial situation of the Organization.

- Concerning the retention of unspent budget balances, in the opinion of the Group unspent balances should be oriented to development activities. Accordingly, this subject should be considered in conjunction with the consideration by the General Assembly of the development account and with the changes to the financial regulations that such retention might entail.

- Regarding the recommendation on Results-Based Budgeting, the Group of 77 and China notes that the details of this proposal are yet to be discussed. The Group further notes that this proposal would lead to a radical departure from current programme planning, budgetary practices and procedures which have been repeatedly reaffirmed by the General Assembly. Therefore, no action should be taken by the Secretariat to implement results-based budgeting until the Secretary General has submitted a detailed report to the General Assembly on the matter for consideration and action. Issues related to the pilot projects referred to in paragraph 241 will be discussed further in the context of the proposed programme budget for the biennium 1998-1999.

In conclusion, Mr. President, as this second phase of the reform negotiations on recommendations is launched, we should like to stress that these reforms can be meaningful if they are undertaken in the framework of a properly mandated and adequately financed United Nations Organization capable of pursuing its objectives as enshrined in the Charter. In this context, the reform process must strengthen, inter alia, the United Nations' ability to fulfil its role and functions in the development field.

That is why the Group of 77 attaches great importance to the strengthening of the United Nations' bodies that deal with development as well as enhancing funds and programmes, in order to strengthen their effectiveness and efficiency in the mobilization and disbursement of resources for operational activities in the developing countries.

The implementation of the reform measures depend on the availability of adequate resources. The Group of 77 and China received, with considerable apprehension the news that one of its major contributors has announced that its contributions and huge arrears to the Organization will not be paid until certain unrelated issues to the Organization are resolved. This development constitutes a negative signal to the international community, to say the least, particularly at this time when the General Assembly has sent a positive signal to support the reform process. Indeed, it can only worsen an already precarious situation facing the Organization.

Mr. President,

It is the legal obligation of Member States to bear the expense of the United Nations in accordance with the Charter and the payment of their assessed contributions should be in full and on time and without conditions.

If the current chronic difficult financial situation persists, as well as the continuing financial cutbacks to an already severely resource limited programme budget of the United Nations, it will be difficult to implement the approved programmes and activities, including reforms, of the Organization.

I would like to restate the Group of 77 and China position on reforms. We are committed to reforming the Organization to meet the challenges of the next century. Reform is imperative but in the same vein, meeting financial obligations is an equally legal necessity.

Thank you, Mr. President.

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