



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY  
AMBASSADOR FARUKH AMIL, DEPUTY PERMANENT REPRESENTATIVE  
OF PAKISTAN TO THE UNITED NATIONS, ON AGENDA ITEM 130:  
PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2008-2009, AT  
THE FIFTH COMMITTEE OF THE 62ND SESSION OF THE GENERAL  
ASSEMBLY (New York, 25 October 2007)**

Mr. Chairman,

I have the honour to speak on behalf of the G-77 and China on agenda item 130.

2. The Group wishes to thank the Secretary-General for the presentation of the proposed programme budget for the biennium 2008-2009. We also wish to thank Mr. Rajat Saha, Chairman of the ACABQ, for introducing the report (A/62/7) and welcome the Chairman of the Committee for Programme and Coordination.

3. The Group reaffirms the central role of the General Assembly and its relevant intergovernmental and expert bodies within their respective mandates in planning, programming, budgeting, monitoring and evaluation. Furthermore, we reiterate the role of the General Assembly in carrying out a thorough analysis and approval of posts and financial resources, human resources policies and allocation as well as reallocation of resources, to all sections of the programme budget with a view to ensuring full and efficient implementation of all mandated programmes and activities and for the implementation of relevant policies.

4. The Group of 77 and China would like to stress that the budget document should present a comprehensive picture of all mandated activities along with all the resources, including the total posts and non-post requirements that Member States need to approve. Resources requested in the programme budget should conform to the legislative mandates established by the principal and subsidiary organs. A piecemeal approach undermines the budgetary process and budget discipline and makes it difficult for Member States in determining resource requirements for priority activities.

5. The regular budget document is not merely a financial and accounting tool to secure the core resources for the organization. It is an authoritative statement that should reflect the strategic vision of the Secretary-General in delivering the mandates established by the Member States and outlines its broad objectives, goals and the policies to achieve them. It should adhere to the legislative mandates, the provisions of the Charter, and represent the international character of the Organization. We agree with the need for further improvements in the presentation of the Budget especially the full cost of budgetary proposals for each section. Efforts should also continue to identify objectives and expected accomplishments that are more specific to each programme.

Mr. Chairman,

6. The implementation of zero nominal real growth in the resource level of the budget, without any formal decision of the General Assembly continues to concern the Group of 77 and China. This practice, which is the desire of only few Member States, severely constrains the organization's capacity to implement all mandated programmes and activities. We apprehend that the real increase of 0.5% in the budget level over the last biennium would adversely impact the quality of

implementation of all legislative mandates approved by Member States, especially development mandates. The Group would therefore caution against further cuts and take into account the reduction of approximately 11 million US dollars by the ACABQ already. The Group may also put forward proposals for additional resources in programmes of critical importance from its perspective.

7. According to the principles of programme, planning, monitoring, budgeting and evaluation programme budget should accurately reflect the priorities identified by the Member States in the areas of development, peace and security and human rights. The Group notes that the programme budget for 2008-09 seeks considerable growth in the resources for sections relating to peace and security, humanitarian affairs and human rights, international justice and law, and international drug control, crime and terrorism prevention and criminal justice. However, we note with concern that only a nominal increase of 0.5% has been proposed in the development budget. It is vital to underline that the additional resources proposed for conflict prevention in the department of political affairs and DPKO reflect a strategy of curing the symptoms. Without allocation of sufficient resources to the relevant departments of the United Nations in enabling them to addressing the underlying causes of the conflicts such as poverty, underdevelopment and inequalities, the larger objective of peace and security may also be jeopardized.

8. Development is recognized as one of the three main pillars of the UN. The World Summit 2005 reaffirmed the United Nation's central role in promoting development. However, the Organization has failed to honour these commitments. Failure to seek meaningful increase in the development budget is indeed a major disappointment for the Group of 77 and China, especially in light of the importance of the forthcoming development-related events in 2008. The Group of 77 & China is also concerned over efforts to consolidate activities within the U.N. system which diminish their development component. For the Group of 77 and China, augmenting the Organization's capacity to implement fully and faithfully the development agenda constitutes a major priority. The Group of 77 and China would like to reiterate its Ministerial Declaration of September 2007, which inter-alia called for bringing the systemic discrimination and apartheid towards development in this organization to an end. The Group would request the Secretary General to initiate a process of comprehensive strengthening of the development and economic machinery of the Organization especially DESA, UNCTAD and regional commissions and submit proposals for allocation of adequate resources for the enhancement of development related programmes in the current budget. This should also include, inter alia, strengthening the organization's analytical work in areas where its capacity has diminished.

Mr. Chairman,

9. The proposals for additional resources for the Department of Political Affairs, internal justice, an enterprise resource planning system, and for the implementation of the decisions by Human Rights Council would receive our careful attention. The Group of 77 and China has serious questions about the administration and budgeting of the Special Political Missions. The Organization needs to develop well defined policies for their efficient and accountable management, proper scrutiny of their budgets and performance.

10. The Group of 77 and China notes the efforts to improve the performance and output, especially the integrated global management initiative by the Department of General Assembly and Conference Management. The Department must ensure quality interpretation and translation, full servicing of all meetings including those of large political groups such as G-77 and NAM as well as regional groups at all duty stations, timely presentation of documentation in six UN languages, high quality printing and publishing.

11. The Department of Public Information has an important function and needs to improve its performance in disseminating the Organization's achievements in all fields. Its role should transcend from issuing clarifications in defense of the high officials and damage control in scandals. It should revitalize its role in promoting the United Nation's image of a vibrant organization and a central forum for promoting effective multilateral solutions to multifarious global challenges.

Mr. Chairman,

12. The Group of 77 and China notes 220 new posts in the programme budget for 2008-2009 that are mainly concentrated in the programmes for Political Affairs, International Justice and Law, OIOS and Human Rights and Humanitarian Affairs. Lack of transparency and accountability in the recruitment of staff at the United Nations, especially in the senior positions when it involves developed countries continue to be of concern to the Group of 77 and China. The Group would like to reiterate the importance it attaches to equitable geographic representation in all recruitment, as well as the rotation of senior positions among the Member States. The recruitment of female representative from developing countries also needs considerable improvement. The Secretary General should utilize the full potential of Human Resources Action Plans (HRAP), compacts and performance evaluation of programme managers and effective role of the Central Review Bodies to achieve these objectives. The Group would also like to further express its concern over the continuous disregard of the relevant regulations in hiring of consultants.

13. The Group of 77 and China notes the proposals for new senior level posts in departments dealing with peace and security and human rights. Such requests would be examined in the context of their functional justification and their impact on improving the geographic representation of developing countries. The Group would like to stress that situation of geographic representation in certain offices as observed by oversight bodies needs special attention. In the context of appointments to senior posts, the Group of 77 and China would appreciate any clarification with regard to the appointment of Under-Secretary-General for the Department of Field Support, which this Group believes should be from a developing country.

Mr. Chairman,

14. In order to address corruption, fraud and mismanagement, last year the Assembly had approved additional resources to improve the governance, management and the procurement process. We await the report on implementation of the approved reforms. We would like to reiterate our concern over limited share of developing countries in the procurement opportunities in the Organization which must be addressed as one of the key objectives of the procurement reforms. The lacunae in the vendors registration, bid protest system and implementation of the relevant rules and regulations need to be addressed to protect the reputation of the Organization world wide.

15. The Group of 77 and China attaches great importance to the implementation of new independent, decentralized, effective and professional system of administration of justice in accordance with resolution 61/261. It is fundamental for the UN staff who have no recourse to external avenue of relief. Full implementation of the road map as envisaged in resolution 61/261 would also add impetus to the ongoing human resources management reforms.

16. The Group supports effective accountability and oversight of the Organization by establishing internal control and accountability frameworks and strengthening of internal and external oversight institutions. We hope that during the current session the Assembly would receive the Secretary General's long awaited reports on accountability framework. We support the operational

independence of the OIOS and provision of adequate resources through the established budgetary process. We would like to emphasize the importance of ensuring geographic representation and the highest professional qualification in the recruitment by the OIOS. The OIOS in appointing staff should follow the decisions of the General Assembly and avoid shifting them to its own priorities.

17. The Group of 77 and China would emphasize appropriate incentives to reduce the high vacancy rates in many duty stations. It needs to be understood that a post or vacancy represents a function and failure to fill them should not be used as an argument in refusing new posts for different functions.

18. We note proposed resources requested for monitoring and evaluation. We would appreciate receiving concrete and more consistent information on efficiency gains and service improvements resulting from implementing the recommendations of respective evaluation and monitoring bodies as part of the future programme budget proposals. The Group of 77 and China is particularly concerned that the efficiency gains achieved over the last several biennium periods have not been diverted to the Development Account as stipulated in the provisions of paragraph 24 of General Assembly resolution 52/12 B but have been used by the programme managers to implement their own priorities.

Mr. Chairman,

19. The Group of 77 and China also notes the proposed discontinuation of 2011 outputs in 2008-2009. The majority of the discontinued outputs relate to economic and social affairs and regional cooperation for development. The Group would like to reiterate full respect of the programme planning rules 105.6 and full involvement of CPC in this process. We endorse the ACABQ's observation that the information on discontinued outputs could be more useful, if it could specify their linkage with the proposed new outputs or, where there were none, to identify resources released and made available for redeployment.

20. The Group of 77 and China notes the proposed budget for training of staff. We would like to stress that training opportunities must be offered to all UN staff and every efforts be made to explore the training opportunities and hiring of trainers from developing countries. Further more, resources for training should be allocated fairly among programmes and duty stations to ensure that the Organization derives full benefit from these efforts. The Group would also like to seek additional details on the allocation of training resources to language and other training programmes.

21. The Group of 77 and China notes the resources requested for the information and communication technology. We trust that these additional resources and capacities would be fully integrated in the future enterprise resources planning system. We hope that the ERP system would deliver the promised goal of improved transparency, and accountability and monitoring of programme implementation.

22. The Group of 77 and China notes that the extra budgetary resources in the range of \$6.6 billion US dollars have been budgeted for biennium 2008-09 for a variety of support, substantive and operational activities mostly at field levels in the form of technical cooperation activities or humanitarian assistance. The Group of 77 and China understands that the reliance on the extra budgetary resources is necessitated due to 80% regular budget spent on salaries and common staff costs and the implementation of the so-called zero nominal growth. The regular reflection of extra-budgetary resources in the budget document affirms that they are critical for the UN's operational activities. This reinforces the need for enhancing the regular budget. The approval

procedures, reporting requirements and accountability mechanisms of the extra-budgetary resources often lack transparency. Their predictability and flexibility for the programme managers in their utilization needs to be enhanced. The discrepancies and anomalies in the use of extra-budgetary resources must be addressed in a systematic manner. The role of Board of Auditors as well as information on the activities and posts financed from extra-budgetary resources should be included in the performance reports. We would like to propose that the recruitment of Junior Professional positions from extra-budgetary resources should contribute to improve the geographic representation and not be used exclusively to increase the representation of donor countries in the UN Secretariat.

Mr. Chairman,

23. The Group of 77 and China would like to reiterate its longstanding concern over the level of the Development Account. It must be recalled the Secretary-General had proposed the establishment of this account in the region of 200 million US dollars. Regrettably, the Secretary-General's vision has never been realized. On the contrary, neither there is diversion of savings and efficiency gains, nor there is any allocation of additional money to the development account. For the Group of 77 and China the current status of the Development Account is unacceptable. It would therefore be our endeavour to seek a tangible increase in the Development Account during the current session through additional appropriations, since the current framework for this account is not practical.

24. Regional Commissions have an important role in implementing the developmental agenda. We should ensure adequate resources for the Regional Commissions to enable them to implement core mandates without undue dependence on extra budgetary resources. Similarly, our Group would like to underline the importance of ensuring equity in allocation of resources among the four duty stations of the United Nations and the Regional Commissions. We welcome the resources for strengthening the Regional Commission in Africa and UN Office in Nairobi to enable them to play due role in the UN system and look forward to strengthening of other Regional Commissions and UN Offices in developing countries. We would like to reiterate our request for offering concrete incentives to reduce the high vacancy rates as well as to improve the conference services in Nairobi. We would also underscore the importance of necessary reforms by all Regional Commissions to achieve effective and efficient implementation of allocated resources.

25. The Group supports provision of equal quality of service to all organs of the United Nations. The Group has voiced its concern over the priority and supremacy accorded to the work of the Security Council while keeping a tight tab on conference servicing for the Main Committees of the General Assembly, intergovernmental bodies and regional groups. Such dichotomy must end to ensure equity in resource allocation and equality among the principal organs.

26. The Group of 77 and China appreciates the important work of the Committee for Programme and Coordination. We would like to reaffirm the role and mandate of the CPC in accordance with the regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation (PPBME), as well as relevant General Assembly and ECOSOC resolutions. Our Group would like to express its concern that all budget sections were not submitted to the CPC for consideration. The Group would like to stress that introductory parts of the budget sections must contain information on revised or new mandates and the narratives of all sections and sub-programmes should be presented in accordance with General Assembly resolution 58/269. We expect the Secretariat to fully abide by regulation 4.5 and rule 104.4 of the PPBME.

Mr. Chairman,

27. The Group would like to thank the ACABQ for its first budget report. The Group is constrained to reiterate that some of its observations and recommendations do not fall within the mandate of the Advisory Committee or have been made without due regard to the Assembly's mandate and Charter provisions. The Group would like to emphasize ACABQ' role as an independent, impartial, and technical expert body. The exponential growth in the ACABQ's workload over the last few years necessitates additional staff support. We also support appropriate reform and review of the conditions of service of its members. The Group would like to stress that the Committee needs to improve the methods of its work and the prioritization of consideration of various reports. The Group would like to reaffirm its support for enhancing the effectiveness and ensuring the independence of the ACABQ.

28. The Group of 77 and China notes the experience of the utilization of the contingency fund. The Group would like to emphasize that the contingency fund should be restricted to meeting unforeseen expenses and not to finance expenses relating to UN reform. Such practices undermine the financial discipline and limit the Member States' ability to establish new mandates and their implementation. It also needs to be highlighted that the flexibility for the Secretary-General to spend 20 million US dollars in each biennium to meet the urgent and evolving priorities of the Organization should also be utilized to the optimum extent in order to save the contingency fund for its original purpose as contained in resolutions 41/213 and 42/211.

29. In conclusion, the Group would like to emphasize the importance of open, transparent and inclusive negotiations on the programme budget for 2008-2009. We should avoid repeating the mistakes of the past. Working out deals in small groups or leveraging assessed contribution to impose reforms that do not enjoy broad support, disrupting the normal budget process, have been counterproductive in the past. Such practices had been contributing mistrust and polarizations among Member States. The Group of 77 and China assures you of its constructive approach in these negotiations, for an outcome that would strengthen the Organization and harmony among the Member States.

I thank you Mr. Chairman.