



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. LUKE DAUNIVALU, COUNSELLOR, DEPUTY PERMANENT REPRESENTATIVE OF FIJI TO THE UNITED NATIONS, AT THE 11TH FORMAL MEETING OF THE FIFTH COMMITTEE OF THE UN GENERAL ASSEMBLY ON AGENDA 134 DURING THE INTRODUCTION OF THE PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2014-2015 BY THE UN SECRETARY-GENERAL (New York, 28 October 2013)

Mr. Chairman,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 134, entitled "Proposed Programme Budget for the Biennium 2014-2015".

2. At the outset, the Group of 77 and China would like to thank the Secretary-General for the presentation of the proposed programme budget for the next biennium. We also wish to thank Mr Carlos Ruiz Massieu, Chairman of the ACABQ, for introducing the Committee's related report.

Mr. Chairman,

3. The budget document is not merely a financial and accounting tool. It is an authoritative statement that should reflect the strategic vision of the Secretary-General in delivering the mandates and priorities decided by Member States.

4. The Group is deeply concerned over the arbitrary cuts proposed by the Secretary-General on different sections of the Budget, which would in our opinion affect mandate delivery at a time when the assistance of the UN is most needed to help the poorest and most vulnerable corners of the world. These cuts not only impinge on development activities but also they also affect human rights and other activities of the organization. The Secretary-General's proposal to abolish 261 posts is in the Group's view unwarranted; and is unjustified, as stressed by the ACABQ, for it brings the risk of slashing one of the indispensable assets of this organization, its staff.

Mr. Chairman,

5. Heads of State and Government met last year and agreed on a new comprehensive agenda for sustainable development. The theme of the 68th UNGA, "The Post 2015 Development Agenda: Setting the Stage." was reflected in almost all of the high level statements made during the General Debate. No one in this plenary today, has any doubt about the priority Member States attach to the development agenda. Even so, we see before us this day a budget proposal that further aggravates the imbalance in the level of resources of the regular budget at the expense of development activities.

6. We fail to understand how a renewed commitment to poverty eradication and a strengthened mandate regarding the promotion of sustainable development ended up being translated into a significantly reduced budget proposal for the development pillar and a proposed abolishment of 120 posts in this area of Secretariat activities. We also fail to understand Mr. Chairman, how a strengthened role for the Regional Commissions, including their critical contribution to the implementation of the Rio+20 Outcome Document, would take place while cutting 80 posts in this area and placing at risk the implementation of mandated activities.

7. We understand that management and Secretariat reforms are normal business in an Organization that needs to be adequately equipped to cope with evolving challenges. However, complex and expensive "transformation projects" cannot divert much needed resources to finance the substantive areas of the Organization.

8. The Group of 77 and China would like to emphasize that the budget document presented today needs much improvement in terms of reflecting adequately the priorities decided by the General Assembly. We will work to ensure that the Development priorities are adequately financed in the budget approved by the General Assembly and that the decision adopted two years ago of not allowing cuts in the development pillar is upheld. Further, we wish to collect on the promise made by the Secretary-General more than a decade ago, that efficiencies and savings identified in the budget would be reverted to the Development Account.

Mr. Chairman,

9. As we examined the proposed programme budget, the Group noted with great concern a number of proposals for resource reductions that, in the guise of "efficiency savings", were: 1) converting the financing of posts from assessed contributions to extra-budgetary contributions; 2) abolishing posts whose activities are critical to mandate implementation; and 3) shortening the meeting time of expert bodies without having an intergovernmental mandate. We are alarmed that a number of past decisions of the General Assembly to provide a larger share of resources from the regular budget were ignored.

10. The Group of 77 and China will not allow the financial crisis argument to be used as a way to forward a political agenda of favoring some mandates to the detriment of others. The Group will not accept discriminatory treatment of mandates, nor proposals to curtail mandated activities in blatant disregard of the intergovernmental bodies that approved the mandates in the first place.

Mr. Chairman,

11. The Group of 77 and China notes, once again, the growing imbalance between assessed and voluntary contributions in all areas, including peace and security, development, and human rights. Indeed, we are facing a situation in which the amount of voluntary funds reaches every biennium a new high of 14,1 billion US Dollar (para. 142 of the ACABQ), while assessed contributions are under heavy pressure for reduction.

12. This reality proves wrong the deceptive argument of "doing more with less". In reality, what we have today is LESS transparency in the work of the Organization and LESS oversight and control by Member States.

13. As the Group stated two years ago, the Organization is facing a governance crisis, whereby on the one hand, legislative bodies approve mandates and set priorities, and, on the other hand, voluntary contributions are often used to bend the priorities toward specific mandates. We currently have two classes of mandates: the privileged ones, which benefit from constant flow of resources from both the assessed contributions and voluntary assistance by donor countries; and the neglected ones, constantly under-funded and scrambling for a few crumbs of the regular budget. The Group of 77 and China firmly rejects this double standard.

14. In this context, the Group of 77 and China questions the benefit of establishing a "Partnership Facility" in order to "scale up" resources from the private sector before putting in place a solid mechanism to ensure greater transparency, oversight and control by Member States on voluntary

contributions and reinforce the good reputation and image of the United Nations.

Mr. Chairman,

15. The Group shares the view that we are facing today a "broken" budgetary process. The agreed budgetary process became fractured when the decision of deferring post-related recosting was interpreted as a way to absorb costs. It was further damaged when, for unknown reasons, the established practice of updating the estimate figure indicated in the budget outline to incorporate the delayed impact of all new/expanded mandated activities that were adopted only at the same time as the budget outline was not followed by the Secretariat. Furthermore, as emphasized by the ACABQ, the document presented to us today violates critical elements of the budgetary methodology, including its format and presentation.

16. It is with deep concern that the Group sees the Secretariat and some Member States completely reinventing the budgetary process through new readings and creative interpretations of long-standing General Assembly decisions, particularly resolutions 41/213, and 42/211, 47/212 (which states the principles of the budget methodology), 58/269 (see para. 52 of ACABQ) and 66/257 (need of General Assembly review and approval of any departmental change or any change in the structure of the Secretariat). Regrettably, these changes have been done surreptitiously, in the absence of any justified proposal, adequate discussions on possible implications and approval by the General Assembly. We urge all Member States and the Secretary General to strictly abide by the reiterated decision of the General Assembly that no changes to the established budget methodology, procedures and practices or to the financial regulations be implemented without prior review and approval by the General Assembly.

17. The Group of G77 and China cannot agree to misleading innovative interpretations of General Assembly resolutions or claims for an artificial cap to the budget level as justifications for a mandate review conducted through the budgetary process.

Mr. Chairman,

18. Recosting is a fundamental element of the budgetary methodology agreed by Member States. Last year, we learned that the decision to defer post-related recosting was a subterfuge to seek further cuts. Even worst, we are seeing today that the misinterpretation of that decision has been used, in conjunction with the practice of "vacancy management", as justification for the Secretariat to leave vacant posts approved by the General Assembly, in order to meet the illusory target of "absorbing" recosting.

19. The denial of the initial appropriation of post-related recosting costs has been used as a way to circumvent the prerogative of the General Assembly to define the staffing table of the Organization. This situation has compromised the transparency of the budgetary process, jeopardized the prerogatives of the Fifth Committee, and the role of Member States in deciding the budget. The Group of G77 and China will not accept this interpretation of General Assembly decisions. We categorically state that we will not agree to a similar decision with regards to recosting.

Mr. Chairman,

20. Recently, the World has been witness to the deleterious effects of the behavior of a privileged minority who, in its exclusive interest, did not hesitate to shut down institutions in detriment to the will of the vast majority.

21. As the Group whose Member States constitute a qualified majority in the General Assembly, we

will not allow the United Nations budget to be held hostage to the political whims of a few. The size of the financial contribution provided by a Member State in no way gauges its level of commitment to the Organization, nor the sacrifices made at home to contribute to the common good. Neither does it confer special prerogatives or a "veto power" in the General Assembly.

Mr. Chairman,

22. The Group of 77 and China underlines the importance of providing the United Nations with the necessary resources to implement the substantive work that Member States agree to entrust the Organization with, while ensuring an effective and efficient allocation of resources.

23. We assure you, Mr Chairman, of our commitment to work constructively with you and our partners to find an agreement this very important agenda item.

I thank you.