



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR LYLE DAVIDSON, COUNSELLOR AT THE PERMANENT MISSION OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS ON AGENDA ITEM 133: PROGRAMME BUDGET FOR THE BIENNIUM 2014-2015: SECOND PERFORMANCE REPORT ON THE PROGRAMME BUDGET FOR THE BIENNIUM 2014-2015, AT THE MAIN PART OF THE SEVENTIETH SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 16 December 2015)**

Mr Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 133: programme budget for the biennium 2014-2015, in particular the second performance report on the programme budget for the biennium 2014-2015.

At the outset, the Group would like to thank Ms. Bettina Tucci Bartsiotas, Assistant Secretary-General, Controller, for introducing the Secretary-General's report contained in document A/70/557, and Mr. Carlos Ruiz Massieu, Chair of the Advisory Committee on Administrative and Budgetary Questions, for presentation of the Committee's related report contained in document A/70/619.

The Group of 77 and China attaches great importance to the effective and smooth functioning of the Organization. The performance reports are a particularly important benchmark of the proper implementation of the budget process. The Second Performance Report is a critical priority for the Group in this session and we will analyse it in closely.

Mr Chairman,

The Group of 77 and China notes that the anticipated final level of expenditures and income under the programme budget 2014-2015 amounts to \$5,808.3 million, which represents a net reduction of \$51.5 million compared to the revised appropriation as approved by the General Assembly in its resolutions 69/263 A to C and 69/274 A and B.

The Group would like to stress that the current budget methodology, which includes recosting as a fundamental bedrock, constituted savings of \$58.1 million in the 2014-2015 biennium. The Group would like to reiterate the importance of recosting in allowing the organization to cope with highly volatile external macroeconomic factors.

Having devoted long sessions to the issue of recosting in the first resumed part of the Sixty-Ninth Session of the General Assembly, the Group would like to put this discussion behind us. It is important to recall that the General Assembly agreed to provide the Organization with some tools to lessen the effect of currency exchange rates in the form of forward purchasing, in order to address budget predictability.

The Group of 77 and China is of the view that the Organisation's experience of forward purchasing has been positive. In this regard, the Group welcomes the information provided by the Secretary-General in his report, and looks forward to further information on how such measures can be enhanced as a legitimate means of seeking positive efficiencies that do not negatively impact on delivery of mandates while providing greater budget predictability.

Mr. Chairman,

The Group of 77 and China recalls that recosting is an integral part of the budget procedures as established by General Assembly resolutions 41/213 and 42/211. Recosting has been consistently applied to the budget of the United Nations since the adoption of resolution 41/213. The Group continues to reject any attempt to undermine the compromise achieved more than 20 years ago with regard to the budget procedures in all their aspects, including decision making.

In conclusion, Mr Chairman, the Group of 77 and China underlines its readiness to work constructively with you and other delegations on this important agenda item.

I thank you, Mr. Chairman.