



STATEMENT BY H.E. STAFFORD O. NEIL, AMBASSADOR/PERMANENT REPRESENTATIVE OF JAMAICA TO THE UNITED NATIONS, ON BEHALF OF THE GROUP OF 77 AND CHINA, TO THE 69TH PLENARY MEETING OF THE GENERAL ASSEMBLY AT ITS 60TH SESSION: EXPLANATION OF VOTE ON AGENDA ITEM 124 - 'PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2006-2007' (New York, 23 December 2005)

Mr. President,

The Group of 77 and China agreed to the adoption, without a vote, of the resolution on the biennium budget for 2006-2007 and the accompanying resolution on appropriations. But we have to express some serious concerns and reservations.

First, as to *process*.

As you yourself have frequently stated, negotiations and decision-making in the United Nations should be conducted in an open, transparent and inclusive process. For this, there are established arrangements through the Committee structure.

Unfortunately, what happened on this occasion did not meet the required high standards. The negotiating process was conducted in a closed group and behind closed doors.

We recognise the constraints of time and pressures to complete the agenda and especially to adopt a budget for the biennium 2006-2007 - a critical objective to be fulfilled. It had to be done to avoid plunging the Organisation into crisis.

But it is unfortunately becoming too frequent for negotiation and decision-making to be done through a closed group.

These procedures have to change, otherwise, the integrity of consensus decisions will be open to question.

On this occasion, there was considerable dissatisfaction in the Group of 77 from the by-passing of the 5th Committee in the negotiations on the budget.

Second, as to *substance*.

We are pleased that we were able to arrive at a consensus on a budget for the next biennium. We believe it is a good budget and those in the negotiations contributed to a good outcome.

The G-77 negotiated constructively, in good faith, towards that result, and made many compromises and gestures to accommodate other parties.

However, we have to express our gravest reservations at the inclusion, in paragraph 3 of the appropriations resolution, of a spending limitation of US\$950 million. This has nullified, to a great extent, the fruits of our efforts by effectively reducing the biennium budget to a six-month budget.

This is a serious aberration in our budgetary arrangements for such a spending limitation to be imposed on the Secretary-General. Worse is that the purpose is to apply pressure on Member States to act under the pain of deprivation of funding to the Organisation.

This is contrary to the spirit of the UN Charter, which requires Member States to fulfil obligations with regard to the financing of the UN. The introduction of conditionalities into the system through the control of the purse is a very troubling and regrettable tendency.

As we have consistently stated and demonstrated, the G-77 and China support reform for better management and improved efficiency in the Secretariat. Our Heads of State and Government have pledged their support and our delegations are working toward fulfilling that commitment. We will not always agree on all proposals and we will continue to judge proposals on their merits.

Unfortunately, now a veritable Sword of Damocles is placed over our heads in the form of a threat to UN financing, coming from the largest contributors to the budget. That is why it is a sad occasion for us in many respects.

The G-77 reject conditionalities and we oppose the imposition of the spending limit on the Secretary-General. But we faced a difficult choice. We did not wish to risk a serious financial crisis for the Organisation, which would result from the failure to adopt a budget. We therefore decided not to call for a vote on the imposition of a spending cap, despite our strong objection.

Mr. President,

The G-77 and China wish to state, for the record, that we regard this action as an exceptional measure, which should not be treated as a precedent. It should never be repeated.

We also wish to state that it is our expectation that the membership will ensure that the request for further spending power for the outstanding balance will be honoured when the Secretary-General makes his request in mid-year 2006.