

Second performance report on the programme budget for the biennium 2010-2011

Statement of the Chairman of the ACABQ

ACABQ report: A/66/611; Related report: A/66/578

Mr. Chairman,

The Advisory Committee is recommending that the General Assembly approve the revised estimates for expenditure and income sections in the second performance report for the programme budget for 2010-2011 for the biennium 2010-2011. The Committee provides its observations on certain expenditure adjustments, emphasizing in particular, the need to address the factors driving travel requirements and to contain travel-related costs.

The Advisory Committee comments more extensively on the information provided on options for protecting the United Nations against fluctuations in exchange rate and inflation, in particular, the establishment of a hedging programme to cover the Organization's exposure to currency fluctuations in Swiss francs and the euro against the dollar. While appreciating the explanations provided, the Committee notes the Secretary-General's statement that a hedging programme would need a robust risk management and accounting system, requiring resources that have yet to be determined. It therefore considers that the Secretary-General's report does not provide sufficient information that would allow the General Assembly to make an informed decision on the option for establishing a currency hedging programme.

The Advisory Committee is also of the view that the Secretary-General has not responded comprehensively to the request of the General Assembly in paragraph 52 of its resolution 64/243. Accordingly, it recommends that the Secretary General should be requested to explore and thoroughly analyze additional options for addressing the different aspects of the recosting methodology currently applied, including the practice of recosting the programme budget four times in the biennial budget cycle. In order to facilitate the analysis of this issue, the Committee further recommends that the Secretary-General be requested by the General Assembly to submit such a report separately from the performance report, for consideration by the Assembly no later than at the main part of its sixty-seventh session.

Thank you, Mr. Chairman.