

Statement of the Chairman

Advisory Committee on Administrative and Budgetary Questions (ACABQ)

October 27, 2011

Proposed Programme Budget for the biennium 2012-2013

(ACABQ reports: A/66/7 and Corr.1 and Add.5)

Mr. Chairman, Mr. Secretary-General, Your Excellencies and Distinguished Delegates

I am pleased to present the Advisory Committee's reports on the proposed Programme Budget for the biennium 2012-2013, in document A/66/7 and Corr.1, as well as Add.5 on the proposed resources for the International Trade Centre, under Section 13.

Mr. Chairman, the Committee's report is the outcome of an extensive review of the Secretary-General's proposals, as presented in the main documents and supplementary information. It also draws upon a significant additional amount of clarification provided by the Secretary-General and his representatives upon request by the Committee during its deliberations. The Advisory Committee's report summarizes some of the details it obtained during its review. In formulating its views, observations, conclusions and recommendations, the Committee took into account information it was provided.

The detailed specific conclusions and recommendations reached by the Committee are presented in the relevant sections of the report. But allow me, Mr. Chairman, to highlight some of the main cross-cutting issues raised by the Committee, which are intended to contribute to ensuring the most effective and efficient utilization of the Organization's resources.

Mr. Chairman, the Advisory Committee recalls that, in its resolution 65/262, the General Assembly invited the Secretary-General to prepare his proposed programme budget for 2012-2013 on the basis of a preliminary estimate of approximately \$5.4 billion. The Committee notes that the Secretary-General's proposal is below the level stipulated in the budget outline. The Secretary-General indicates that, subsequent to the adoption of resolution 65/262, he

requested programme managers to seek efficient ways in carrying out mandated programmes and activities.

Consistent with its previously stated position on the importance of ongoing review of programmes and business processes, the Advisory Committee welcomes the initiative taken by the Secretary-General. The Committee therefore finds itself by and large in agreement with the proposed programme budget, as presented in the initial proposals of the Secretary-General. As such, the Committee's recommendations do not significantly affect the proposed overall level of the budget.

However, the Committee is of the view that the short time available for the programme managers to carry out the review requested by the Secretary-General did not allow for such a review to be done in a comprehensive manner. As a result, the Committee has observed that, when viewed in the context of the budget as a whole, the reductions proposed are neither significant nor structural in nature. Such reductions are also unlikely to be sustainable in the future.

The Committee also noted that programme managers were given full discretion to decide on how the efficiencies were to be realized. At the same time, no specific direction was given to apply any particular efficiency measure throughout the Organization. As a result, the Committee notes that where reductions are made, they have been achieved through a variety of disparate measures, ranging from the abolition of posts to adjustments in non-post resources by, inter alia, delaying normal replacement cycle of furniture and equipment.

Mr. Chairman, the Advisory Committee is of the view that future proposals for the programme budget should reflect an increased focus on results, not just in terms of programme delivery, but also in terms of the efficiency with which approved resources are utilized. In this regard, while welcoming the stated emphasis on realising efficiency gains, the Committee is of the opinion that the proposed programme budget should have provided specific information linking the impact of particular efficiency measures to the resource proposals. Similarly, it is also crucial that budget proposals include information on the status and impact of major

management initiatives that have been undertaken in recent years, including their impact on resource requirements.

In addition, to further strengthen the focus on the effective and efficient use of resources, the Advisory Committee has reiterated its recommendation that future budget proposals should highlight more consistently the major evaluation activities carried out throughout the organization and how the lessons learned from those evaluations have been implemented.

Mr. Chairman, the Advisory Committee points out that the final level of the proposed programme budget will only become known when a number of additional proposals are put before the General Assembly. In this regard, since its review of the initial proposed programme budget, the Committee has subsequently received a number of separate reports with financial implications for the biennium 2012-2013. For the reports it considered to date, the Committee is informed that additional requirements of some \$23.5 million are proposed for 2012-2013.

The Committee recognizes that unforeseen requirements may arise outside the normal budget preparation cycle. But it is also of the view that at the time of review of the Secretary-General's initial proposals, at the very least, indicative estimates of the resource requirements for some of the forthcoming requests could have been included in the proposed programme budget. This would provide both the Advisory Committee and Member States the most comprehensive information available at the earliest opportunity. The Committee therefore continues to be concerned about a piece-meal approach to budget presentation.

In its report, the Committee also highlights that the largest single factor leading to the proposed reductions in the budget relate to Special Political Missions (SPMs). These reflect a reduction of \$120.8 million, when compared to the revised appropriation for 2010-2011. The Advisory Committee is yet to receive the complete proposals for all SPMs. The Committee is therefore unable to assess whether the estimated reductions reflected in the Secretary-General's proposed programme budget will be realised. As noted in the Committee's report, recent cases

have once again demonstrated that the establishment of such missions and the accurate estimation of the related resource requirements for SPMs are unpredictable.

Mr. Chairman, the Advisory Committee has also expressed other concerns about a number of the Secretary-General's proposals. These include the possible impact of the proposed reductions in the Secretariat departments and offices which were provided with additional resources under General Assembly resolution 63/260 on strengthening the development-related mandate of the Organization. The Committee is of the view that the full impact of the budget proposals will only become apparent over time. It trusts that steps will be taken to mitigate any unintended consequences on mandate delivery.

With regard to staffing, the Advisory Committee notes that the Secretary-General proposes a net decrease of 44 posts. The Committee has expressed some concerns about the overall profile of the Secretary-General's staffing proposals, which could contribute to 'grade creep.' It notes that while proposals are made to increase senior level posts, the abolition of mainly junior level posts, including entry level professional posts, is also proposed. The Committee has also highlighted the significant number of proposed upward reclassification of professional posts. The Committee expects that this situation will be kept under review.

Concerning vacancies, while it notes that the vacancy rate for Professional posts reflects a decrease as compared to the previous biennium, the Advisory Committee is concerned at the increase in the vacancy rate for posts in the General Service and related categories. In a number of instances, the Committee notes that some posts remained vacant for an extended period of time. The Committee is of the view that the continued need for posts which have been vacant for two years or longer should be re-justified in the context of the proposed programme budget.

On information and communications technology, the Committee points out that the magnitude of the resources the Organization spends in this area is significant. It has emphasized the importance of ensuring overall coherence in the utilization of such resources. Accordingly, it has recommended that, in future, a comprehensive picture of the totality of the resources proposed for ICT is reflected in the introduction to the proposed programme budget.

The Advisory Committee has noted with disappointment the delays in the implementation of the Enterprise Resource Planning system (Umoja). It understands that the Secretary-General now intends to implement the project in phases, focussing initially on the functionality required for launching the International Public Sector Accounting Standards (IPSAS). The Committee emphasizes that the other management improvements that Umoja was also intended to enable remain essential for attainment of organizational goals. Its management must be put back on track. The Committee expects that the project will be delivered within its approved level of funding.

The Committee also emphasizes that the management improvements the ERP system was intended to enable - such as results-based management, strengthened internal controls and enhanced accountability - remain essential organizational goals that should not be neglected in proposals for the future direction of the project.

In conclusion, may I turn briefly to the proposed resources for the International Trade Centre (ITC) for the biennium 2012-2013 (A/66/6 (Sect. 13)/Add.1). The Committee has recommended approval of the proposals of the Secretary-General for ITC, with the exception of one position currently funded under general temporary assistance which was proposed to be converted to an established post.

Mr. Chairman, as I indicated at the outset of my statement, I have highlighted only some of the main cross-cutting, observations and recommendations presented in the Committee's report. I know that these and other issues raised by the Committee will be taken into account as the General Assembly considers the Secretary-General's proposals and make a positive contribution to the deliberations over the coming weeks. I also trust that, if accepted by the Assembly, the Advisory Committee's views and recommendations will provide useful guidance to the Secretary-General.

I thank you, Mr. Chairman.

