



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MR. DIEGO LIMERES, MINISTER PLENIPOTENTIARY AND DEPUTY
PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED
NATIONS, ON AGENDA ITEM 134: PROPOSED PROGRAMME BUDGET
FOR THE BIENNIUM 2012-2013, AT THE MAIN PART OF THE SIXTY-SIXTH
SESSION OF THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
New York, 27 October 2011**

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 2012-2013".
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 Collen V. Kelapile, Chairman of the ACABQ, for introducing the related report of the Advisory Committee.

Mr. Chairman,

3. The Group of 77 and China attaches great importance to the consideration of the proposed programme budget of the Organization. The budget document is not merely a financial and accounting tool to secure the core resources for the Organization. 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 of 77 and China is deeply concerned over the arbitrary 3% cut imposed on programme managers, which has the potential to jeopardize the effective implementation of mandates. Whereas the economic and financial crisis and its impact are a reality that all Member States have to reckon with, including the most vulnerable which had nothing to do with its genesis, it should not be used as an excuse to cut back and review intergovernmental mandates and priorities. At this point, it would only make sense that the United Nations redoubles its efforts to assist the poorest and most vulnerable corners of the world.
5. However, the United Nations seems to be moving into the opposite direction. Instead of strengthening the Organization's role for an enhanced development strategy in this time of crisis, there is a clear tendency to cut funds. This is a tragic situation. The developing countries, which should be the main beneficiaries of the work of the Organization, seem destined to suffer twice, as they are also the most severely affected by the financial crisis that was originated in the North.

Mr. Chairman,

6. The Group of 77 and China believes that the budget document presented today still needs further improvements in terms of reflecting adequately the priorities decided by the General Assembly. It is not merely a matter of format. The proposed programme budget for 2012-2013 is in substance unbalanced to the detriment of development related activities. This is a situation that affects in a negative way the capacity of the Organization to deliver on mandates of all three main pillars: peace and security, development, and human rights. In this regard, we cannot but overemphasize the inextricable link between development and peace and security. We believe that the regular budget should provide a more ambitious role for development in the Secretariat alongside the necessary resources from assessed contributions. We shall keep on strengthening the role of the regional commissions in implementing the development agenda.

7. The Group stresses that the efficient management of the development account has proved that it is one of the appropriate tools to cope with the evolving needs of the global development agenda. Yet, the development account only amounts to 0.4% of the overall regular budget. This falls far short of the original intent of the General Assembly to establish a true dividend for development at USD 200 million. Therefore, the Group strongly supports the establishment of an appropriate funding mechanism for the account through the regular budget, including, but not limited to, the savings achieved through the implementation of the Enterprise Resource Planning system (ERP).

Mr. Chairman,

8. The Group of 77 and China is concerned to notice 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 has reached a level that is more than twice as large as the regular budget. This has put the Organization in 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.

9. The Group of 77 and China firmly rejects this double standard. The priorities decided by General Assembly are binding and must therefore be respected. We emphasize that all mandates approved by all intergovernmental organs, in particular those related to development activities, must receive predictable and adequate funding. While we do not underestimate the value of voluntary contributions and we thank the donors, the time has come to set up an effective and inclusive governance framework to ensure oversight and accountability over these resources by the General Assembly.

Mr. Chairman,

10. Over the last decade, the budget of special political missions, which is integrated into the level of the regular budget, has grown dramatically from US\$ 100 million, in 2000, to US\$ 1.2 billion proposed for 2012-2013. The increase in the budgets for SPMs, which now represent roughly 20% of the overall level of the regular budget, has a distortionary effect on the regular budget. We will not acquiesce to priority activities funded by the regular budget to be jeopardized by the SPMs. In Resolution 65/259, the General Assembly requested the Secretary-General to conduct a thorough review of the current funding and backstopping arrangements for the special political missions with a view to identifying possible alternatives. The Group looks forward to examining this report as a matter of priority.

Mr. Chairman,

11. The Group of 77 and China understands that management and Secretariat reforms are normal business in an Organization that needs to be adequately equipped to cope with evolving challenges. The budget of the Organization should be a true reflection of the legislative mandates approved. The funding of reform initiatives cannot divert much needed resources to finance the substantive areas of the Organization.

Mr. Chairman,

12. The Group reiterates also the role of the General Assembly in carrying out a thorough analysis and approval of posts, the structure of the Organization, human resources policies, as well as the allocation of financial resources to all sections of the programme budget, with a view to ensuring full and effective implementation of all mandated programmes and activities and for the implementation of relevant policies.

13. In this regard, the Group seizes the opportunity to request the Secretary-General to abide by the mandates approved by the General Assembly, as contained in Resolutions 62/236, 63/260 and 64/243, in which it decided not to abolish the post of the Special Adviser for Africa and called upon the Secretary-General to urgently fill this post as a matter of priority. It is imperative for the Secretary-General to fully implement without condition, nor further delay, these General Assembly mandates.

Mr. Chairman,

14. It is a longstanding position of the Group of 77 and China that every effort should be made to increase accountability, transparency and inclusiveness in the Organization. In that context, building on your initiative to broadcast live this meeting on the web, and in the interest of furthering transparency and avoiding any selectivity, we would like to request the live broadcasting of all formal meetings of the Fifth Committee during this session in their entirety. We would also like to request that the sound recordings of previous formal meetings held during this session, including the one on the financial

situation of the Organization, be made immediately available at the United Nations website. We also strongly believe that the live web-broadcast should be extended to all main Committees of the General Assembly henceforth.

15. Furthermore, to ensure the highest standards of accountability and transparency, the Group stresses that all established practices and methods of work of the Fifth Committee must be fully respected and any new initiatives to enhance the work of the Committee must be only implemented after thorough consultations of the entire membership and on the basis of the widest possible agreement. We therefore ask the bureau to consult widely before making any decisions.

16. In conclusion, the Group of 77 and China would like to emphasize the importance of open, transparent and inclusive negotiations on the programme budget. We should avoid repeating the mistakes of the past. Working out deals in small groups or linking different issues of the agenda of the Fifth Committee to the budget disrupts the negotiation process. Such practices only contribute to mistrust and polarizations among Member States. The Group assures you of its constructive approach in these negotiations, for an outcome that would strengthen the Organization and harmony among the Member States.

Thank you, Mr. Chairman.