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Statement by H.E. Ambassador Sul Kyung-hoon

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Item 146 : Administrative & budgetary aspects of financing UNPKOs

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Thank you, Mr. Chairman,

1. To begin with, I appreciate your high leadership and guidance in managing the resumed session efficiently. We are confident that, under your leadership, we will have productive discussion and results within the scheduled timeline.

2. I would also like to thank **Assistant Secretary-General and Controller, Ms. Maria Eugenia Casar** for introducing the report of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations contained (A/66/679), and the related note, and also to **the Under-Secretary-General for Internal Oversight Services, Ms. Carman L. Lapointe**, for her presentation of the report on the activities of the Office of Internal Oversight Services related to peacekeeping operations (A/66/286 (Part II)), and the report of the OIOS on the audit of the implementation of the global field support strategy (A/66/714), as well as **the Acting Head of the Department of Field Support, Mr. Anthony Banbury** for presenting the reports of the Secretary-General on progress in the implementation of the global field support strategy (A/66/591 and Addendum 1), and **the Chief of**

Human Resources Policy Service, Ms. Ruth de Miranda for her presentation of the report of the Secretary-General on special measures for protection from sexual exploitation and sexual abuse (A/66/699). My thanks go to **the Chair of the Advisory Committee on Administrative and Budgetary Questions, Mr. Collen Kelapile** for introducing the related ACABQ report.

Mr. Chairman,

3. In his submission of the Peacekeeping Operations budget for the biennium 2012 and 2013, the Secretary-General has proposed a budget of 7.4 billion dollars, which demonstrates a remarkable reduction of 433 million dollars compared to the current year's PKO budget. This decrease mainly comes from the completion of some tasks, for example, restoration of earthquake damages in Haiti (MINUSTAH), and assistance to referendums in Congo (MONUSCO) and Cote d'Ivoire (UNOCI), as well as the liquidation of the United Nations Mission in Sudan (UNMIS).

4. The proposed biennium incorporates an efficiency gain of as much as 113 million dollars, which is a big jump from 24 million dollars compared with previous biennium. This is mainly through the application of Changing Resourcing Requirements and pursuing area-specific savings target, such as, procurement, rations and fuel management. My delegation also believes that certain portion of the reduction has been made possible due to the diligent effort by the Secretariat to promote effectiveness and efficiency of budget management. In this regard, we welcome the strong commitment by the Secretary-General to deliver better results within the extremely constrained financial context.

5. While acknowledging the efficiency gains, we view that there is room for further improvement. In this regard, we concur with the Advisory Committee that a distinction should be made between savings and under-expenditures. As a matter of fact, it is difficult to discern the two under the current format of the budget report. While the efficiency gain comes from cost reductions attained through efficiency measures, under-expenditures result from delays in programme activities or over-budgeting. We hope that efficiency gains will be presented in more detail in future reports.

Mr. Chairman,

6. Now let me turn to the budget performance in the previous biennium, 2010 to 2011. The implementation rate slightly increased to 95.5% compared to the previous biennium, and unspent balance is marked at 359 million dollars. As the Board of Auditors has pointed out, this is possibly due to the over-budgeting in the course of budget planning. As over-budgeting usually results in opportunity cost that could have been utilized on other missions, the basic assumptions on which the budget is formulated should be fully reviewed. In particular, we need to look into whether the delayed deployment factor and vacancy rate is properly applied in consideration with historical data and foreseeable factors.

7. We welcome that the Global Field Support Strategy (GFSS) is making progress in providing a more efficient and prompt backstopping of field missions. We note with concern, however, that a comprehensive implementation plan of GFSS is not yet established. We concur with the Advisory Committee that a comprehensive plan, including a clear vision of the desired end-state of the four pillars, should be developed as early as possible.

8. With regard to the issue of transferring some of the functions of the Headquarters to the Global Service Center, We believe deploying a Global Service Center in two different locations can have financial implications. This proposal needs closer review. Particularly, we would like to have a convincing rationale for the need to set up the Global Service Center in two locations, and also some additional information on what would be the potential alternative solutions, and what is the result of cost and benefit analysis.

9. On other cross-cutting issues, my delegation will constructively engage in the discussions in the resumed session. We are particularly interested in the ways to protect the UN system against currency fluctuation, the assessment of the efficiency and effectiveness of the turnkey contracts, the adequateness of the budget of Quick Impact Projects, and the issue related to cost-efficient training.

Mr. Chairman,

10. Last but not least, we share the concern that some of the Member States have raised in the previous discussion and fully support the importance of reaching a resolution on all items through consensus. It will be detrimental to the activities of the PKO if a resolution is passed through any other means than consensus, especially when all the members are burden sharing either by contributing troops or by providing financial contributions. We should work together in the spirit of open-mindedness and flexibility. I would like to assure you that my delegation will contribute constructively at this resumed session to this end.

Thank you Chairman.