

Statement on behalf of the Member States of the European Union

67th Session of the General Assembly. Item 129: Review of Efficiency –
Proposed Programme Budget Outline for the biennium 2014-15



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Delegation of the European Union to the United Nations
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As
delivered

Mr Chairman,

I have the honour to speak on behalf of the Member States of the European Union.

The Acceding country Croatia* aligns itself with this statement.

I would like to thank the Controller, Assistant Secretary General, Ms Maria Eugenia Casar, for introducing the report of the Secretary General on the Proposed Programme Budget Outline for the biennium 2014-15 and the Chair of the ACABQ, Mr Collen Kelapile, for introducing the report of that Committee.

Mr Chairman,

As we have said many times, in this current extremely difficult economic climate which affects all Members of the United Nations, it is more important than ever to apply the same strict budgetary discipline to UN budgets that Member States are applying to their own national budgets. In this regard, the budget outline for the 2014-15 biennium is of the utmost importance for this Organisation. We consider it an obligation of the Secretary General to make a true strategic assessment of resource needs and not simply list additions to the current budget. The latter approach inevitably results in automatic budget growth. This is neither affordable nor sustainable in the current global economic and financial context.

Yet to our concern, the current outline proposal appears to be just that. As ACABQ notes, the Secretary General's preliminary estimate of \$5.341bn represents an increase of \$188.7m or 3.7% over the total approved appropriation for 2012-13. But the latest figures provided to ACABQ indicate that this will increase by at least a further \$154.4m if we take into account the impact of initiatives currently before the General Assembly and foreseeable items. And this is not the end of it. Budget growth of this magnitude has to be tackled as an imperative.

* Croatia continues to be part of the Stabilisation and Association Process.

Mr Chairman,

First and foremost, the current practice of recosting is, as we have repeatedly stressed, no longer sustainable. Including recosting as a basis for UN budgeting has to stop in the interest of greater discipline, transparency and flexibility. The costs of inflation need to be better controlled through a reform of the post-adjustment system. The cost of exchange rate fluctuations must be better managed. In parallel, the creation of a UN working culture that is focused on an unceasing effort to find new and creative ways to work is essential to achieve more effective delivery of mandates and sustainable use of resources. Business as usual approaches simply do not address the scope of the financial challenges the UN is facing today.

Mr Chairman,

We note the new measures outlined in the Secretary General's report aimed at increasing the cost-effectiveness and efficiency of service delivery and that these are estimated to result in a net reduction of \$58.5m to the projected budget for 2014-15. We also note that further reviews of operational requirements will be undertaken and we look forward to hearing more about their impact when the Secretary General presents his proposed budget for the next biennium. We welcome these efforts and urge the Secretary General to continue to seek further efficiencies and to prioritise activity. His leadership and that of his senior managers across the Organisation will be vital to ensure a commitment at every level to achieve better ways of working.

But we also share ACABQ's concerns that such exercises need to be sustainable and not ad hoc or reactive. Similarly, we agree with ACABQ's view that it is necessary to go beyond incremental budgeting and to consider the entire resource picture required to carry out programmes and activities mandated by Member States. In our view, it is time to seriously overhaul the current budget process and to re-prioritise rigorously so that resources are freed up from low priority work. In this regard, we are clear that the proposal before us today does not go far enough.

I thank you, Mr Chairman.