



THE REPUBLIC OF KOREA

PERMANENT MISSION TO THE UNITED NATIONS

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Statement by Mr. Dae Jong YOO, Minister-Counsellor

129. Review of efficiency (Budget outline 2014-2015)

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Thank you, Mr. Chairman,

1. I would first like to express my delegation's appreciation to Controller Ms. Maria Eugenia Casar for her introducing the Secretary-General's report on the proposed programme budget outline for the biennium 2014-15 and also Mr. Collen Kelapile, Chair of the ACABQ for presenting the Advisory Committee's report.
2. The proposed budget outline suggests the amount of 5, 341 million dollars for the biennium 2014-15. Compared with the current programme budget for the year 2012-13, it is increased by 189 million dollars, while this figure is down from the previous budget outline of 5,397 million dollars. The amount in the outline is not final in that the preliminary estimate of \$1,113 million dollars for SPMs may be subject to change, if new missions are established in future. And also, if the budget outline were to include the estimates in respect of all items currently before the General Assembly and foreseeable items in reports yet to be issued, the preliminary estimates would be likely to increase by approximately \$150 million dollars.

3. To begin with a positive note, my delegation duly recognizes that Secretary-General has introduced new measures aimed at making the United Nations more transparent, effective and efficient. Through the continuous improvement of the efficiency and effectiveness of the Organization, while ensuring the effective implementation of mandated activities, he has reduced 59 million dollars by resource change, and adjusted 83 million dollars in SPM budget. In this regard, the ACABQ underlined, in its report, that the efficiencies introduced as a result of the review exercises are not ad hoc or reactive, but sustainable. We encourage that the Secretariat step up its efforts to further promote efficiency gains and savings.

Mr. Chairman,

4. As you know, the main factor of the budget increase is related to the recosting which automatically takes the fluctuation of exchange rates and inflation additionally into the budget figure. The recosting alone accounts for 221 million dollars, even exceeding the resource change gains. We are of the opinion that this year's proposed budget outline recalls the need to revise the practice of the recosting. This should be done with a view towards keeping the budget outline from continuing to grow despite adverse economic situation. My Government, like many, is absorbing the exchange rate change and inflation within the approved budget. When experiencing excessive fluctuation of exchange rate, can we make recourse to the revised budget, while swallowing inflation. Of course, as a global organization, the UN should be permitted to factor in the foreign currency rate movement. Otherwise, its programme continuity remains vulnerable.

Mr. Chairman,

5. The budget outline serves as a guideline to draft the future programme budget. In financial terms, Member States are eventually required to pay their assessed contributions, on the function of the budget level. As the outline directly touches the purse of the Membership, the outline should reflect both the ongoing efforts of the Member States to strengthen financial discipline, and strengthened exercise by the Secretariat to enhance the effectiveness and efficiency of the Organization.

6. In medium and long term, the budget outline should be more binding than a guideline, so that the incremental approach to the programme budget of the UN will not be taken for granted. The Secretariat will take the outline as a ceiling of budget, and adds-on will be, in principle, absorbed within the ceiling. At the same time, the Secretary-General should be allowed to exercise flexibility in drafting the programme budget within the mandate, like top down budgeting procedure. It is needless to say that this discretion will come coupled with accountability.

7. In concluding, my delegation hopes that the Committee will have an interactive and productive discussion on the budget outline and find a satisfactory and sustainable agreement. Thank you.