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**Statement by Ambassador Joseph M. Torsella
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On Agenda Item 129: 2014-2015 Budget Outline
Before the Fifth Committee
December 11, 2012**

Thank you Mr. Chairman. We would like to thank Ms. Maria Eugenia Casar, Assistant-Secretary-General and Controller, for presenting the Secretary-General's report on the proposed program budget outline for 2014-2015 and Mr. Collen Kelapile for presenting the report of the ACABQ.

Mr. Chairman,

We in this Committee often reiterate resolution language expressing our unique role as the Committee responsible for management and budget issues. The budget outline proposal before us is a challenge and an opportunity for us to demonstrate that we are in fact willing to assume the responsibilities that we claim as our domain. So it is truly regrettable that such an important agenda item as the biennium budget outline is once again introduced at a point when there is precious little time left in this session for the meaningful discussion it deserves.

Mr. Chairman,

My delegation is deeply concerned that the Secretary General's preliminary budget estimate for the 2014-2015 biennium is \$5.341 billion. This would be an increase of almost \$190 million or 4% over the approved appropriations for the current biennium. We also understand that the proposed outline level is already out of date: it does not include \$154 million in additional resources that could be required in the 2014-2015 biennium, as noted in the ACABQ's report.

As we consider this new budget, Mr. Chairman, let's take a moment to review the recent past.

2011 was an historic year. The Secretary-General's 2012-2013 budget submission included a bold proposal for achieving near-term efficiencies resulting in a 3.7% savings in the regular budget. His proposal achieved this without impacting mandate delivery. This Committee acted equally responsibly and made the difficult but appropriate decision to reverse many years, even decades, of essentially continuous growth in the UN regular budget. And in just a few days, we will have the occasion in this Committee to evaluate the Organization's performance against the budget level, parameters, and direction we gave one year ago.

As important as the particular decision we made was the new course we charted. When questions were raised about the long-term sustainability of the savings, it was properly pointed out that the 2012-2013 efficiencies were constrained by the timing of that budget's planning. The Secretary-General pledged before the General Assembly one year ago that those efficiencies would be a first and not a last step, and that he would come back to us with new proposals for structural and sustainable savings within the year.

We appreciate the Secretary-General's first efforts in this regard, as noted in the budget outline, to increase cost effectiveness and delivery of services under program support, conference management, public information and reprioritization of capital projects. In particular, the proposed budget outline identifies about \$63 million in savings related to this effort. We further appreciate the Secretary-General's commitment to review program outputs in line with regulation 5.6 with a view to eliminating those that are considered obsolete, of marginal usefulness or ineffective and that could be eliminated by the General Assembly.

But those very commendable efforts should not obscure one deeply troubling fact: the 2014-2015 preliminary budget estimate risks taking us back, not forward. Pending our final review and decisions on the 2012-2013 biennium, this outline represents continued growth of the UN regular budget in a time of continued financial pressure on Member States and the working families who fund their contributions.

The savings in this budget represent less than 1.2% of its overall total \$5.341 billion.

Those savings are welcome, Mr. Chairman, but also modest, especially when they are overwhelmed by new expenses of more than triple the impact, resulting in overall net budget growth of nearly \$190 million. And, this is just based on the estimates used by the Secretary-General as of October 19, which does not include potentially \$154 million in additional costs identified in the ACABQ's report.

Make no mistake: we applaud the Secretary General's efforts to reduce costs in the support areas over which he has the most direct authority. But it's not enough. And it is time for the rest of the Organization – and we who govern it – to follow his lead.

For us as Member States, that means it's time for us to acknowledge our responsibility for adding and expanding mandates outside of the budget process; to stop supporting efficiency in the abstract but opposing it when it comes to our priority programs; and to make a commitment to paying as we go, by specifying equal expense reductions or obsolete mandate eliminations to fund each new spending requirements we impose on the UN.

For the Secretary-General and his team, that means it's time to come forward with plans for the structural and sustainable reductions promised one year ago; to acknowledge that efficiencies of one percent are a good start, but only that; and, if they believe themselves to be constrained from making further or more fundamental savings in this Organization and its baseline costs, to come before the General Assembly with an urgent request for the specific tools they need.

And for all of us, that means it's time to admit that the UN budget process is deeply flawed. We have separated decisions about policy priorities from decisions about the resources to carry them out. We have enabled subsidiary bodies like the International Civil Service Commission to effectively rewrite our budgets midstream. And we are considering a new budget before we've even reached the halfway point of the old one. So we hope all delegations will offer observations and proposals to help this Committee and the Secretary-General work together to find meaningful and lasting reform of the budget process beginning in the 2014-2015 biennium.

All of this, Mr. Chairman, is a tall order. But we have no alternative. The Organization cannot resume the unsustainable path we rejected a year ago. And if we, the Management and Budget Committee, are not willing to tackle these issues, who will?

We remain confident in your leadership, the Secretary-General's leadership, and the good faith of our colleagues. My delegation stands ready to engage constructively with all others to achieve a United Nations that delivers on its mandates, is managed with excellence, and lives within its means.

Thank you Mr. Chairman.