

**Statement of the Chairman**

**Advisory Committee on Administrative and Budgetary Questions (ACABQ)**

**12 October 2015**

**Proposed Programme Budget for the biennium 2016-2017**

*(ACABQ report: A/70/7)*

Mr. Chairman, Mr. Secretary-General, Your Excellencies and Distinguished Delegates

I am pleased to present the Advisory Committee's reports on the proposed Programme Budget for the biennium 2016-2017, in document A/70/7. This document covers estimated resource requirements for the entire Secretariat, with the exception of the detail of the proposed resources for the International Trade Centre, under Section 13, to be considered later in the current session.

Mr. Chairman,

The Committee's report is the outcome of an extensive review of the Secretary-General's proposal, as presented in the main documents and supplementary information. It also draws upon clarification provided by the Secretary-General and his representatives during the Committee's deliberations. I trust that the Committee's observations and recommendations on the budget proposal will assist the Member States in their discussions.

Mr. Chairman, in its resolution 69/264, the General Assembly invited the Secretary-General to prepare his proposed programme budget for 2016-2017 on the basis of a preliminary estimate of \$5.56 billion. The Secretary-General's proposal amounts to \$5.57 billion before recosting, or 0.2 per cent above the level stipulated in the budget outline. After inclusion of preliminary recosting, the proposed level of resources amounts to \$5.69 billion, which exceeds the level of the revised appropriation for 2014-2015 by \$34.1 million, or 0.6 per cent.

In its report on the budget proposal, the Advisory Committee acknowledges the efforts of the Secretary-General in proposing a budget for 2016-2017 which is broadly consistent with the indicative level established by the General Assembly in its decision on the budget outline for the same period. Overall, the Committee recalls its view that effective and efficient mandate delivery must always be the overriding factor in determining the Secretariat's resource requirements and its overall staffing structure. Noting that there appears to be a high degree of automaticity in resource proposals which are repeated from one budget period to the next, the Committee indicates that there is a need to go beyond incremental budgeting and to evaluate the entirety of resources required to deliver mandates and to carry out programmes.

On the presentation of the budget proposal itself, the Committee supports efforts to improve the transparency of the information contained in the related documents and recommends some related improvements, including the disclosure and categorization of resource changes from one biennium to the next.

Mr. Chairman,

At this juncture, allow me, if I may, to summarize a few main recommendations as well as draw your attention to some of the key issues addressed by the Committee in its report on the budget proposal.

Mr. Chairman, the recommendations outlined in the Committee's report would entail an overall reduction of \$54.8 million to the Secretary-General's proposal distributed across a number of different budget sections, a breakdown of which is contained in Table 14 of its report. The recommended reductions include a provision for \$13.7 million relating to the resources proposed for the renovation of the Africa Hall at the Economic Commission for Africa. The Committee points out that the project, will be the subject of a separate report to be issued during this session and that it will provide its recommendations on the project requirements to the General Assembly in that context. The Committee's recommended reductions also reflect questions raised concerning the approach taken to finance the costs of the OIOS resident auditor functions for UNAMA and UNAMI by applying a pro-rata reduction across other budget sections.

With regard to staffing, the Secretary-General proposes a net increase of 12 posts over the previous biennium, comprising of 82 posts for abolishment, offset by 38 proposed conversions from extrabudgetary resources and the establishment of 56 new posts. Adjustments to the proposed staffing requests are contained in the Committee's specific observations and recommendations on the respective sections of the budget.

With respect to the proposed vacancy rates, the Committee recommends a return to the application of different vacancy rates rate for newly established posts, as compared to the rate proposed for continuing posts, given the persistently long recruitment timelines connected to the filling of new posts and in the absence of any analysis provided on the experience of using a single vacancy rate in the biennium 2014-2015.

Regarding the impact of Umoja on the resource requirements for 2016-2017, the Committee understands that the Secretary-General is not yet in a position to confirm the expected efficiencies and benefits arising from the implementation of the system and that this is the rationale for the proposed full or partial freezing of 81 established posts in 2016-2017. The Committee, nevertheless, affirms that the authority to approve the freezing of posts rests with the General Assembly, along with any changes that might arise over the course of the biennium. In addition, the Committee recommends a small number of changes to the proposed list of post freezes where, in its view, the specific link with the implementation of Umoja was not sufficiently clear.

On the broader matter of Umoja project, the Committee will go into greater detail in the context of its consideration of the forthcoming progress report on the implementation of Umoja, including the \$54.3 million of estimated resources required in support of the Umoja project in 2016-2017, \$8.1 million of which is to be funded from the regular budget.

Mr. Chairman,

The resources requested under section 9, economic and social affairs, include a provision of \$13 million representing the support of the UN Secretariat to the resident coordinator system for the biennium 2016-2017. The Committee expresses its regret that the Secretary-General's request for resources does not include all the relevant details called for in General Assembly resolution 69/262. The Committee also raises a number of specific concerns, including, the basis for the overall resource estimate for the system, the application of the cost-sharing

formula, the determination of different factors within this formula, the financial reporting modalities and the envisaged oversight mechanisms. The Committee is not, therefore, in a position to recommend approval of this proposal.

With respect to section 24, human rights, the Secretary-General outlines a plan to strengthen the regional presence of the High Commissioner's office, by creating eight regional hubs through the redeployment of posts from Geneva to the field, which based, on preliminary calculations, was expected to be cost-neutral. The Committee recognizes the Secretary-General's intention to strengthen the field presence of OHCHR. Nevertheless, the Committee is of the view that a more detailed proposal is required to facilitate the General Assembly's consideration, which should include the location and geographic coverage of each hub, an analysis of the expected workload and staffing needs, clearly defined reporting lines and a detailed cost proposal.

Regarding the Secretary-General's plan to restructure the Office of Information and Communications Technology, the Advisory Committee is recommending approval of almost all of the related proposals. These involve internal redeployment of resources within the Office, as well as a strengthening of capacities through the proposed establishment of 5 new posts, inward redeployment of 42 posts from the ICT units of other offices in the Department of Management and an increase in the number of senior level staff through the upward reclassification of 6 posts. The Committee is of the view that, by and large, the proposals reflect the broadened, Organization-wide mandate of the Office, as set out in the ICT strategy, the elements of which were endorsed by the General Assembly in its resolution 69/262.

And finally, with respect to the resources requested in the budget proposal for travel of staff, the Committee notes that the budget proposal includes a 10 per cent reduction, amounting to \$4.4 million across all offices and departments which was based on the anticipated impact of the revised air travel standards as approved by the Assembly in its resolution 69/274A. The Committee believes that significant savings should have been realized before 2016-2017, given that measures to limit travel requirements date back to the sixty-fifth session. The Committee also reiterates a number of other concerns with respect to travel management, including the need for good data pertaining to travel patterns, costs and the impact of policy changes.

Mr. Chairman,

In closing, I would like to bring to your attention the progress made by the Department of General Assembly and Conference Management in its processing of documents, which, this year, includes the timely production of the individual budget fascicles and the early issuance of the Committee's own report on the Secretary-General's budget proposal, in all official languages. The Committee commends the Department for its proactive collaboration with author departments throughout the report planning and processing stages, to ensure that the documentary requirements of the different intergovernmental bodies are met in a timely and efficient manner.

I thank you, Mr. Chairman.