



Statement on behalf of the Member States of the European Union

by

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70th Session of the General Assembly

Fifth Committee

Item 134: Proposed Programme budget: biennium 2016-2017

United Nations

New York

12 October 2015

- As delivered –

Mr. Chairman,

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

The Candidate Countries Turkey, the former Yugoslav Republic of Macedonia*, Montenegro*, Serbia* and Albania*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as Ukraine, the Republic of Moldova and Armenia align themselves with this statement.

Mr. Chairman,

I would like first to thank the Secretary-General for his presentation of the Proposed Programme Budget for the biennium 2016-2017. I would also like to thank the President of the General Assembly for his presence today. This is a clear demonstration of the importance of this item. I would also like to thank the chair of the Advisory Committee on Administrative and Budgetary Questions, Mr. Carlos Ruiz Massieu, for his presentation of the report of the Committee.

Mr. Chairman,

Before addressing the proposals before us today, I would like to make a few remarks on the regular budget for the current biennium, since, in our view, both items are intrinsically linked. As you will know, we are looking at you, Mr. Secretary-General, and to your senior managers and staff at all levels to adhere as closely as possible to the budget level of \$5.530 billion, agreed by the General Assembly in December 2013. We appreciate that new activity mandated by the Member States adds to the challenge, but in a context where we all have to deliver against a tight resource background, we look to the United Nations to work better

* *The former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.*

and smarter, as we all must in our own administrations, and to achieve its goals while operating within the budget level agreed by the Member States.

We also want to express our attachment to reaching consensus, for the sake of the Organisation.

The incremental nature of the budget, as well as its piece-meal character, continue to pose challenges to our national treasuries in terms of predictability and sustainability. We are convinced, Mr. Secretary-General, that you will do everything within your power to limit the growth of the budget to the largest extent possible.

Mr. Chairman,

Turning to the Secretary General's proposed programme budget for 2016-2017, the EU Member States acknowledge the efforts the Secretary-General has made to present a budget in line with the budget outline level of \$5.558 billion the General Assembly agreed on last December. We also recognize the detailed internal processes undertaken with all programme managers to identify efficiency gains while continuing to carry out mandates within the overall resource constraints. Your leadership, Mr Secretary-General, and that of your senior team, is essential in this regard. We therefore welcome the assurance expressed in the foreword to your budget proposals to continuously commit to enhancing the efficiency and effectiveness of the Secretariat in performing its tasks. We also welcome the intention of improving the budget presentation by including detailed information on the impact of resource changes, even though we have reservations and concerns regarding the way this has been done.

What has to be clear, however, is that the same strict budgetary discipline that Member States are applying themselves has to apply to the UN as well. As

staunch supporters of the United Nations and the principle of effective multilateralism, the Member States of the European Union are committed to providing the Organisation with the necessary resources to conduct its work, while firmly believing there is still substantial room for improving its efficient and effective operation. It will not be enough simply to aim to agree to a budget in line with the budget outline resolution we adopted last December. We need to go beyond this and examine together in an open manner whether new approaches can lead to further savings and efficiencies not least to allow a meaningful reprioritization of activity and delivery of results. This, in our view, is the only sustainable budgetary path for the Organisation in light of new developments.

Mr. Chairman,

In this respect, I would like to list 5 priorities that we have identified as indispensable if we want to create a sustainable financial future for the Organisation.

First, we concur with the ACABQ on its overall observation that there appears to be a high degree of automaticity in resource proposals, which are simply repeated from one budget period to the next. We support the ACABQ in its reiteration of the need to go beyond incremental budgeting and to evaluate and consider the entire quantum of resources necessary to carry out the Organisation's programmes and activities. We are more than often confronted with budget leaps of 8% or more within the same biennium. This situation is a risk to the credibility of the UN Programme Budget.

Second, the aforementioned incremental approach and the piece-meal approach are two sides of the same coin. We recognize the efforts that have been made through General Assembly Resolution 69/262 on the process of Programme Budget

Implications but we would like to call upon all entities in the UN family and all member states to strictly adhere to its implementation. We would also like to call upon all UN entities to ensure that in case member states decide to adopt resolutions with programme and budget implications, absolute priority be given to redeployment and reprioritization of resources, thereby strictly complying with relevant decisions and resolutions.

Third, redeployment and reprioritization are only possible if managers are able to manage for results. Therefore, all current reform processes should be focused on managing for results and implementing the mandates more effectively and efficiently. Emerging and growing challenges impel new functions and mandates, which will in turn require a rethinking of governance and management. This implies taking full advantage of the potential of a leaner and more effective UN through ICT, UMOJA and the new Global Service Delivery Model. Human Resources policies, workforce planning and the compensation package will have to be streamlined so as to create a leaner workforce. This cannot be done without the necessary reprioritisation and redeployment of mandates and resources. In this regard, we continue to welcome decisions to address the growing personnel costs by making proposals to remove posts that have become obsolete, inter alia through efficiencies and improved working methods. In that sense, we invite the Secretary-General to undertake a comprehensive review of the staffing table, which focuses in particular on the continued grade inflation, the creation of more Professional and Higher level posts, and the lack of junior entry-level posts. This is, in our view, long overdue.

Fourth, we need to increase the level of predictability of the budget. For new mandates, this entails improved working methods, reprioritization and redeployment. However, there still is the perennial problem of recosting. In this

respect, we would firstly like to recall General Assembly Resolution 67/246, in which we collectively reaffirmed the need for a comprehensive and satisfactory solution to the problem of controlling the effects of inflation and currency fluctuation on the budget of the United Nations. Although we recognize the important progress that has been made since the adoption of this resolution, we are still concerned about the effects of recosting on the budget. Secondly, we would have expected that the proposed programme budget for 2016-2017 would have been built upon the improvements agreed by the General Assembly in its resolution 69/274. In conclusion, the EU stands ready to address this issue for both 2014-2015 and 2016-2017 in a comprehensive way. A sounder basis to budget for such costs, in line with the standard practices used in our own public administrations, is now an imperative.

Finally, Mr. Chairman, the EU will look at the budget as a quantum of limited resources, thus other items with budgetary impact, such as the construction items and the financing of tribunals, will be taken into consideration when we define our overall position. On 22 June of this year, our Ministers reiterated through the EU Council that it will continue to be a priority *"to ensure the sound management of UN financial resources and staff, including in the negotiations of the next UN regular budgets"*. Our Ministers also agreed that the *"we promote the reform of the UN system and of its bodies and organs to make it more fit to address the complex, multi-sectoral challenges we face today"*.

We therefore urge you, Mr. Secretary-General, to continue to make every effort to innovate and improve working practices, in order to manage resources as efficiently and effectively as possible.

Mr. Chairman,

We can assure the Secretary-General that we will give his proposed programme budget for 2016-2017 the attention it deserves and will scrutinise all the key elements of the budget, including staff costs, Special Political Missions, and other horizontal costs such as travel and support costs. We look forward to working closely with all partners with the aim of agreeing on a realistic and sustainable budget for the next two years.

I thank you, Mr. Chairman.