



**Concluding Remarks by  
Mr. Yukio Takasu, Under-Secretary-General for Management,  
to the Fifth Committee  
on the Proposed Programme Budget for the Biennium 2016-2017  
13 October 2015**

Thank you Mr. Chairman,

Distinguished delegates,

I would like to take this opportunity to address some of the issues and concerns raised by the Committee in the course of the general discussion on the Proposed programme budget for the biennium 2016-2017.

I can assure the Committee that the Secretary-General is guided by the decisions of the General Assembly on the Budget outline as contained in resolutions 69/264, 69/274 as well as 41/213 and 42/211 on the budgetary process and other relevant resolutions.

As the Secretary-General explained to the Committee yesterday and as noted in the chart before you, the Secretary-General initially proposed \$5.741 billion as a proposed budget outline for 2016-2017.

Member States finally agreed after a lengthy negotiation to reduce the budget outline to \$5.558 billion, which included “efficiencies” of \$30 million and “further reductions” of \$15 million, as reflected in the supplementary information distributed to the Fifth Committee on 26 December last year. In other words, it is clear through the negotiation process of Member States that efficiency of \$30 million and further reductions of \$15 million were part and parcel of the political agreement by Member States on the estimate of \$5.558 billion. In operative paragraph 7 of General Assembly resolution 69/264, the Assembly then invited the Secretary-General to prepare his Proposed programme budget for the biennium 2016-2017 on the basis of this preliminary estimate of \$5.558 billion.

It is true that the resolution 69/264 further reaffirmed that the budget proposal of the Secretary-General should reflect resources levels commensurate with mandates for their full, efficient and effective implementation; and also reaffirmed its request to the

Secretary-General to propose measures to offset budget increases, wherever possible, in particular through more efficient back-office activities, services, functions and structures, without undermining the implementation of mandated programme activities.

As you know, General Assembly resolution 41/213 on budgetary process states that the Secretary-General shall prepare his proposed programme budget for the following biennium on the basis of a decision by the General Assembly on the outline; this has guided our work on budgetary process for the past 30 years and, other than accounting for new mandates that emerged after the budget outline was agreed on by Member States, the Secretary-General consistently presented his proposed programme budget on the basis of the preliminary estimates that were negotiated and agreed on by Member States by consensus in the context of the review of the proposed budget outline reports.

If the Secretary-General found that it would not be possible to implement mandated activities for the biennium 2016-2017 within the envelope of the agreed preliminary estimate, we would have stated so. But this was not the case.

With the understanding and efforts of programme managers, the Secretary-General finalized his proposed programme budget at a level estimated at \$5.568 billion, a slightly higher level than that determined in operative paragraph 7 of resolution 69/264, including the \$30 million and \$15 million efficiencies, while ensuring that all mandated activities will be implemented fully. As you note, in every fascicle of each budget section, the Secretary-General has made it clear that resource changes (reductions) will not have an impact on full and effective mandate implementation. All mandated activities will be implemented.

Then, how it was possible to achieve such result? It must be stated that nearly three-quarters (3/4) of the budget represents staff related costs so that significant budget cuts must be accompanied by some staff cost reduction. Also, there are often several ways of implementing mandated activities under the constraints of resources. It is the duty of programme managers to find the most optimum, cost-effective way of implementing mandated activities, through – rearranging or redistributing workload of existing staff within the office, increasing productivity and efficiency using new tools, reducing administrative, common support expenses, finding more economical method of official travel or hiring consultancy or efficient use of equipment and supplies.

For the 2016-2017 Proposed programme budget, the \$30 million reduction relating to efficiencies will be achieved entirely through the programme support component of each section and primarily through section 29, Management and support services of the programme budget; \$17.6 million comes from staff cost by abolishing or freezing (not filling) vacant post or post to become vacant during 2016-2017; \$12.4 million comes from non-staff cost such as consultancies, official travel, supplies, etc. Freezing (rather than abolishing) posts was chosen in order to allow adjustments which will become necessary in 2018-2019 as the impact of Umoja benefits on specific posts become clearer. We believe that this is prudent way of proceeding with estimating

realistic budgetary resources. The additional \$15 million reduction will be achieved also by abolishing and freezing recruitment of post (\$9.4 M), saving of staff travel (\$4.4 M) and further efficiencies.

I assure you that these cost reduction proposals were made and fully coordinated with programme managers to ensure that they will not have an impact on full and effective mandate implementation.

On the other hand, if legislative bodies decide a new and additional mandate, the situation must be carefully reviewed as to whether it can be accommodated within existing resources –without undermining the implementation of mandated programme activities. If it is not possible, the Secretary-General will submit PBI or revised estimates as appropriate for your consideration. These will be an add-on to Secretary-General's proposed programme budget in front of you. Such procedure is fully in accordance with the established budgetary process.

Thank you.

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# Proposed Programme Budget 2016-2017

