



Statement on behalf of the Member States of the European Union

By

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-- Check against delivery --

Madam Chairperson,

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 Georgia align themselves with this statement.

I would like to thank Ms. Bettina Tucci Bartsiotas, Controller, for introducing the report of the Secretary General on the Proposed Programme Budget Outline for the biennium 2018-2019 and the Chair of the ACABQ, Mr. Carlos Ruiz Massieu, for introducing the corresponding report of the Advisory Committee.

The Member States of the European Union believe that the forthcoming discussion on the Budget Outline is a unique opportunity to make a real strategic assessment of resource needs and demonstrate an approach built on a real understanding of the costs of delivering mandates. Yet again, however, we just see in the proposal before us a list of additions to the current budget. We believe that reprioritization and review of existing structures should be at the center of each new budget cycle, especially now with so many new initiatives in place, both in substance and process. The adoption of the 2030 Agenda as well as the implementation of UMOJA are landmark reform initiatives that should enable the organization to work in a more effective and efficient way. We all agree that this Organization needs to deliver the mandates the member states have entrusted it with. However, we need a budget based on a proper evaluation of what is actually necessary to carry out those mandated activities.

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

Madam Chair,

While the incremental way UN budgets are compiled has to be by far the most serious concern, we share ACABQ's view about the presentation of the detail in the proposal before us. The methodology used by the Secretariat to build the outline is not explained; the figures are confusing and sometimes contradictory; the overall approach lacks strategic depth and it is unclear what items are included in the outline and what items still need to be added. We are confused by some of the "TBD" lines in the annex 2 and will use informal consultations to seek further clarity in this regard.

We are disappointed to see the limited benefits that are flowing from the implementation of UMOJA, and would welcome clarification on the overall level of benefits we can expect to see by the end of 2019, while the status of the GSDM is confusing. In our view, the Organisation needs to intensify efforts to innovate and improve working practices, so as to enable it to manage resources as efficiently and effectively as possible. In this respect, the leadership of the SG and that of his senior managers across the Organisation will be vital to ensure a commitment at every level to achieve better ways of working.

We also believe the Secretariat should manage inflationary pressures, including those arising from the impact of fluctuations of rates of exchange and inflation, in the most predictable and prudent way possible. Building on recent reforms and transformation initiatives, we continue to believe that finding a comprehensive solution to the problem of recosting remains necessary. We will therefore continue to scrutinize the recosting practice and methodology of the United Nations so as to continue to limit its scope and amount.

Finally, Madam Chair, we would like to reiterate our attachment to the budget process, as expressed in GA RES 41/213 and 42/211. We will therefore continue to question the current use of the contingency fund as we have to acknowledge that no reprioritisation takes place and no mandate implementation is ever deferred to the next biennium, even if the use of the fund has reached its limits, or is even exceeded, during a certain biennium, as is mandated in the above resolution.

In conclusion, let me repeat what should be the budget outline: a modern management tool that helps maintain budget discipline, enhance flexibility and the capacity to reprioritize for new and emerging needs while ensuring financial predictability throughout the biennium. We express strong concerns that the proposal that is submitted to us is neither designed nor used for this. As a result, we struggle to finance new priorities while we have to maintain resources for outdated or low priority issues and suboptimal business procedures and management practices. This approach neither serves the member states nor the Secretariat in our common effort to manage the UN as effectively as possible.

We look forward to discussing these important issues constructively with all partners, with a view to reaching consensus on urgently needed improvements that would enable the UN to deliver its mandates more efficiently.

Thank you, Madam Chair.