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**Statement by Cherith Norman, Minister Counselor for UN Management and Reform  
On Agenda Item 133: 2018-2019 Budget Outline  
Fifth Committee, Main Session of the 71st UN General Assembly  
December 2, 2016**

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Thank you Madam Chair.

I would like to thank Ms. Bettina Tucci Bartsiotas, Assistant Secretary General, Controller for introducing the Secretary General's report on the '18-'19 budget outline and Mr. Carlos Ruiz Massieu for introducing the respective report of the ACABQ.

As we begin our consideration of this agenda item, my delegation has found it useful to look back at the history of the regular budget. From the 1978/79 biennium through the 2000/01 biennium (22 years), the UN's budget remained flat, accounting only for inflation. The period from 2000/01 to 2010/11, however, was a period of rapid, unprecedented expansion of the UN's budget. Since 2010/11, we instilled greater budget discipline which has enabled the budget to return to the historic budget trends of little or no growth. Notwithstanding the many new financial requests before us this session, it is imperative that we not allow this trend to be reversed.

But in reviewing the Secretary General's report on the '18-'19 budget outline, we are disappointed by what seems to be standard practice to simply begin the budget outline process with the current biennium's initial approved budget with the expectation that the additional requirements before us will simply be tacked on to the existing level. There appears to be no process whereby the previous budget is reviewed in any meaningful way with a fresh look at how mandates can be streamlined and delivered more cost-effectively. To accommodate "add-ons" while still achieving budget discipline, we must reform the budget process itself. This includes scrutinizing core cost drivers such as staff costs, reviewing mandates for effectiveness, and seeking opportunities to reduce duplication and redundancies within the system in line with what we have called for in the context of our discussion on Agenda 2030. This same effort should be applied to all pillars of the UN including peace and security. We also must capitalize (and press further) on the forthcoming savings from the change management systems, notably Umoja and IPSAS that have been implemented to reduce the level of the budget.

Madame Chair, I would like to take this opportunity to again express concern over the current PBI process we continue to witness. Substantive committees and other substantive bodies are routinely forced to operate in a financial vacuum without any information on the financial implications of their decisions. Further, there have been numerous examples of PBIs that did not match the intent of the negotiators of the text. We must revamp the PBI process. Currently, PBIs are only provided after negotiations have been completed. At such a late stage, it is virtually impossible for the draft resolution to be reopened and renegotiated. Rather, substantive committees should be given financial information at the earliest stages of their negotiations. This does not in any way abrogate the responsibility of the Fifth Committee in making the final decisions with respect to the financial matters of the organization. It simply allows substantive committees to negotiate with an understanding of the financial implications of their decisions. It is the only responsible way to make decisions.

In closing, my delegation looks forward to working with others to approve a responsible budget outline that will ensure the sustainability and credibility of the UN budget.

Thank you.