

Statement of the Chairman

Advisory Committee on Administrative and Budgetary Questions (ACABQ)

October 11, 2017

Proposed Programme Budget for the biennium 2018-2019

(ACABQ report: A/72/7)

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 2018-2019, in document A/72/7. This document covers the estimated resource requirements for the entire Secretariat, with the exception under Section 13 of the detailed review of the proposed resources for the International Trade Centre, which will be introduced separately.

Mr. Chairman,

The Committee's report is the outcome of an extensive examination 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 71/274, the General Assembly invited the Secretary-General to prepare his proposed programme budget for 2018-2019 on the basis of a preliminary estimate of \$5.395 billion. The Secretary-General's proposal amounts to \$5.405 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 \$5.533 billion, which reflects a decrease of \$87.6 million or 1.5 per cent over the level of the revised appropriation for 2016-2017 and is \$156 million or 2.7 per cent, lower than the actual final expenditure for 2014-2015.

In this connection, the Advisory Committee recognizes the efforts of the Secretary-General in proposing a budget for 2018-2019 which is broadly consistent with the indicative level established by the General Assembly in its decision on the budget outline for the same period. At the same time, the Committee points out that this level is not a pre-approved ceiling and recognizes the authority of the Secretary-General as Chief Administrative Officer to present a budget proposal that reflects the resources required to carry out the programmes and activities mandated by the General Assembly and other organs.

The Secretary-General has also indicated that the budget proposal finalized in the first few months of his tenure does not reflect his future vision for the Organization and the related reform proposals which may have an impact on resource requirements. There are also a number of other proposals, including those pertaining to the global service delivery model and overseas construction projects which have not been included in the budget proposal. The Committee will of course consider these matters as they arise, in accordance with established budgetary procedures.

Mr. Chairman,

At this juncture, allow me, if I may, to summarize a few main recommendations as well as draw your attention to some specific issues raised 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 \$42.9 million to the Secretary-General's budget proposal for 2018-2019. The recommended reductions include, inter alia, the removal of \$13.3 million relating to the Secretariat's contribution to the United Nations resident coordinator system, since the basis of the related cost-sharing arrangement has not yet been determined by the General Assembly, and a \$17.2 million reduction to the resource requirements for contributions to after-service health insurance, based on expenditure patterns to date.

In certain instances, the Committee questions whether the resource requirements should have been included in or excluded from the budget proposal. For the proposed resource changes, the Committee cites instances where the categorization under "new or expanded mandates" or the attribution to specific efficiency initiatives is, in its view, questionable. Overall, the Committee concludes that the strategic oversight exercised in the preparation of the budget proposal should be improved to ensure greater consistency across different departments and offices.

Mr. Chairman,

With specific reference to the proposed reductions of \$64.3 million attributed to organizational efficiencies, the Advisory Committee does not object to any of the related proposals – in light of the Secretary-General’s assurance that they will not impact upon the Organization’s ability to deliver mandates. At the same time, the Committee remains unconvinced that these reductions are all the direct result of efficiency measures, including the implementation of Umoja, given the absence of clear and comprehensive information in this regard.

Specifically concerning the impact of Umoja, the Advisory Committee is concerned that despite a significant investment of resources and repeated assertions that the implementation of the system, and its use, would improve the availability of information and analysis, its introduction has not led to an improvement in the quality or timeliness of the information provided in the case of the budget proposal for 2018-2019.

On staffing, the Secretary-General proposes a net decrease of 92 posts comprising 175 posts for abolishment, offset in part by the establishment of 79 new posts and the conversion of four posts from general temporary assistance. Overall, the Committee reiterates its concerns about the increasing number and proportion of senior-level posts and the fact that the reductions in the lower-level professional grades could negatively impact important human-resource-management targets for the Organization. The Advisory Committee’s observations and recommendations on the proposed staffing requests are contained in the respective sections of its report.

Mr. Chairman,

In nearly all the sections of the budget, the proposal put forward by the Secretary-General for 2018-2019 reflect only minimal changes in the staffing levels and structures, from those approved in the 2016-2017 biennium, and does not reflect the Secretary-General's reform proposals. The main exception concerns the proposed resource requirements for section 2, General Assembly and Economic and Social Council affairs and conference management, which reflects a net reduction of 40 posts, and a proposed reorganization of the Translation Services in New York. The Advisory Committee recognises the efforts made by the Department in this regard and is of the view that the reorganization should be implemented in a phased manner, initially limited to Headquarters.

Mr. Chairman,

In closing, let me say that the proposal before you will likely be impacted by the different reform tracks that the Secretary-General has launched. While certain reforms will not necessarily have a direct impact on the resource requirements for the biennium 2018-2019 per se, the proposals will impact upon the way the Secretariat functions, moving forward. The Advisory Committee will be examining the different reform proposals and will provide its advice to the General Assembly as quickly as possible.

I thank you, Mr. Chairman.