



Statement on behalf of the Member States of the European Union

by

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Chair, Secretary General

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 the Republic of Moldova and Georgia, align themselves with this statement.

Chair, Secretary General,

I would first like to thank you, Mr. Secretary-General for your presentation of the proposed United Nations Programme Budget for the years 2018-19. Your presence is a clear demonstration of the importance of this agenda 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 that Committee.

Today, the United Nations is called upon to respond flexibly to ever more diverse and evolving global challenges: to support the Sustainable Development Goals, as set out in Agenda 2030, to address threats to international peace and security, and to defend fundamental rights and freedoms. As the demands on the UN system evolve, so must the Organization.

A responsive UN requires a planning and budgeting tool that is transparent and agile. One that ensures that resources are allocated in the best possible way to deliver the UN's crucial mandates. One that can flex to meet priority demands. And one where Member States are confident that resources are being spent well. These are the principles that should guide us through our work.

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

The budget document we consider today has seen improvements compared with recent years. It reflects efforts by the Secretariat to increase transparency and streamline processes, including through technologies such as Umoja and ICT. We also acknowledge the improved presentation of resources, and the streamlined layout of performance measures.

But today's budget proposal also bears the marks of years of incremental budgeting. There is a high degree of automaticity, where the Fifth Committee is invited year after year to approve requests for individual posts and siloed resources. Such an approach undermines the strategic nature of the budget. It also reduces Member States' real oversight over how the Secretariat intends to fulfill its mandates. Grade inflation for higher level posts continues whilst junior entry-level posts are lacking. Rejuvenation of UN staff is needed, as you have mentioned before in the past.

The current system lacks flexibility in terms of managers' ability to reprioritize and redistribute resources and staff according to emerging priorities. It is not set up to maximize a sense of strategic prioritization, of managerial ownership or responsibility for results. Not least, the current system of incremental budgeting with piece-meal additions and so-called "recosting" is not conducive to the strict budgetary discipline and predictability we as Member States expect. For too long, add-ons have been adding hundreds of millions of dollars to the budget level.

Chair, Secretary General,

For all these reasons we support you in your ambition to reform the UN's budget processes. To increase responsiveness. To strengthen strategic direction. To convey a clearer narrative of how resources are supporting results. To allow more rigorous reprioritization. To encourage innovative and streamlined working

methods. And also to allow senior managers flexibility to shift resources within overall envelopes if it helps them get the job done better. In return, we will hold managers more closely accountable for the resources they use and the results they achieve. We will continue to focus on the need for transparency and the provision of clear and precise information throughout the budget process, to help you implement mandates as effectively as possible.

To conclude, Mr. Chair, we are committed to engaging constructively to ensure adequate resourcing for the next Programme Budget. We believe that the Budget Outline of \$5.4 billion adopted last year represents an adequate level for resourcing, and we should adhere as closely as possible to this overall envelope.

The Member States of the European Union look forward to working towards consensus with all partners for greater budget discipline, transparency, flexibility and accountability at the UN. It should be our common goal to approve a strategic budget, at an overall level that ensures effective delivery to the field, with precise guidance in terms of priorities, while providing enough flexibility for the Secretary General and his senior team to manage for results.

I thank you.