



FIFTH COMMITTEE

Second performance report for the programme budget for the biennium 2018-2019

Statement by
Assistant Secretary-General, Controller
18 December 2019

Mr. Chairman,

Distinguished delegates

I have the honor to introduce the report of the Secretary-General on the second performance report on the programme budget for the biennium 2018-2019 (A/74/570), which provides an estimate of the anticipated final level of expenditure and income based on actual expenditure for the first 22 months and projected requirements for the last 2 months.

For the expenditure sections, the proposal remains within the approved appropriation of \$5,873.7 million. The final level of income is estimated at \$572.1 million, reflecting an increase of \$8.7 million.

Although there are no changes to the overall level of appropriation, the estimates reflect increases related to commitment authorities and unforeseen and extraordinary expenses (\$27.7 million) and increases related to post incumbency (\$69.1 million), which are fully offset by lower requirements for non-post resources (\$84.1 million) and changes in currency exchange rates and inflation (\$12.6 million).

Budget implementation in 2018-2019 has not been driven solely by programme planning, but also by the availability of cash at hand. A number of measures were undertaken during the biennium to manage the liquidity crisis by aligning expenditures based on liquidity, including postponing non-post expenditures and slowing the hiring of staff throughout 2019. This undermines mandate delivery and goes against our efforts to focus more on results and less on inputs.

As presented in the most recent reports of the Secretary-General on the financial situation of the United Nations (see A/73/809 and A/74/501), the regular budget operations are facing the worst liquidity crisis in recent years. Structural rigidities such as the use of average vacancy rates and the limitations on transfers of funds across budget sections and budget classes, have

exacerbated the management of resources, making it more difficult to mitigate the negative impact of cash shortages on mandate delivery.

The General Assembly is also being requested to suspend, until the financial situation has improved, the application of credits under regulations 3.2 (d) and 5.4 of the United Nations Financial Regulations in relation to the amount of \$25.19 million, resulting from the surrender of appropriations for the biennium 2016–2017.

I look forward to the discussions on this item.

Thank you.