

**Statement of the Chairman**

**Advisory Committee on Administrative and Budgetary Questions (ACABQ)**

**October 8, 2019**

**Proposed Programme Budget for 2020**

*(ACABQ report: A/74/7)*

Mr. Chairman, Mr. Secretary-General, Your Excellencies and Distinguished Delegates

I am pleased to present the Advisory Committee's report on the proposed Programme Budget for 2020, in document A/74/7, noting that the Secretary-General's proposal is the first annual budget following the adoption of resolution 72/266A by the General Assembly. The Committee's report covers the estimated resource requirements for the United Nations Secretariat, with the exception of the detailed review of the proposed resources for the special political missions, which will be introduced separately.

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 draws upon additional information provided by the Secretary-General and his representatives during the Committee's deliberations.

Mr. Chairman,

The Secretary-General proposes a budget for 2020 amounting to \$2,868.3 million before recosting, reflecting a decrease of \$79.2 million, or 2.7 per cent, as compared with the 2019 portion of the revised appropriation. After inclusion of

preliminary recosting, the proposed level of resources amounts to \$2,939.9 million which is 0.3 per cent below the 2019 portion of the revised appropriation.

The Advisory Committee recognizes the challenges faced in presenting budgetary information that facilitates comparison between the resources proposed for 2020 and the resources approved for the biennium 2018-2019, given the absence of both a General Assembly-approved appropriation level for 2019 or a preliminary estimate for 2020. Nevertheless, the Committee considers that clearer explanation and justification for the baseline could have been provided.

The Committee notes that there will be additional elements, not contained in the budget proposal being introduced today, that will impact the overall level of resources required for 2020. These include the requirements for ongoing construction projects, the proposal for the UN Mission to support the Hudaydah agreements, and several other matters for which resource implications are still to be determined. The Committee trusts that these additional requirements will be considered in accordance with established budgetary procedures.

Mr. Chairman,

The Secretary-General's report indicates that his proposal allows the Organization to fully and effectively implement its mandates and includes reductions of \$59.2 million, following an internal review of resources.

The Advisory Committee considers that further improvements are needed to enhance the clarity of resource changes to be presented in future budget

proposals, particularly with respect to those arising from efficiency measures, productivity gains and/or technical improvements.

The Committee also comments extensively on the budget methodology, format and presentation of the 2020 budget proposal and makes recommendations for future proposals. It recommends that the General Assembly request the Secretary-General to include clear, comprehensive explanations of the approved methodologies to be applied in the context of the programme budget proposals to be submitted in respect of the 2021 and 2022 budget periods, with reference to the applicable provisions of relevant Assembly resolutions, including resolutions 47/212A and 72/266A. In addition, the Secretary-General should clearly identify those provisions and rules that are proposed to be formally suspended or no longer applied during the trial period.

Furthermore, the Committee notes that the Secretary-General's presentation of the 2020 programme plan and budget proposal in a consolidated report for concurrent review by different subsidiary bodies serviced by the same Secretariat offices had an impact on the Committee's related hearings with Secretariat officials, the timeliness of the review process and the accuracy of the related documentation. The Committee trusts that the Secretary-General will complete his impact assessment of the changes to the budgetary cycle on the work of the relevant subsidiary bodies of the Assembly, which should include proposals to preserve the sequential nature of the review processes, and transmit the results for the consideration of the General Assembly.

Mr. Chairman,

Regarding the changes to the presentation of the budget document, while recognizing that the transition to an annual budget period presents a challenge, the Advisory Committee considers that this has been exacerbated by difficulties arising from the fragmented presentation of budgetary information, the absence of information on the variances between the proposed resources for 2020 and the appropriation for 2019, as well as the impact of the revised presentation on the Committee's review process itself. Overall the Committee considers that the new budget format does not promote overall budgetary coherence in terms of drawing clear-cut, explicit linkages between resource proposals and the mandated activities of the Secretariat.

Under the new presentation, the programmatic information and the financial information for each subprogramme/component is distributed across different parts of the budget fascicle and the supplementary information, whereas previously both programmatic and financial information were presented together, with more details in the supplementary information to enable a comprehensive analysis of individual classes of expenditure. The supplementary information provided in support of the 2020 budget proposal includes explanations of the changes in the proposed level of the resources in only a few cases.

Furthermore, with regard to the presentation of financial information, while noting the inclusion in the budget fascicle of a bar chart on the variances between the proposed resources for 2020 and the appropriation for 2019, the Advisory Committee points out that the accompanying narratives are mostly of a very general nature, devoid of specific financial information. Furthermore, aggregated

programme-level comparative information is not presented, making it difficult to analyse overall changes and trends.

Mr. Chairman,

At this juncture, allow me, if I may, to summarize a few of the other main recommendations as well as draw your attention to some specific issues raised by the Advisory Committee in its report on the budget proposal.

The recommendations outlined in the Committee's report would entail an overall reduction of \$11.4 million to the Secretary-General's budget proposal for 2020, mainly due to the recommended reduction in the resources under section 8, along with recommendations for some reductions in a number of other sections.

On staffing, the Secretary-General proposes a net increase of 25 posts for 2020 comprising 121 post conversions, 25 new posts, partially offset by the proposed abolishment of 121 posts. Overall, the Committee notes that for 16 budget sections and one subsection, there are no proposed changes in the post allocation for 2020. Net reductions are proposed in 10 budget sections and 3 subsections.

The Advisory Committee reiterates its concern that the proposed staffing profile of the Secretariat again shows an increasing number and proportion of senior posts at the level of D-1 and above and that continuing reductions in the lower-level professional grades could negatively impact important human-resources management initiatives, such as the young professionals programme, and other efforts to achieve important human resources targets, such as those

pertaining to geographic and gender balance, as well as efforts to rejuvenate the Secretariat workforce. As a result, the Committee recommends, on an exceptional basis, against the proposed abolishment of the six P-2 posts contained in the 2020 budget proposal.

Furthermore, the Committee stresses again its concern regarding cases of protracted temporary assignments of staff to high-level positions and recommends expeditious filling of all vacant positions.

The Committee also makes a number of observations and recommendations concerning non-post resources including other staff costs, travel, consultants, and grants and contributions.

Mr. Chairman,

I trust that the Committee's observations and recommendations on the budget proposal will assist the Member States in their discussions.

I thank you.