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This week, no specific reform proposals were discussed in the Fifth Committee. However, at the introduction of the proposed programme budget for 2008-2009 by the Secretary General on 25 and 26 October, the Secretary-General did stress the ongoing reform process. The between 15-25% expected final increase in the proposed budget, which will include add-ons still to be submitted, raised considerable concern among those Member States who pay most of the dues.

SG PROPOSES BUDGET

Secretary-General Ban Ki-moon's remarks on 25 October 2007 during the introduction of the proposed programme budget of \$4.2 billion, included a reminder to Member States that though the proposed programme budget, which does not include expenses towards peacekeeping operations and tribunals, involves an increase of \$23 million (half a percent), the resources of the UN remain stretched quite thin.

As to UN reform, the Secretary-General explained: "Reform is a process, not a one-time project," adding that "as an organization, we need to be faster, more flexible, and more modern." Avoiding duplication as well as streamlining and rationalizing the UN's work will save costs. In regard to management reform, he explained that he set up a new change-management task force which will particularly focus on human resources, budget and finance, and procurement. Key reform concepts stressed by the Secretary General included: simplification, rationalization, transparency, and accountability.

The Secretary General will submit a number of initiatives on frameworks for accountability, enterprise risk management, results-based management, and an integrated global resource management system (ERP) and he explained that some of these will result in add-ons to the budget. Furthermore, following the reorganization of peacekeeping operations, he would like to turn the UN's attention to conflict prevention and peace-building.

REACTIONS FROM THE FLOOR

The Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Mr. Rajat Saha, explained that the ACABQ proposed that the \$23 million increase be reduced by \$11 million. Stressing the need for budgetary discipline, he indicated that the piecemeal submission of the budget – with add-ons for various initiatives, some of which are still to be received from the Secretariat – undermines the budget process, a sentiment shared by virtually all Member States who made statements.

Those Member States or their groupings which contribute the most to the UN budget (EU, US, and Japan among others) expressed concern about the budget increase, especially in light of the fact that the add-ons will result in a much higher budget. Japan felt that the increase in the budget is excessive and calculated the expected final increase (including add-ons) to be more around 22%. Japan would like funds from obsolete programs to be used towards new initiatives and would like to

receive additional proposals on streamlining efforts which could reduce costs. Additional expenditures, Japan further stressed, should be contained within the Contingency Fund. The US calculated that the proposed budget would more likely approach 4.7 billion plus (4.190 billion estimate, plus 270 million for recosting etc, plus add-ons of 306 million), an increase of 15%. The representative of the US indicated that though the US had proposed zero growth in the budget in the past, it was clear that this would not be an option this time. The EU estimated that the proposed programme budget would probably come close to \$4.8 billion – including inflation and exchange rate fluctuations beyond the control of the Secretariat. The EU proposed to closely scrutinize recurrent expenditures to see if costs can be reduced.

Pakistan, on behalf of the G77 and China, stressed that the General Assembly never made a formal decision on zero nominal growth which is “the desire of only few Member States.” This group is concerned by the mere 0.5% proposed increase in the development budget and indicated that they might put forward proposals for additional resources in programmes it considers important. The Pakistan representative said that there clearly is “apartheid in regard to development” within the UN. The G77 also repeated earlier concerns regarding equitable geographical and gender representation in hiring staff and lack of transparency in hiring, including consultants. The high number of vacancies at the UN is worrisome. In particular, the G77 wondered why the Under-Secretary-General for the Department of Field Support has not yet been hired and stressed that the G77 believes this person should come from a developing country.

As one NGO observer later noted, an increase of half a percent in regard to the UN’s ongoing activities is “peanuts.” The add-ons will obviously result in a more significant increase but one “should bear in mind that these mostly concern reform efforts that those Member States who pay the highest dues appear to encourage the most.” It would be helpful to know how much of this increase involves only a one-time or short-term expenditure.

For an extensive report on the introduction of the budget – including summaries of statements made by Canada – also on behalf of New Zealand and Australia - South Africa on behalf of the African Group, Republic of Korea, Bangladesh, Nicaragua, Venezuela, Mexico, Thailand, Botswana, Switzerland, and Iceland – as well as related background information, please see the report of the Department of Public Information at:

<http://www.un.org/News/Press/docs/2007/gaab3818.doc.htm>

**This update is meant to be a summary of some of the main ideas discussed during the meetings and does not represent a complete and official account of all positions expressed by Member States.*