

*Agenda Item 123: Proposed Programme Budget for the Biennium 2002-2003*

*Statement by Mr. Kamallesh Sharma, Permanent Representative on October 17, 2001*

---

Mr. Chairman,

Since I am speaking in this Committee for the first time in this Session of the General Assembly, please accept my heartiest congratulations on your assumption of charge as Chairman. They go to your other Bureau members as well.

2. We wish to thank the Secretary General for his presentation two days ago in this Committee on the Organisation's budget for the next biennium. Our thanks are also due to the Chairmen of the CPC and the ACABQ for their reports, and their presentations. We found Ambassador Mselle's introductory statement to be incisive. Member States now have a figure to work with, courtesy his presentation. Our grateful thanks to the Secretariat for the painstaking efforts put in in the course of the budget preparation, and for ensuring its timely submission.

Mr. Chairman,

3. India aligns itself with the statement made by Iran on behalf of the G-77. Since we have had the benefit of hearing others, we wish to join those that have (i) expressed happiness at the new presentation of the budget and the clarity in its introduction, (ii) made explicit their concern on the number and type of proposed reclassifications, (iii) stressed importance of the MTP as the principal policy directive, (iv) reiterated the continued significance of Article 17 of the Charter, (v) highlighted that resources provided should be commensurate with all mandated programmes and activities without an artificial "ceiling" in mind. (vi) referred to the provisions of Resolutions 41/213 and 42/211 continuing to be valid, and, (vii) noted the excessive use of extra-budgetary funds.

4. Let me also express our happiness with what has been intimated by Under Secretary General Connor last week as regards the financial situation of the Organisation. We are indeed happy that the Secretariat expects the years of "doom" and "gloom" to be replaced with "good news". As a country that is owed the second largest amount in peacekeeping arrears, and one that has had to wait for some years now for reimbursements, we expect to be reimbursed at least a third of the over \$ 90 million that is owed to us fairly soon, and will look forward to a confirmation on this. What continues to be disconcerting, though, is the US \$ 1.8 billion in projected debt to the organisation, with large amounts owed by the major contributors; the continuing negative cash balance with the Organisation is also worrisome. The membership of this Organisation should work with a greater resolve to return financial flexibility to the Organisation.

Mr. Chairman,

5. While we have noted from the Secretary General's presentation that "small but important increases in certain priority areas" have been proposed, the resource

requirements would undergo significant changes when the figures are re-costed. While ZNG/ZRG budgets were proposed and approved in the past six years, the next biennium budget will need to provide for an amount anywhere between US \$ 50 million and 155 million (herein comes the key role of the Controller and his team) towards re-costing, including approximately \$ 30 to 35 million between December last year and now. We expected the Secretary-General to forewarn us, with the concern that it deserves, that the relative value of the US dollar *vis-à-vis* the other currencies, that has in great part contributed to past savings and thereby ZNG/ZRG budgets in the 3 biennia before the next one, is in all probability going to present an insurmountable challenge to the General Assembly in arriving at a budget similar to the previous one, if that was what some of our more privileged partners were looking forward to.

6. Besides, this house will have to be told how additional expenditures for implementing the Brahimi recommendations, enhanced Safety and Security measures, the UNFF and, any other approved mandates, will be met. We, therefore, believe that a ZNG budget is impracticable, and thought it fit to raise this since one delegation so far has referred to the ZNG. We believe that the additional resources for the above activities could easily be built into the budget, given the relatively small figures associated with them. As for re-costing estimates, coming as they do from exchange rate fluctuations and inflationary trends, most of us could agree that these do not constitute an actual increase in the budget of the Organisation.

7. Speaking on the Report of the Work of the Organisation, we acknowledged the Secretary General's assertion that the United Nations is now equipped to operate more efficiently and effectively, and is in a position to make the best use of its financial and human resources. While peacekeeping is strengthened vigorously, through the provision of significant additional resources to the DPKO, the General Assembly should equally focus itself on efforts to strengthen Departments that service the economic and social sectors, where the biggest challenges to the international community lie.

8. We were told that nearly \$ 2.02 billion, of the \$ 2.52 billion budget proposal, would go towards staff costs. That would leave just \$ 500 million over the next two years for implementing mandated programmes and activities. Following the adoption of the Millennium Declaration last year, in the presence of over 150 world leaders, the very least that the membership of the Organisation should be doing is to give the Secretary-General the resources required that will enable him to carry out the mandates "imposed" on him. We have noted the two points that he raised in the context of the level of resources requested for by him: firstly, that the Secretariat could do more with less but only up to a point and, secondly, that further budgetary constraints would seriously compromise his ability to deliver the services expected from him.

Mr. Chairman,

9. We have noted the Secretary-General's appeal for help in facilitating a strategic re-deployment of resources through implementation of the "sunset provisions". He has urged that this be given serious thought. On lines similar to what we have said in the plenary this Monday on the Report of the Security Council, we

would suggest that the General Assembly, in the kind of financial and budgetary situation it finds itself in, continuously assess the cost-effectiveness of its programmes and activities. Those activities that are believed to be a drain on UN resources deserve a ruthless scrutiny before the programmes' financing is approved under a result-based budget regime. This kind of a scrutiny is permitted under the existing provisions of the PPBME rules. One way to do this is to have the OIOS, which is charged with the responsibility of detecting fraud, waste and abuse of authority, undertake a preliminary study. According to a valuable statistic emanating from the statement of the delegate of Singapore, with a budget of US \$ 19 million, the OIOS has exposed waste and fraud totalling some \$ 200 million. If this true, there could be no other unit better equipped to do this! May I also add that the office needs the minimal additional support it has requested for, in its next budget.

10. In conclusion, Mr. Chairman, we believe that the budget negotiations should be conducted in an open and transparent fashion, enabling an eventual decision that is adopted by consensus. Allow me to resort to an oft-cited cliché in this Committee. Consecutive Chairs of this Committee have had to grapple with magical formulae that eventually managed to distribute unhappiness equally. We wish you all the very best towards this end. We assure you our fullest support and cooperation.