

**Statement by Mr. V.K. Nambiar, Permanent Representative on Proposed Programme Budget for the Biennium 2004-2005 (Agenda Item: 121) at the Fifth Committee of the 58th Session of the UN General Assembly on October 29, 2003**

Mr. Chairman,

We wish to thank the Secretary General for his presentation of the regular budget of the Organisation for the coming biennium. We would like to express our appreciation to the Chairman of the CPC and the Chairman of the ACABQ for the introduction of their respective reports.

2. It would be remiss on our part not to acknowledge with appreciation the efforts that have gone into the preparation of a more user-friendly and streamlined budget document and its timely submission. The related report of the Advisory Committee is equally incisive and thought-provoking. It raises questions and makes many innovative recommendations that are worthy of close examination.

3. Morocco has outlined the approach of the Group of 77 towards the Budget and my delegation aligns itself with that statement.

4. While looking at the proposed regular budget figure of around US\$ 3 billion, we are struck by the fact that the extra-budgetary resources are expected to be a further US\$ 4.2 billion. Peace-keeping budgets for the biennium are likely to be upwards of US\$ 5 billion. Added to this will be the budget of the Tribunals, a further US\$ 600 million or so, giving the total budget of the Organisation of about US\$ 13 billion. Over most of these resources, there is relatively little or no inter-governmental scrutiny. The proposed programme budget for the coming biennium accounts for less than 25% of the total outlay of the Organisation. Even within this 25% or so, staff costs account for 80% of the total costs. Of the remaining 5%, much is fixed. In the end, the General Assembly, through the Fifth Committee, will be going through the convulsions of negotiating over many weeks, perhaps over less than 1% of the total outlay of the Organisation. This leads to the inescapable conclusion that the General Assembly devotes for every biennium a disproportionate amount of its time and effort in negotiating the programme budget. No doubt, it is the programme budget that provides essential back-stopping for much of the Organisation's activities and assists Member States in functioning effectively through the various inter-governmental bodies. With the ever-increasing mandates that we ourselves give this Organisation, there can be no such thing as a zero nominal growth budget. Nor do we see any logic in the budget level being made a victim of currency fluctuations.

5. This is not to belittle either the importance of the inter-governmental scrutiny of the Regular Budget, or of the need to ensure prudence in the expenditure of the tax-payer's money of every Member State. My delegation sets high store by results-based management and accountability in the Organisation. In substance, we agree with the Advisory Committee that creation of new posts is not the only vehicle through which one can ensure enhanced programme delivery. But we should not set artificial limits or impose arbitrary cuts in the core budgetary resources of the Organisation.

6. Developing countries such as India have no desire to 'micro-manage' nor are we attached to an input-based approach to the budget. We are concerned legitimately about the adequacy of funding of areas of priority interest to us and of those services provided by the Organisation that assist us in making an effective contribution to its work. Also, we have to bear in mind that the regular budget is the only vehicle through which developing countries have a say in the financing of priority areas in the social and economic sectors in which they face immense challenges and expect the international community to play a supportive role.

This interest in inputs will remain till results-based budgeting begins to inspire confidence that the objectives of programmes and activities are indeed being met.

7. The logical framework of results-based budgeting has been further enhanced in this budget document through the introduction of performance targets. However, although we are informed that the budget contains as many as 600 expected accomplishments and 900 indicators of achievement, it is not so much their number but their quality that is important and we feel that much remains to be done in this respect. Unless that happens, it would be difficult to progress to an output-based system of inter-governmental scrutiny.

8. The proposed programme budget level, before re-costing, matches the level of the budget outline of US\$ 2.905 million approved by the General Assembly in resolution 57/280. The sanctity of the budget outline has rarely been respected in recent times; we believe that this is unfortunate and calls into question the very utility of the General Assembly approving a budget outline.

9. Turning to specifics, we welcome the significant reallocation of post and non-post resources within the budget sections. We believe that rather than seeking new resources, it is prudent to examine and propose where resources are redundant and to reallocate them to priority areas; this has made it possible for the Secretary General to seek an additional appropriation request of only US\$ 15 million over the last biennium.

10. We commend the Secretary General for recommending elimination of several reports, meetings and other activities of marginal utility. There are several other areas which need to be explored for reducing the number of meetings and reports, reducing the number of resolutions and agreeing on sunset provisions for both existing activities and new mandates. These will, no doubt, require further discussions.

11. We also welcome the fact that 912 recurrent outputs have been identified and proposed for deletion, and look forward to examining them and confirming that they are indeed obsolete or of marginal utility. We shall also be guided in this by whether or not the relevant rules and procedures of the Organisation have been followed in identifying these outputs.

12. On the report of the Advisory Committee, we have noted with interest the recommendations on combining programme and financial performance reports, reallocation of resources, personnel matters, requests for additional posts, and IT among others. We look forward to examining these in detail during the informal sessions.

13. The attempt to re-focus resources toward priorities of the Organisation in the budget document deserves commendation. We are glad to see higher allocations in several key areas and in particular welcome the increased allocation to UN support for NEPAD.

14. The coming weeks of discussions on the budget will test the limits of our negotiating skills. When the time comes, we hope we will take decisions that are wise for the health and continued vitality of this Organisation. Let us make informed decisions. It is as important to know and acknowledge what is not said in the budget documents as what is explicit. Delegations found this to their cost following decisions in the last budget negotiations. The involvement of the Secretariat and the Advisory Committee in explaining the implications of decisions that Member States will be making is crucial in this respect.

15. My delegation looks forward to open, transparent and pragmatic discussion of the budget documents and to working with other delegations for a productive and constructive outcome.

Thank you, Mr. Chairman.

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