



**Statement on behalf of the Member States of the European Union**

**By**

**H.E. Thomas Mayr Harting  
Head of the European Union Delegation to the United Nations**

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Proposed Programme Budget 2012-2013**

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**- CHECK AGAINST DELIVERY -**

Mr. Chairman,

I have the honour to speak on behalf of the Member States of the European Union.

[The Candidate Countries Croatia\*, the former Yugoslav Republic of Macedonia\*, Montenegro\* and Iceland†, the Countries of the Stabilisation and Association Process and potential candidates Albania and Serbia, as well as Ukraine and the Republic of Moldova align themselves with this declaration.]

Mr. Chairman,

We would like to congratulate you upon your election as Chairman of the Fifth Committee together with the other members of the Bureau. You can be assured that we stand ready to engage constructively in the negotiations of this important session. As always, we are committed to discussing thoroughly each and every item on our agenda this session in order to reach a consensual outcome on all issues.

I would like to thank the Secretary General for his presentation of the Proposed programme budget for the biennium 2012-2013. I also thank the Chairperson of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Collen Kelapile, for his presentation of that Committee's report.

First, with regard to the Proposed Programme Budget for the biennium 2012-2013, we would like to welcome the Secretary General's efforts to prioritise funding requests and identify more cost effective ways to deliver. While we continue to be staunch supporters of the United Nations and the principle of effective multilateralism and we believe that the Organisation should be provided with the necessary resources to conduct its work, we still see substantial room for improving the effective and efficient functioning of the Organisation. In our opinion, the UN and its Secretary General could and should indeed do more with less. Optimising resource usage and reducing

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\* Croatia, the former Yugoslav Republic of Macedonia and Montenegro continue to be part of the Stabilisation and Association Process.

† Iceland continues to be a member of the EFTA and of the European Economic Area.

costs would enable the Organisation to fulfil its mandates through rigorous implementation of a results-based management and budgeting approach.

We also acknowledge the ACABQ's review of the proposed budget. In particular, we would highlight the Committee's positive welcome for the Secretary General's initiative to review programmes and business processes to ensure the most effective and efficient implementation of mandates. But we also share ACABQ's view that there was scope to propose efficiencies that were more significant and structural in nature, as well as sustainable in future budgets.

Mr Chairman

In this period of global financial crisis affecting Member States of the European Union and the membership of the United Nations at large, it is important that we ensure that all resources of the Organisation are used in the most effective and efficient way and that the same strict budgetary discipline is applied that Member States are applying themselves. As the Foreign Affairs Council of the European Union stated on 20 June 2011: "The EU is committed to ensuring that UN financial resources are managed efficiently and effectively, according to the principles of budgetary discipline and coherence, in conformity with the highest international standards". This is a reality that the Organisation will have to handle in close dialogue with all Member States.

Until now, this dialogue of substance has not taken place. We look forward to engaging constructively with the Secretariat and all UN Member States when re-adjusting the level of the proposed programme budget to a level that will allow the Organisation to fulfil its mandates while at the same time respecting the current economic realities of the Member States, including their actual capacity to contribute to the UN budget according to their share of world GNI. To that end, we will carefully scrutinise all areas of the Secretary General's budget proposal. In this respect we would also like to stress that the current scale of assessment does not fully respect the principle of capacity to pay which was clearly recognised by General Assembly resolution 64/248, in which the Assembly decided by consensus to review, at its earliest opportunity, all elements of the methodology. For these reasons, as the Foreign Affairs Council of the European Union confirmed in June, "the establishment of a new methodology for the scale of assessments,

reflecting a fairer and more balanced distribution of the financial responsibilities among Member States according to their capacity to pay, is a key EU priority".

Moreover, we would like to recall our long-standing position that all measures need to be taken to avoid a piecemeal approach. To that extent, we also reiterate the importance of presenting proposals on how to reform the UN budget process so as to achieve greater discipline, transparency, flexibility and accountability, while moving away from incremental budgeting. Therefore, we regret the practice of attaching add-ons to the Proposed Programme Budget, even before negotiations have started. We cannot accept this piecemeal approach to the budget process. In this day and age, any Member State needs to know more than ever what the overall picture of its contribution to the UN regular budget will be. This is not the case under the current unpredictable budget process which needs a fundamental overhaul.

Mr Chairman

An on-going effort to find more efficient ways to operate is the only way to achieve sustainable resourcing in the future. A business as usual approach cannot continue when prevailing economic realities affect and determine the availability of resources. Experience from public sector reforms in various Member States indicates that better results can be achieved with fewer resources if based on new thinking and creative solutions. We need new and creative approaches to certain questionable habits we have adopted for elements of the programme budget. For example, the practice of re-costing is no longer sustainable. Nor is the lack of prioritisation in funding requests. Similarly, the practice of automatically replacing all retiring UN officials should be scrutinised.

At the same time, we will continue to support management reform processes such as human resources management, Enterprise Resource Planning, the Change Management team and procurement reform as well as other efforts to modernise the Organisation. Management reforms should be a major step towards modernisation, and a way of allowing the Secretariat to better manage its human and budgetary resources and make it work more effectively and efficiently. Throughout the past years we have seen several reforms and modernisation initiatives. Member States have supported these and have therefore invested considerable

resources in them. It is fair to expect substantial quantitative and qualitative benefits yielding from these initiatives, yet we are asked to invest even more.

To conclude, Mr. Chairman, let me reiterate that we are committed to working closely with all partners in a spirit of openness, transparency and constructive and consensus-based cooperation in order to reach tangible results at the end of the main part of the 66<sup>th</sup> session of the General Assembly.