



United States Mission to the United Nations

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Thank you Mr. Chairman, and thank you also, on behalf of the United States, to Secretary General Ban Ki-moon, Under-Secretary-General Angela Kane, ACABQ Chairman Collen Kelapile, and all the members of the Secretariat and the staff who have produced the 2012-13 budget for our consideration today.

Mr. Chairman, we meet at a time of fiscal crisis, not for just one or a few member states but for nearly the entire membership of the United Nations. In the General Debate that recently ended, we heard leader after leader, north and south, east and west, speak of the new economic realities. For all of us, resources have become more scarce, outcomes have grown more important, and leaders are being held more accountable.

But the wisest of those leaders know that times of great crisis are also times of great opportunity. The fiscal challenges of our time give the United Nations a chance to fully realize the calls, made over many years now, for fundamental and far-reaching reforms in how the UN does business, calls that in more prosperous times were easier to ignore. They give us, as member states, the chance to rise above some of the tired dynamics that have played out in this room year after year, to come together around an agenda for a leaner and more effective UN and prove the cynics wrong. And they give each of us here the chance to leave behind a lasting legacy to those who follow us: a strengthened, renewed, more dynamic and entrepreneurial UN.

In this budget document, we can see that some in the UN system have indeed recognized the opportunity in this crisis.

We see leadership: the Secretary General took a bold first step – and some political heat – in calling for UN managers to tighten their belts. We applaud him for seeking to halt a ten-year trend of budget increases, and for courageously telling this organization not what it wants to hear but what it needs to hear: that these are not ordinary times.

We see innovation. The Department of Public Information proposes to spend about \$5 million dollars less than it did in 2010-2011 by introducing modern information management technologies, making wider use of the internet and social media, and deploying online reporting and management tools.

And we see what good, entrepreneurial management can look like at the UN. We heard in the Committee on Conferences that since 2009, the Department of General Assembly and Conference Management (DGACM) has reduced the number of pages printed by the United Nations by 65 percent. That means that DGACM has saved, on an annual basis, a pile of paper 49 times the height of the Secretariat building. We need to look no further than that pile of paper to know that reducing resources does not mean compromising mandates: the UN, like any organization, can always do more with less. And doing so unleashes a cycle of creativity, dynamism, innovation and renewal.

But as we review this budget we also see, as I said here last month, that while the Secretary General has led, not enough of the rest of us – both within the organization and among the member states – have followed. The innovations I just described have enabled the publishing section of DGACM to propose a reduction in its work force by 41 posts, for example; yet, the organization as a whole is shrinking by just 44 net posts, a reduction of only four-tenths of one percent. And while we debate that 0.4 percent, potential add-ons to this budget – both those that we know today, and those yet to be considered – mean that the Secretary General’s commendable call for budget restraint could, if we are not disciplined and careful in our work in this Committee, end in a budget that actually increases from the last biennial budget.

So how then should we respond fully to the Secretary General’s leadership? How do we seize this opportunity?

Our first and most urgent task is to set the UN on the path of real fiscal discipline in the 2012-13 budget. That means passing a budget with substantial and sustainable reductions. It means judging whether we’ve achieved real savings by using as our benchmark not a budget outline, but the expenses we approved during the previous period, the 2010-11 bienium. It means measuring all expenditures, including add-ons, in our definition of expenses for the 2012-13 period. And it means achieving savings that will recur, savings the ACABQ would call “significant and structural.”

Doing that will require, above all, tackling personnel costs, which have dramatically increased over the past decade. As the ACABQ report points out, 74 cents out of every dollar the UN spends is related to personnel costs.

The United States therefore calls for a freeze on pay for UN staff while the comparator salaries, those of the United States federal civil service, are frozen. We also repeat our call for repealing the nearly 3% raise given to New York based employees through the cost of living adjustment in August, and urge the General Assembly to act if no action is taken by the International Civil Service Commission. Many member states, governments, businesses and NGOs have implemented total or partial hiring freezes on vacancies resulting from attrition, and in these difficult times the UN should do the same; moreover, posts that have been persistently vacant over long periods should be abolished. The disturbing trend toward upward classification of posts identified by ACABQ should be reversed: the budget before us proposes upward reclassification of 55 posts -- more than double the 27 reclassifications contained in the proposed program budgets for the past three biennia combined. Few of these reclassifications should be approved. Furthermore, we call on the Secretariat to comprehensively review all current employee benefit programs and costs, including health care, pension, and leave and travel policies.

The United States has profound respect for the work of the dedicated professionals serving the United Nations – many of them, especially those in the field, doing so in very difficult circumstances and often at great personal sacrifice. But we do those men and women no favors by turning a blind eye to the trends in personnel costs as a whole. In fact, it is the employees of the UN who will ultimately suffer if we and UN managers do not do our jobs well, and more draconian austerity measures become unavoidable. And when a significant percentage of employees leave each year through normal attrition (retirements, resignations, transfers, non-renewals, etc), smart managers can right-size the UN and avoid across-the-board layoffs at the same time.

Our second task is to ensure that the budget we pass is in fact a binding budget, and prevents the UN from spending more than we actually approve this fall. We continue to be disappointed and concerned that every year Member States are presented a significant number of add-ons at considerable cost that in some cases are not mandated, in many cases can be foreseen, and in all cases should be better managed. Budgets are not suggestions. The UN must strictly adhere to the principles reflected in resolutions 41/213 and 42/211 that call for new proposals to be "budget neutral" or offset with savings within the approved budget. And we, as member states, must ensure that the Secretary General has the tools to enforce these policies.

We also continue to be concerned about the large additions to budget requests stemming from "re-costing." While we recognize the organization needs some ability to protect itself from inflation and currency fluctuations, there are better ways to achieve that protection than passing a budget with blanks instead of numbers and regularly adding new funds to it. We continue to seek further details and analysis from the Secretariat – as soon as possible -- on options, such as currency hedging, to deal with this issue. We should leave here with the confidence that we've approved a final budget, not a first draft.

Our third and final task is to make this the last year we deal with a budget under the current rules, by reforming the budget process itself.

As the United States has said before, the UN's budget is too complex and opaque, and it is built around the wrong measures. Paradoxically, there is too much data, but too little useful information. Readers of UN budget documents, for example, will search in vain for the actual travel budget by department or the cost of employee healthcare. But they can easily find the precise number of policy papers issued by any number of the executive committees, as if the number of papers is a measure of accomplishment.

The budget in its current form of 37 different and partitioned sections would tie the hands of the best manager in the world. Our job is to set priorities, not to needlessly constrain the Secretary General's ability to operationally adapt, as changing circumstances and times demand, to meet the goals we set. If we are demanding more accountability for results from UN managers -- as we should -- we should also give them more flexibility to redeploy some resources within and among budget sections.

As the ACABQ and the Board of Auditors have noted, the UN's results-based budgeting (RBB) process needs a major overhaul to make it into a useful tool for management. Its focus should shift from process and outputs to results and outcomes.

And finally, we need to reexamine how managers build the UN budget in the first place. It is striking that each budget begins with the prior budget's appropriation. We are caught in a perpetual exercise of adding to the previous biennium's budget appropriation with the assumption that all previous mandates should be met in the same way and require the same funding level and every new mandate requires new resources. This premise is flawed. The fundamental reality is that resources do not equate to mandate accomplishment. No organization can work effectively without prioritizing to bridge the gap between limited resources on the one hand and ambitious goals on the other. That's a conversation held daily in most governments, businesses and families; it should be held more frequently here at the UN.

Three tasks. A 2012-13 budget that represents a significant and sustainable belt-tightening from 2010-2011. A 2012-13 budget that is in fact final, comprehensive, and stable for the full biennium. And reform of the budget process this year so that the 2014-15 budget will be prepared, presented and debated very differently. If we do those three things, Mr. Chairman, we will indeed have seized this opportunity.

What's more, we will have kept faith with the people who sent us here, and with the people whose future depends on our work. We are entrusted with the responsibility of allocating these resources, but they do not belong to us. Every dollar, yen, euro, yuan, peso, real, and rand sent here represents the hard work of a taxpayer somewhere. And every dollar wasted in the UN system is a wasted opportunity to build a safer, freer, more prosperous world.

The United States is therefore committed to achieving a reformed and renewed UN that protects human rights, keeps the peace and provides security, seeds development, finds common solutions to the urgent problems of the new century and lives within its means. We look forward to working constructively with all delegations in the weeks ahead to take fullest advantage of this unique opportunity to set the UN on a path of economy and excellence for the years ahead.