



THE REPUBLIC OF KOREA

PERMANENT MISSION TO THE UNITED NATIONS

335 East 45th Street, New York, N.Y. 10017
Tel (212) 439-4000, Fax (212) 986-1083

Statement by H.E. Ambassador KIM Sook

Permanent Representative

Fifth Committee of the 66th Session of the General Assembly

Item 134: Proposed Programme Budget; biennium 2012-2013

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Thank you, Mr. Chairman,

1. Let me first extend my warmest congratulations to you on your assumption of the chairmanship of the 5th Committee. I am confident that, under your able leadership, this Committee will produce a fruitful and successful outcome. I would also like to express my sincere appreciation to the Secretary-General and his staff for their continuous efforts to fulfill the mandates under restrained condition with limited resources. I also wish to thank Mr. Collen Kelapile, Chairperson of the ACABQ, for presenting very informative overview on the biennium budget.

Mr. Chairman,

2. The Secretary-General has submitted the proposed programme budget for the biennium 2012-2013 in the amount of \$5.2 billion, which is a 3.2% reduction from the budget for 2010-2011 and 3.7% reduction from the budget outline for 2012-2013. My delegation welcomes and supports such initiative by the Secretary-General, which intends to strengthen the United Nations through the spirit of doing more with less. His initiative is particularly meaningful and timely since most of the Member States tighten their budgets in the face of unprecedented global economic difficulties. I particularly commend his efforts to explore more cost-effective ways to deliver services, like video conferencing and in-house consultancy. The strict prioritization of the work has also contributed to the reduction of the resource level below the overall indicative level further set by the General Assembly.

Mr. Chairman

3. In the last decade, the regular UN budget has been grown from \$2.6 billion for the biennium 2001-2002 to \$5.4 billion for 2010-2011. This continuous and substantial increase of the UN budget, however, will not be sustainable in light of the global economic and financial crisis. Although this budget increase is the result of increasing role of the UN in such areas as security and peace, human rights protections and development assistance, my delegation is of the view that substantive portion of the budget expansion has been also attributable to the current inefficient budget process.

4. We hope that the Secretary-General's efforts to cut the budget will be successful and effective. We strongly urge that the Secretary-General continue these efforts to establish more efficient service delivery system and to strengthen accountability and transparency of the Organization. In this regard, my delegation would like to make suggestions on three points to make the UN budget process more sustainable and efficient.

5. First of all, I would like to draw attention to the issue of recosting. Recosting is a long-held UN custom that automatically adjusts the budget to inflations and exchange-rate fluctuations. Many Member States, however, do not have this automatic adjustment practice in their own budget system. Up to 70 percent of the UN budget consists of personnel costs, which are inherently influenced by inflations. 37 percent of the budget consists of currencies other than U.S. dollars, accordingly, exposing the UN budget to exchange-rate fluctuations. Recosting has been one of the main contributors in the continuous UN budget increase. While we acknowledge the need for adjustment for unforeseen changes in the course of budget implementation, we believe that this automatic adjustment practice is unlikely to provide any incentive to use the budget in a more efficient way in such difficult situation. My delegation views that recosting should be re-examined closely for this reason. Like any other government or institution that faces financial difficulties, the UN should also make strenuous efforts to make both ends meet, and, if necessary, to absorb the impacts from these fluctuations within the given budget. In certain cases, we should consider to allow the use of the Contingency Fund to tackle excessive fluctuations. Even in this case, my delegation believes that there should be a limit to its use.

6. Secondly, we also would like to emphasize the importance of the Secretariat's ability to respond to unforeseen and emergency situations. In this regard, we have supported the Secretary-General's initiative to reform the budgetary process. We should institutionalize the Limited Budgetary Discretion mechanism, which has been utilized on an experimental basis for the past 6 years. My delegation is of the view that we need to further expand the level of budgetary discretion. At the same time, we should discuss Budget Fascicles Consolidation and Separate Funding for SPM(Special Political Mission) as early as possible.

7. Lastly, we support the Secretary-General's ongoing efforts to strengthen ICT in the UN system. Timely investments in ICT will bring efficiency and effectiveness in the long run, and help strengthen accountability and credibility of the overall UN system. Integration of ICT management throughout the UN system will help overcome the chronic problems such as the fragmentation of ICT capacities and overlapping investments, which have been a major cause for the higher cost of operations and the inefficient implementation of its mandates.

Mr. Chairman

8. In conclusion, my delegation would like to emphasize that fiscal discipline needs to be strengthened through improving the recosting practice. The budget process should be streamlined further, and ICT innovation needs to be incorporated. These are essential elements for the UN to realize a smaller but stronger organization that carry out its mandates in the most efficient and effective manner. I wish to assure you, Mr. Chairman, that my delegation will engage itself constructively and actively in the discussion of the proposed programme budget for the biennium 2012-2013.

I thank you, Mr. Chairman.