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Agenda item 134

Proposed Programme budget for the biennium 2012-2013:

**Financing of Unforeseen and Extraordinary Expenses Arising from
Resolutions and Decisions of the Human Rights Council**

Limited Budgetary Discretion

FIFTH COMMITTEE

Statement by

Ms. María Eugenia Casar
Controller, Assistant Secretary-General
16 December 2011

Mr. Chairman,

Distinguished delegates,

I am pleased to introduce two reports of the Secretary-General; Financing of unforeseen and extraordinary expenses arising from resolutions and decisions of the Human Rights Council and the report on Limited Budgetary Discretion contained in documents A/66/558 and A/66/570 respectively.

Financing of unforeseen and extraordinary expenses arising from resolutions and decisions of the Human Rights Council

With regard to the Secretary General's report on options for financing unforeseen and extraordinary expenses resulting from resolutions and decisions of the Human Rights Council, in operative paragraph 9 of its resolution 65/281 on the review of the Human Rights Council dated 17 June 2011, the General Assembly recognized the need to provide adequate financing to fund unforeseen and extraordinary expenses, arising from resolutions and decisions of the Human Rights Council, and in this regard requested the Secretary-General to present a report with options for consideration by the Fifth Committee at the main part of the sixty-sixth session of the General

Assembly, taking into account the relevant conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions.

The present report outlines three possible options for consideration by the General Assembly, as follows:

- a) Inclusion of a provision for special missions in the area of human rights in the proposed programme budget
 - This option suggests including in the budget outline and the proposed programme budget a provision for financing urgent independent commissions of inquiry and/or fact finding missions resulting from decisions/resolutions of the Human Rights Council;
 - It would require additional appropriation of \$2 million under Section 24, Human Rights of the proposed programme budget for the biennium 2012-2013.
- b) Establishment of a reserve fund for special human rights mission
 - This options presumes establishment, through additional assessments, of a reserve fund in the amount of \$2 million per biennium;
 - Detailed guidance for the use of this fund would be required from the Advisory Committee and the General Assembly, specifying the circumstances under which the funds could be committed, released and reported to the General Assembly in the context of the existing schedule of reporting for the biennium regular budget.
- c) Access to resources under General Assembly resolution on unforeseen and extraordinary expenses
 - This option presumes an access to immediate funding for urgent activities resulting from resolutions and decisions of the Human Rights Council under paragraph 1 (a) of General Assembly resolution on unforeseen and extraordinary resolution 64/246;
 - Terms of the resolution on the unforeseen and extraordinary expenses could be amended to include a sub-paragraph under paragraph 1 of the for activities as mandated by the Human Rights Council with a limit of \$2 million for a biennium, within a specific limit, on the same basis as for the maintenance of peace and security.

The General Assembly is requested to take a decision on the most appropriate option presented in this report.

Limited Budgetary Discretion

With regards to the report of the Secretary-General on Limited Budgetary Discretion (A/66/570), in response to the recommendation of the Advisory Committee¹ which was endorsed by the General Assembly², the current report has been prepared to comprehensively address the following:

- a) information on the utilization of the limited budgetary discretion experiment to date;
- b) the implications, if any, for the human resources management policies and the Financial Regulations and Rules;
- c) the impact on programme delivery as well as the priorities of the Organization as set by Member States; and
- d) the criteria used by the Secretary-General to define the evolving needs of the Organization; and

The report also provides information on the purpose and benefits of the limited budgetary discretion mechanism and recommendations.

As you may recall, following the adoption of the 2005 World Summit Outcome³, the General Assembly reaffirmed the role of the Secretary-General as the chief administrative officer of the Organization, in accordance with Article 97 of the Charter, and requested the Secretary-General to submit proposals on the conditions and measures necessary for him to effectively carry out his managerial responsibility.

The limited budgetary discretion experiment has evolved from those proposals and by its resolution 60/283, the General Assembly authorized the Secretary-General, on an experimental basis, to enter into commitments for up to \$20 million for each biennium for the biennia 2006-2007 and

¹ A/64/7/Add.18

² A/RES/64/260

³ A/RES/60/1

2008-2009 to meet the evolving needs of the Organization in attaining its mandated programmes and activities, subject to defined principles and approval of the Advisory Committee for amounts in excess of \$6 million per biennium. By its resolution 64/260, the General Assembly subsequently extended the current arrangements for exercising the limited budgetary discretion for the biennium 2010-2011.

The purpose of limited budgetary discretion is to allow reallocation of resources between budget sections in order to meet the evolving requirements of the Organization for which resources are not otherwise available. The application of limited budgetary discretion falls outside of the parameters of existing mechanisms and does not require additional funds, or a new appropriation, to be made available by the General Assembly.

The experience gained over three biennia has demonstrated the value of the discretionary authority and enabled the Secretary-General to respond quickly to meet emerging needs by deploying funds within the approved level of appropriations.

The utilization of the experiment has been carried out in accordance with the nine principles set out by the General Assembly, and with full regard to the Financial Regulations and Rules and human resources management policies. The experience shows that the implementation of the experiment has had a positive impact on programme delivery and has allowed the Secretary-General to quickly address evolving requirements which, if left unaddressed, could have negatively impacted programme delivery.

Mr. Chairman,

Distinguished delegates,

Limited budgetary discretion has filled a need that is not provided for by other mechanisms and allows the Secretary-General to carry out his managerial responsibilities more effectively. In light of the experience gained, the permanent establishment of the mechanism with some modification is recommended.

In this regard, the experience following the 2010 earthquake in Chile has shown that the benefit of having limited budgetary discretion vis-à-vis other mechanisms is the speed with which evolving needs, for which resources are not otherwise available, can be addressed. The experience has also

shown that the mechanism can be utilized to ensure continuity of operations following a natural or man-made event.

In view of the events that have impacted United Nations operations and the increasing number and economic impact of natural disasters, combined with the overall positive outcome of the current modality, it is recommended to increase the limit of the discretionary authority from \$20 to \$30 million per biennium. Similarly, in order to ensure that the Secretary-General is able to swiftly respond to evolving requirements, including as a result of natural or man-made events, it is recommended to modify the authority of the Secretary-General to enter into commitments without the prior concurrence of the Advisory Committee to \$6 million per year, rather than per biennium.

Lastly, given the positive experience gained by the utilization of limited budgetary discretion for requirements that will have an ultimate impact across budget sections, it is recommended that an exception be made to implement the discretion in pursuance of General Assembly resolutions calling for the implementation 'within existing resources' in cases where the activities are of a cross-cutting nature, affecting many budget sections. Limited budgetary discretion has filled a need that is not provided for by other mechanisms and allows the Secretary-General to carry out his managerial responsibilities more effectively. In light of the experience gained, the permanent establishment of the mechanism with some modification is recommended.

Thank you, Mr. Chairman.

