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**Remarks by Ambassador Samantha Power,
U.S. Permanent Representative to the United Nations
At the Fifth Committee
On the Final Budget Report for 2012-2013
December 16, 2013**

Thank you and good morning. Mr. Chairman, my government is grateful to you, and the staff of the Fifth Committee for your service, and also to the Assistant Secretary General, Ms. Maria Eugenia Casar, for presenting the Secretariat's second performance report on the 2012-2013 budget, and the Chairman of ACABQ, Mr. Carlos Ruiz Massieu, for his panel's analysis on that same subject.

Mr. Chairman, the United States has been and remains by far the largest contributor to the UN's regular budget and to the UN system. We are proud of that role and we want very much for UN operations and programs to succeed. We are vigorous supporters of the indispensable work that the UN does in combating poverty and assisting development, fighting malaria, TB and HIV/AIDS, promoting human rights, and advancing the status of women, and a whole host of other areas. We are also strongly committed to the UN's core mission of preserving international stability and peace. It's precisely because of our hope and respect for the UN as an institution that we want this institution to operate as efficiently, effectively, and economically as possible. It's also why I come here today. I understand that it is not all that common for the U.S. Permanent Representative to appear before this body. I do so today, because the stakes could not be higher. It is urgent that we move together to put the United Nations on a sound and sustainable fiscal path.

While some steps have been taken, this second performance report makes clear, that progress needs to be faster, broader, and deeper if this institution is to rise to challenges of our times. That the UN seeks an additional \$160 million from Member States for so-called "recosting," evinces a fundamental misunderstanding of the financial strain confronting taxpayers and governments around the world, including those in my own country. We can't support unconstrained spending at the United Nations. The United States calls for the fundamental reform of the "recosting" practice that has led budgets to balloon and made responsible planning impossible.

As we meet today virtually every government in the world – all of us gathered here – back home each of our governments is making very tough budgetary choices, slashing programs that are cherished by some. The financial crisis and the difficult choices around it has brought my own government to a shutdown, has frozen the salaries of U.S. employees, and has led to severe and

serious cuts across all of our programming, including significant cuts at the Department of Defense. Yet, here at the United Nations, programs tend to continue to grow, salaries continue to rise, and missions expand to a level that is untenable.

This organization must be disciplined about priorities. This is true not only because of the financial pressures on the UN's contributors that I've alluded to; but it's also important because of the moral obligations this institution, and all of us have to the people who depend on the UN. When resources are squandered, they become unavailable for purposes that are more urgent. In this committee, we customarily talk in terms of millions, even billions of dollars. But let's never forget what \$100,000 can buy: 130,000 high-energy biscuits for malnourished children; malaria tests for 66,000 girls and boys; or 1,300 basic surgical kits for hospitals.

The best organizations cope with change through a continual process of adaptation, streamlining, innovation and renewal. Those organizations use the challenge of difficult times to lay the foundation for better ones, by reinventing how they do business, and renewing the stores of confidence and creativity on which brighter futures are built.

I'll be frank, Mr. Chairman. In recent years, the federal budget in the U.S. has been the subject of intense debate. Employees have seen their pay go down in real terms. And spending for new initiatives has had to be balanced against reductions elsewhere. And, of course, the average families who fund the U.S. government and the UN in their own lives watch every cent so as to try to make ends meet. I owe it to them to ensure that the UN is showing comparable discipline, comparable management skill, and comparable restraint.

Under the leadership of Secretary-General Ban Ki-moon, the UN has taken some important steps to improve the organization's relevance and performance. Over the past two years, the Secretariat has operated within its budget allocation for special political missions; that is a laudable break from the past and one that my government commends. We've seen welcome attempts to manage vacancies and preserve resources through the forward purchasing of currency. Since 2009, the amount of paper that the UN has saved is equal to a stack 66 times the height of the UN building – a sign that the new UN is willing to abandon old habits, and that entrepreneurial approaches can flourish here.

And when we consider the proposed budget for 2014/15, with the reduction in posts proposed by the Secretary General, we have the potential to establish a more favorable and defensible budget trajectory for this organization.

But there is more, Mr. Chairman, that we can and should do. Much more. In the current budget climate, promises of future change are simply not enough. For evidence, we need look no further than the disappointing aspects of this second performance report.

Recall that two years ago, we approved a budget based on the understanding that if some costs exceeded expectations, others would be reduced to keep the overall spending level roughly the same. This pledge has not been kept. We acknowledge that UN budgets – like most budgets – run up against the real world. Exchange rates fluctuate. Emergencies arise. Budgeting is a mathematical exercise but not an exact science. So we knew two years ago that some net cost

increases might occur, but we also expected that such increases would be kept to an absolute minimum. Instead, since the budget was approved, we have already agreed to two separate additions, totaling \$200 million for recosting; and we have also funded add-ons made necessary by new mandates, such as special political missions in Yemen and the Sahel.

But now, however, the current report seeks an additional \$160 million in recosting costs above and beyond the approved budget. Such a request is not typical of how most businesses and organizations function.

We are essentially budgeting by looking backward, saying the UN budget is what we spent, rather than saying a UN budget is the envelope defining what we have available to spend. The solution is not to keep coming back to this committee for more money; the solution is to balance unforeseen increases with selective cutbacks and improved management. There is an unfortunate tendency to act as if none of these cost increases are within our control – that it is all the result of methodologies that are written in stone and that cannot be altered or countered. The truth is that each of these increases and these methodologies is the product of choice. And what we have the power to choose, we do have the ability to work together to change.

My government proposes that we find a way to accommodate the \$160 million that the Secretariat is requesting without adding to the bottom line of the 2012-2013 budget, or asking our taxpayers and yours to bear this additional burden. We know that, if we have the will, we can find a way to accomplish this. It is essential that we do so. When I return to Washington, and when other permanent representatives return to their capitals, we want to be able to report to our taxpayers that the UN has entered a new era and that governments can be confident that the resources they invest will be used wisely. We want to be able to report that we have put a firm cap on spending for the current biennium, that we have set the stage for a lean and rigorous budget for 2014 and 2015, and that we have adopted a new and more disciplined approach to management, so that the ceiling on budgets already approved will not repeatedly be raised.

But for this to happen, the Secretariat and UN member states must be willing to seek common ground and creative approaches, to engage in dialogue, and to strive to narrow differences of opinion and perspective which we all know exist. As you know, Mr. Chairman, the United States and other major contributors have relied since 1986 on the assurance that key budgetary decisions in this Committee will be made on the basis of consensus, and a definition of consensus should not include a decision that does not command the support of the UN's major contributors. I am appealing to you to work with us to do better this time.

It is within our power, Mr. Chairman, to chart a new course for a renewed UN. It is our power, but it is also our duty, because those who depend on this organization are depending on us to succeed.

Thank you very much.